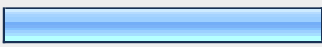
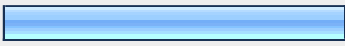
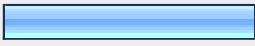
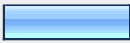
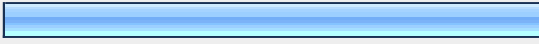
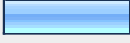







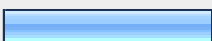



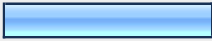





Pulse Survey #14: What's Up With Captive Fronting and Collateral Requirements?



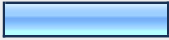



| 1. Are you participating in this survey on behalf of a Single Parent or Group Captive? | | | |
|--|---|--------------------------|----------------|
| | | Response Percent | Response Count |
| I am a single parent captive owner, manager or consultant |  | 35.0% | 28 |
| I am a group captive owner, manager or consultant |  | 37.5% | 30 |
| I am not a captive owner, manager, or consultant |  | 27.5% | 22 |
| | | answered question | 80 |
| | | skipped question | 0 |

| 2. What level of understanding do you have about how your fronting carrier determines your captive's collateral requirements? | | | |
|---|--|--------------------------|----------------|
| | | Response Percent | Response Count |
| Virtually complete understanding |  | 13.6% | 3 |
| Strong understanding |  | 59.1% | 13 |
| Some understanding |  | 13.6% | 3 |
| Little understanding |  | 4.5% | 1 |
| Virtually no understanding |  | 4.5% | 1 |
| No one will explain it to me |  | 4.5% | 1 |
| | | answered question | 22 |
| | | skipped question | 58 |

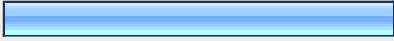
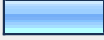



| 3. What form(s) of security does your carrier require for your captive program? | | | Response Percent | Response Count |
|---|---|--|--------------------------|----------------|
| Cash |  | | 18.2% | 4 |
| Letter of Credit (LOC) |  | | 36.4% | 8 |
| Trust Account |  | | 4.5% | 1 |
| Parental Guarantee |  | | 9.1% | 2 |
| Hybrid: LOC/Trust Account/Cash/Parental Guarantee |  | | 22.7% | 5 |
| Other (please specify) |  | | 9.1% | 2 |
| | | | answered question | 22 |
| | | | skipped question | 58 |

| 4. How flexible is the process between you and your fronting carrier in terms of the amount of collateral required? | | | Response Percent | Response Count |
|---|---|--|--------------------------|----------------|
| Completely collaborative |  | | 18.2% | 4 |
| Fairly collaborative |  | | 27.3% | 6 |
| Fairly inflexible |  | | 22.7% | 5 |
| Completely Inflexible |  | | 22.7% | 5 |
| Not sure – have not attempted to influence collateral requirement |  | | 4.5% | 1 |
| Their way or the highway |  | | 4.5% | 1 |
| | | | answered question | 22 |
| | | | skipped question | 58 |


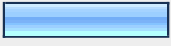
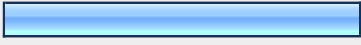
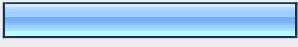


5. What level of understanding do you have about how your fronting carrier determines your captive's collateral requirements?

| | | Response Percent | Response Count |
|----------------------------------|--|--------------------------|----------------|
| Virtually complete understanding |  | 21.4% | 6 |
| Strong understanding |  | 50.0% | 14 |
| Some understanding |  | 17.9% | 5 |
| Little understanding |  | 3.6% | 1 |
| Virtually no understanding |  | 3.6% | 1 |
| No one will explain it to me |  | 3.6% | 1 |
| | | answered question | 28 |
| | | skipped question | 52 |

6. What form(s) of security does your carrier require for your captive program?

| | | Response Percent | Response Count |
|---|--|--------------------------|----------------|
| Cash | | 0.0% | 0 |
| Letter of Credit (LOC) |  | 42.9% | 12 |
| Trust Account |  | 10.7% | 3 |
| Parental Guarantee |  | 3.6% | 1 |
| Hybrid: LOC/Trust Account/Cash/Parental Guarantee |  | 39.3% | 11 |
| Other (please specify) |  | 3.6% | 1 |
| | | answered question | 28 |
| | | skipped question | 52 |

7. How flexible is the process between you and your fronting carrier in terms of the amount of collateral required?

| | | Response Percent | Response Count |
|---|--|---------------------------------|----------------|
| Completely collaborative |  | 3.6% | 1 |
| Fairly collaborative |  | 17.9% | 5 |
| Fairly inflexible |  | 39.3% | 11 |
| Completely Inflexible |  | 32.1% | 9 |
| Not sure – have not attempted to influence collateral requirement |  | 3.6% | 1 |
| Their way or the highway |  | 3.6% | 1 |
| | | <i>answered question</i> | 28 |
| | | <i>skipped question</i> | 52 |