
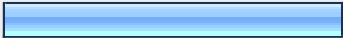








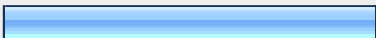
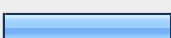
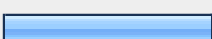
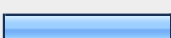


Pulse Survey #10: What's New With Captive Fronting?

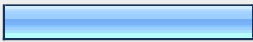
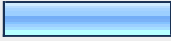

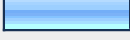
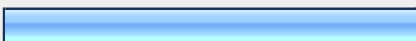
1. Are you responding on behalf of a single parent or group captive? (select one)			Response Percent	Response Count
Single Parent			62.7%	37
Group Captive			37.3%	22
			<i>answered question</i>	59
			<i>skipped question</i>	0

2. How would you describe the most recent fronting cost changes over the previous year?			Response Percent	Response Count
Same or less			50.0%	11
Up 1%-10%			22.7%	5
Up 11%-20%			18.2%	4
Up more than 20%			9.1%	2
			<i>answered question</i>	22
			<i>skipped question</i>	37

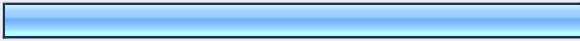
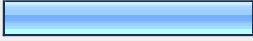

3. Do you expect any difficulties in the next fronting renewal? (Choose all that apply.)			Response Percent	Response Count
No, everything should be about the same			31.8%	7
I am concerned about cost increases			13.6%	3
I am concerned about collateral demands such as LOCs, other			50.0%	11
I am concerned about other demands made by my front (specify)			4.5%	1
			<i>answered question</i>	22
			<i>skipped question</i>	37

4. Does your front also provide your organization with coverage immediately above the captive's retained layers?			Response Percent	Response Count
Yes			40.9%	9
No, the captive buys reinsurance from an unrelated insurer			18.2%	4
No, the parent organization buys (first-layer) excess insurance from an unrelated insurer			22.7%	5
No, we buy no coverage above the captive retained layer			18.2%	4
			<i>answered question</i>	22
			<i>skipped question</i>	37

5. If applicable, why does your front also provide your organization with coverage above the captive's retained layer? (Choose all that apply.)

		Response Percent	Response Count
It is easy		27.3%	6
It is the most economical		18.2%	4
I get better nonfinancial terms		9.1%	2
I had to (i.e., the front insisted)		13.6%	3
I've never been given or considered another option		0.0%	0
No one else wanted me		0.0%	0
Not applicable		45.5%	10
Other (please specify)		0.0%	0
		answered question	22
		skipped question	37


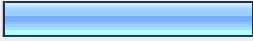

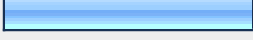



6. How would you describe the most recent fronting cost changes over the previous year?

		Response Percent	Response Count
Same or less		63.6%	7
Up 1%-10%		27.3%	3
Up 11%-20%		9.1%	1
Up more than 20%		0.0%	0
		answered question	11
		skipped question	48

7. Do you expect any difficulties in the next fronting renewal? (Choose all that apply.)			
		Response Percent	Response Count
No, everything should be about the same		63.6%	7
I am concerned about cost increases		9.1%	1
I am concerned about collateral demands such as LOCs, other		36.4%	4
I am concerned about other demands made by my front (specify)		0.0%	0
		answered question	11
		skipped question	48

8. Does your front also provide your organization with coverage immediately above the captive's retained layers?			
		Response Percent	Response Count
Yes		72.7%	8
No, the captive buys reinsurance from an unrelated insurer		18.2%	2
No, the parent organization buys (first-layer) excess insurance from an unrelated insurer		0.0%	0
No, we buy no coverage above the captive retained layer		9.1%	1
		answered question	11
		skipped question	48

9. If applicable, why does your front also provide your organization with coverage above the captive's retained layer? (Choose all that apply.)

		Response Percent	Response Count
It is easy		9.1%	1
It is the most economical		27.3%	3
I get better nonfinancial terms		9.1%	1
I had to (i.e., the front insisted)		27.3%	3
I've never been given or considered another option		18.2%	2
No one else wanted me		0.0%	0
Not applicable		18.2%	2
Other (please specify)		9.1%	1
		<i>answered question</i>	11
		<i>skipped question</i>	48