



Captive Claims 101

Presented by AXA XL and Crawford & Company

Learning objectives



Captive vs non-captive

Identify the key differences between a captive and non-captive claims process



Captive structure

Explain the different ways a captive programme can be structured and the impact this has on claims management



TPAs & fronting companies

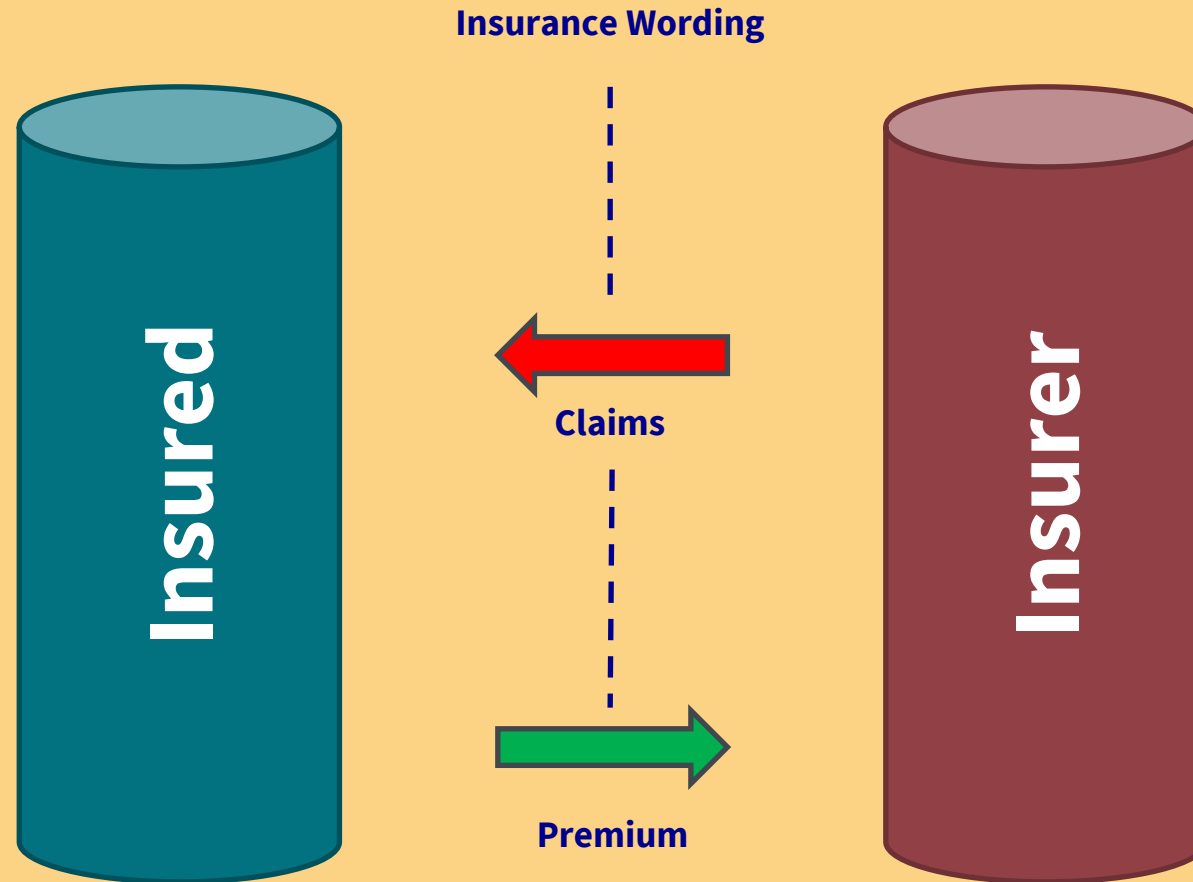
Recognise the role TPAs and fronting companies can play in the claims process



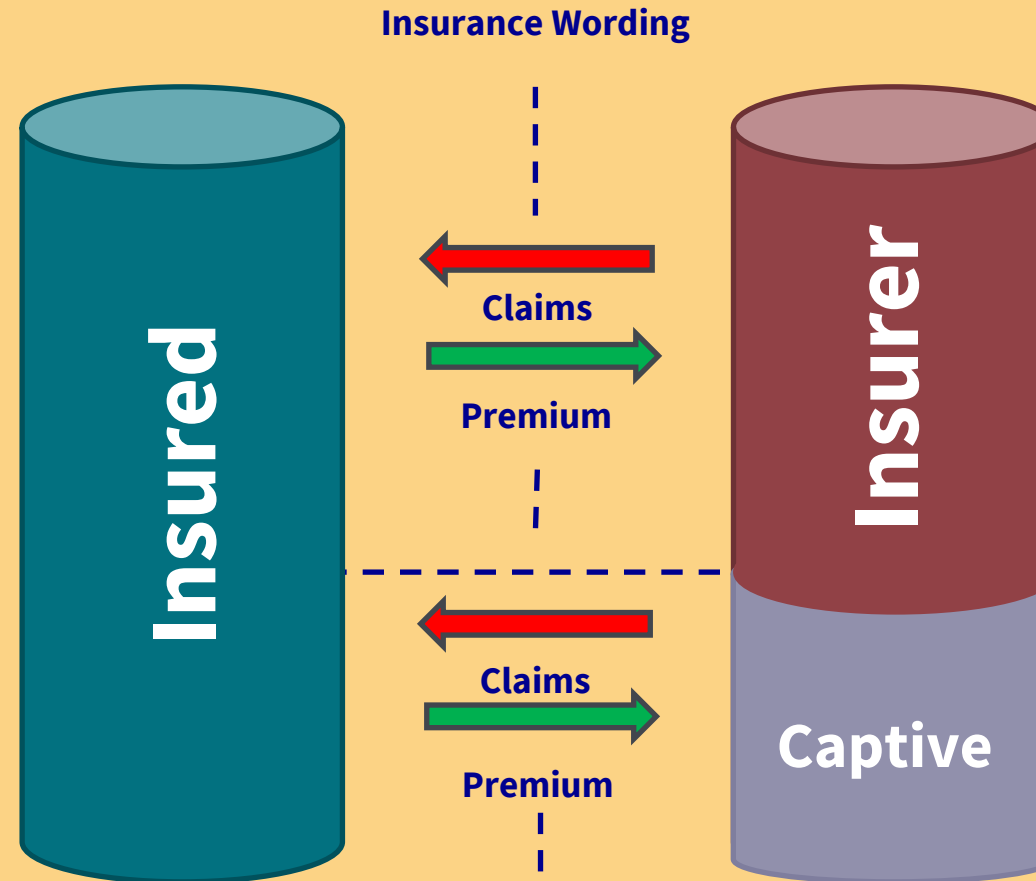
Claims process

Justify why it is so important to have a clear claims process in place from the start

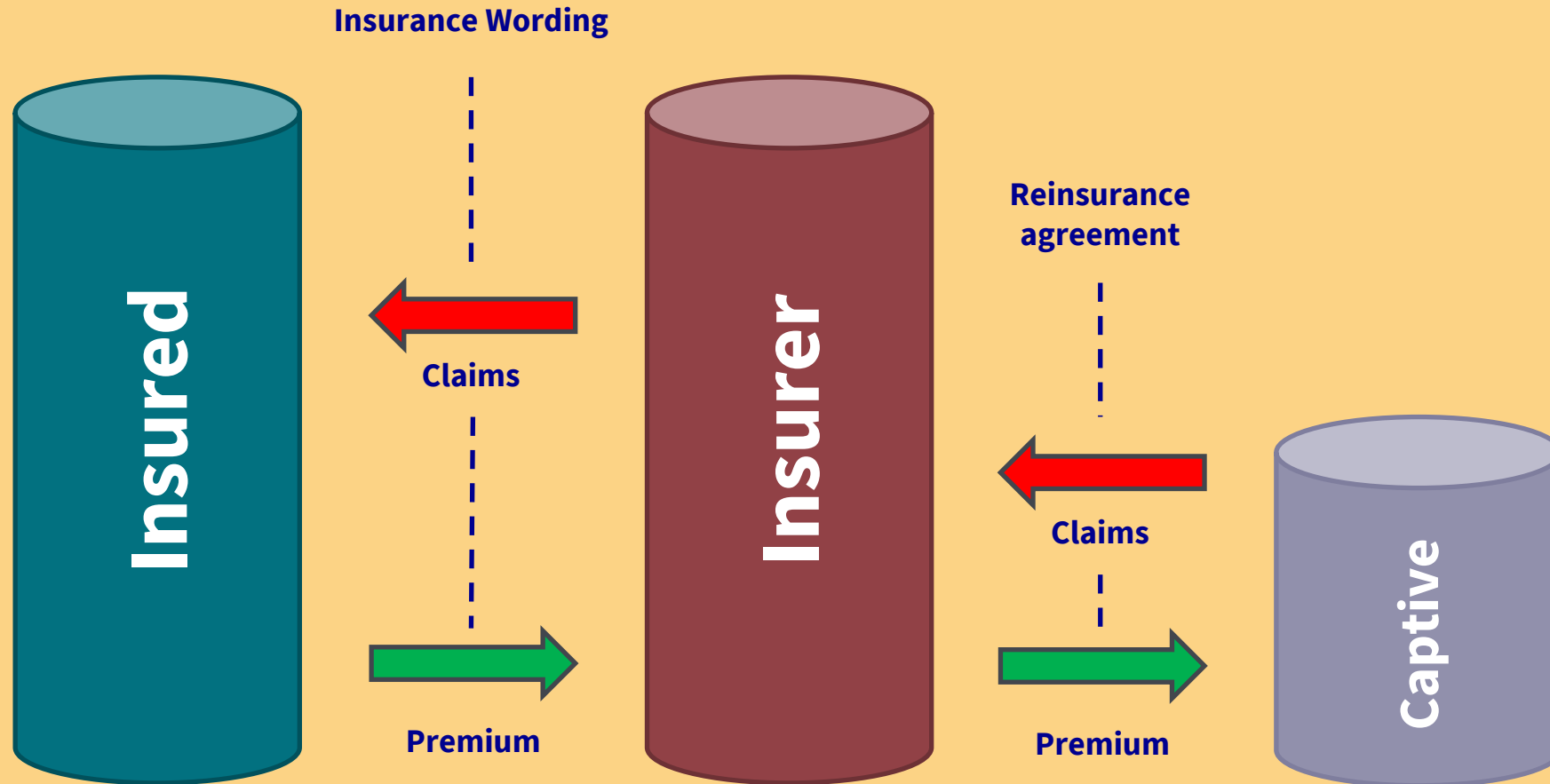
Non Captive



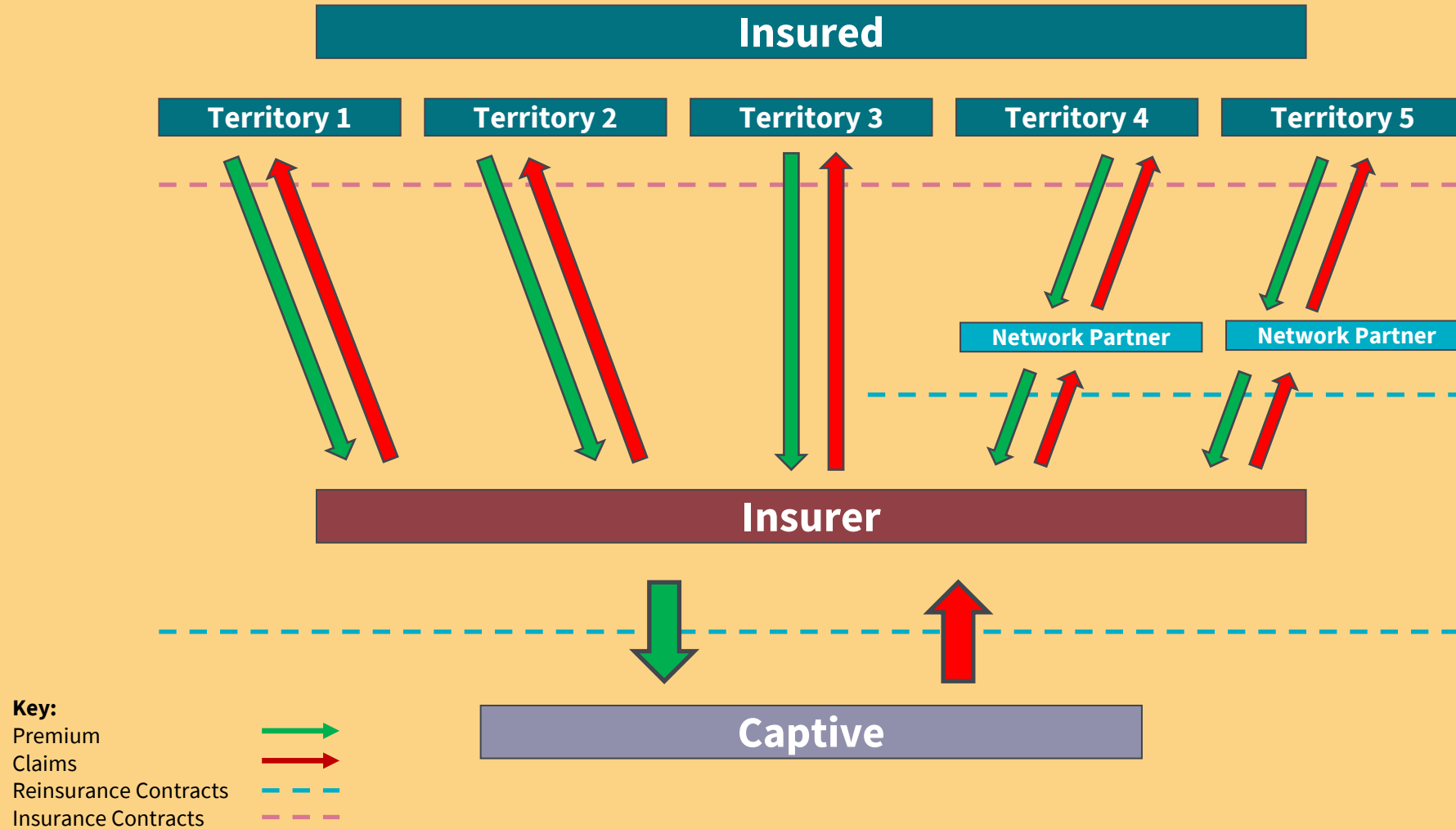
Captive Direct Write



Captive Reinsurer



Global Programs & Captive Cessions



Insurance by pictures



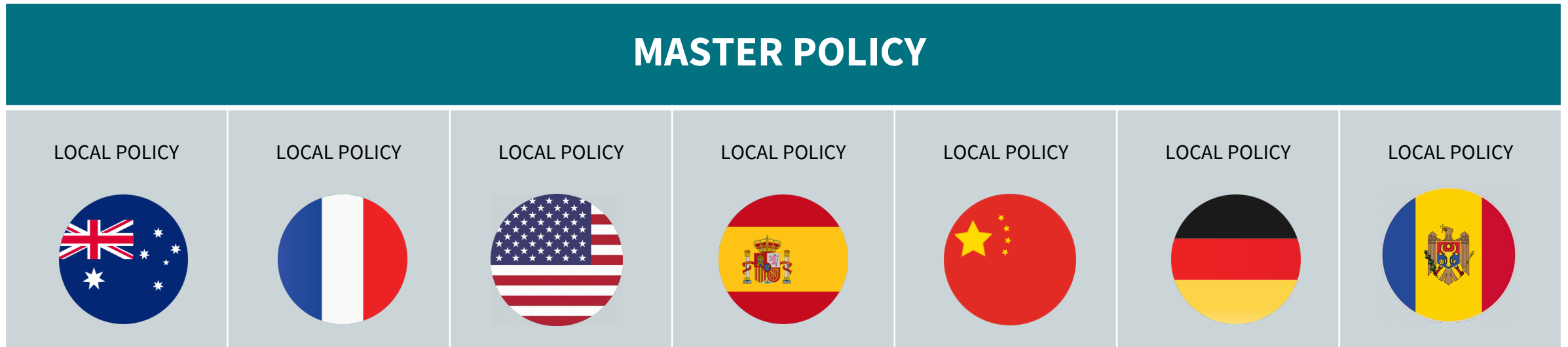
Terminology

- Global Programme
- Admitted Insurance
- Non Admitted insurance
- Freedom of Services
- Cash for Cover
- Master Policy
- Local Policy
- Policy Limits
- Aggregates
- DIC
- DIL
- FIC
- Law
- Jurisdiction
- Network Partners
- TPA
- VAT
- Captive Front
- Direct Captive



How are claims handled?

- Handler in local policy assesses claim under the local policy. If covered, deals.
- If no cover, local handler will refer to master policy for consideration.
- Usually, the local handler handles the claim given their knowledge of the jurisdiction etc, coverage clarification and agreement re reserves and strategy is required from the master claims handler
- Check VAT position for services eg: loss adjusters.



To do:

- ☐ Understand policy structure
- ☐ Understand country-specific coverage
- ☐ Set up claims protocols
- ☐ Agree a process for MI

Supporting Captives & Insurers

How we work with the Market

Direct Writing Captive

- ✓ Working directly with the Captive and Captive Managers
- ✓ Data Requirements: Claims and Accountancy Reporting (Loss funds)
- ✓ Understanding Excess layer Insurer requirements and engagement points

Reinsurance Captive

- ✓ Contract with fronting insurer / complex tri-partite relationship
- ✓ Data Requirements:
 - Reporting to the Insurer
 - Additional information for Captive (Financial) & Corporate (Risk Management)
 - Sharing trends and insights with all Stakeholders

UK only / European / Global Programmes

We have Client's with 1 claim pa and others with 10,000+



Supporting Captives & Insurers

Building Blocks for Excellence

Working in synergy with Captives, Risk Managers, Insurers and Brokers to ensure:

- ✓ Quality and consistency in claims handling and reporting – aligned to Captive or Insurer's philosophy
- ✓ Understanding the programme structure – Master Policy Wording, Local differences, DIC / DIL escalation
- ✓ Protection of the Client's Brand – escalation of 'sensitive' matters, Claimants may be Customers, Claim 'defence strategy' etc
- ✓ Cost control and recovery of payments (where possible)
- ✓ Understanding Compliance / Regulatory responsibilities – for Captive & Insurer
- ✓ Actively supporting the Client's Risk Management strategy
 - With accurate and complete data per country, entity and division
 - System customisation and upgrade to provide Client specific information
 - Loss types, location codes / identifiers, organisation structure, product information etc



Supporting Captives & Insurers

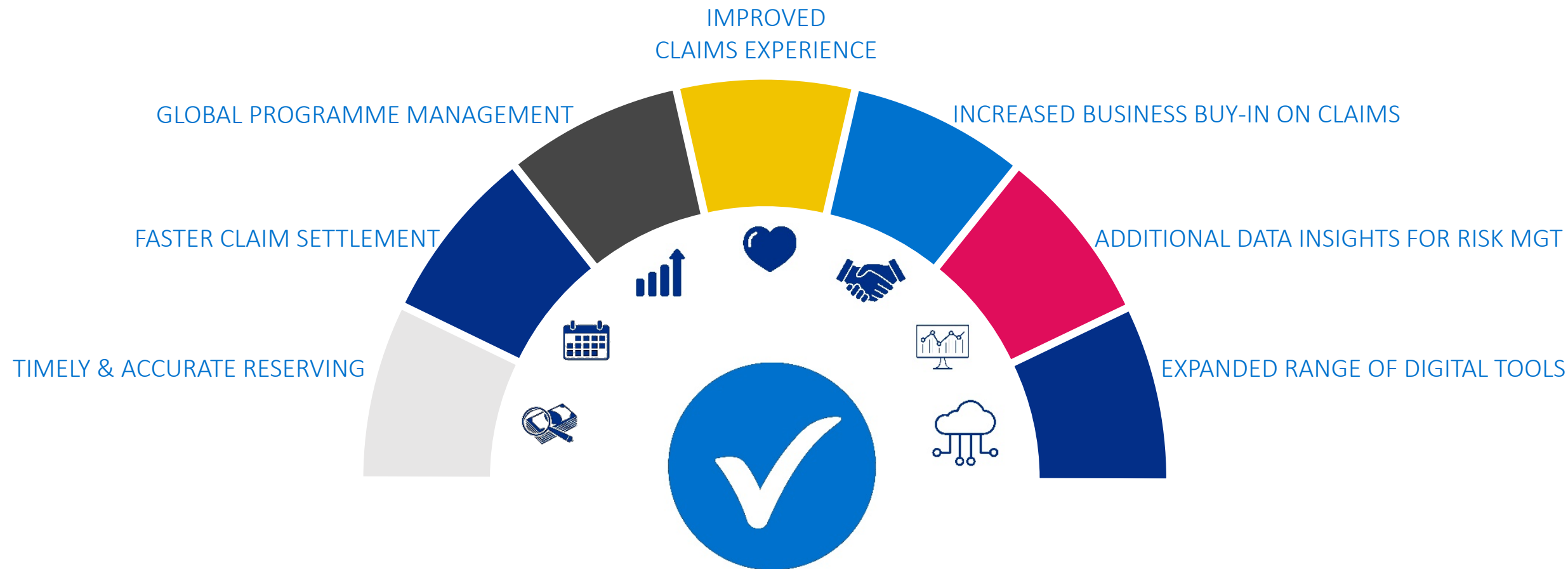
Building Blocks for Excellence

Programme Management know-how:

- ✓ Reporting in local and Master Policy currencies
- ✓ Escalation of claims at Financial thresholds, loss type (serious injury etc) or sensitive criteria (child injury, media etc)
- ✓ Management of loss funds to pay claims
 - Multiple funds
 - For separate Policy Years
 - Different currencies to reduce FX costs
- ✓ High quality Management Information and Insights
 - Reporting by Policy Year – different insurers / programme structures
 - We can include Aggregate monitoring, if agreed upfront
 - Inter-active / Dashboard reports
 - By Country, Region, Subsidiary
 - Portfolio level down to individual claims



Advantages and Benefits



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Claims process

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Thank you

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