

Alternative Risk Management Department

Fronting Services

- Captives
- Self-Insured Retention Programs via Indemnity & Hold Harmless Agreement arrangement
- Canadian, USA, and globally admitted policies
- All lines of coverage underwritten by the Liberty Mutual Group, with the exception of D&O
- Claims Administration and Risk Control Services by Liberty where required

The Liberty Advantage

- Fronting Experience
 - Servicing the Canadian market since 1996 providing fronting and other Alternative Risk Management solutions
 - Numerous industry sectors, including Petro-Chemical and Manufacturing
- Capabilities
 - Singular point of contact for all fronted coverage lines and administration (including globally admitted policy issuance)
 - Flexible policy limits (dependent on type and amount of collateral)
 - Stand-alone fronting placements
 - Risk transfer placements where needed coordinated with other Liberty units
 - Captive domicile flexibility
 - Underwriting expertise – policy form review and pricing guidance
 - Industry standard and/or manuscript policy forms
 - Access to over 90 countries via Liberty Mutual Group of companies or strategic partners
 - Claims administration by Reinsurer/Insured considered subject to acceptable experience levels and appropriate Third Party Administrator/Legal Counsel availability
- Collateral
 - Cash and/or Letter of Credit and/or Reinsurance Security Agreement
 - Amount and type required based on the specific characteristics of the fronting placement
- Fronting Fee
 - Negotiable (subject to \$10,000 minimum), plus applicable premium taxes, boards & bureau charges
 - Claims Administration Fee to be charged in addition to Fronting Fee where Liberty administering claims
- Account references available on request, subject to prior consent of Liberty's Insured.

General Informational Requirements for Fronted Program

- Full underwriting submission (including loss history)
- Proposed policy and other related contracts
- Audited financials for Captive/Insured
- Actuarial report (where produced) on Captive loss reserves
- Retained Limits/Coverage Line profile for Captive
- Other to be advised, as specific to fronting program under consideration