



SPECIALTY CAPTIVE SOLUTIONS

CHANGE YOUR CLIENT'S OUTLOOK





WHAT IS A SPECIALTY CAPTIVE SOLUTION?

A private insurance solution designed to provide customizable coverage options for unique or difficult exposures business owners face. This type of captive can provide competitive and affordable alternatives to the commercial insurance market for P&C producers and their clients.

Designed to Address Difficult Insurance Challenges

Oxford has developed game changing risk management programs which can be tailored to meet your client's specific program needs. Our low frequency-high severity policy form provides considerable design flexibility, offering potential solutions for an extremely wide variety of hard market challenges, including the following:

- ◆ Increase in commercial premiums – are renewal prices significantly greater than last year? Do you believe that your client's loss history warrants more favorable renewal pricing?
- ◆ Increase in deductible limits – is the existing commercial carrier requiring your client to significantly increase the deductible on their policies? Are self-insured retention layers increasing to unreasonable levels?
- ◆ Introduction of new policy exclusions – is renewal coverage contingent upon acceptance of coverage exclusion for exposures previously covered?
- ◆ Imposition of sub-limit caps – are renewal policies presenting coverage limitations which are more stringent than prior coverage?
- ◆ Carrier non renewal – is your client facing non-renewal of coverage? Are excess layers unavailable or subject to significant premium increase?
- ◆ Clients that need customizable coverages- loss of key customer, loss of key supplier, legislative/regulatory changes and business interruption to name a few.

Your Oxford program can provide protection against risks which prove to be too costly in commercial markets or may be generally unavailable. The inability to obtain specialized types of coverage from commercial third-party insurers is another reason why clients may choose to establish a captive.

Program Highlights

Clients participating in an Oxford Specialty Solution can expect:

- Highly competitive rates
- Flexible & customized solutions
- Streamlined & efficient eligibility processing
- Concierge level of service
- Eligibility to enjoy underwriting profits that result from the program

Why Oxford?

Brought to you by the experts at Oxford, this private insurance solution may very well be the most attractive option to address these challenges and thus serve as an integral part of the client's risk management program.

Oxford Risk Management Group is the nation's leader in delivering alternative risk management (ARM) solutions for enterprise and specialty exposures. Oxford has evolved into the most respected ARM provider and our brand has become synonymous with high quality, as we have perfected private insurance arrangements to meet the varied needs of the insurance advisor community.

How to Get Started?

Prior to your client's policy renewal date, we encourage you to speak with a representative at the Oxford Risk Management Group to review client details, underwriting requirements and evaluate if a Specialty Captive Solution can help. Please allow adequate time for underwriting review and processing.

Market Insights - Powered By Oxford

Today's insurance market is making it more challenging than ever for agents to obtain favorable renewals for their clients and navigate attractive coverage options. It is not uncommon for clients to be faced with:

- Significant premium increases
- Reduced exposure limits
- Introduction of new sub-limits or exclusions
- Requirements to accept greater self-insured retention layers
- An outright non-renewal of their program

To make matters worse, inflexible underwriting approaches combined with a restriction in available carriers in the market, result in limited opportunities for competitive alternative quotes.

Market conditions will be driven both by insurers' actual claims experience as well as fears over trends pushing claim payments skyward, with social inflation and super-sized verdicts being the major drivers. Although social inflation is not a new phenomenon, its impact on the insurance industry has become much more pronounced in recent years. Social inflation includes increased legal advertising, expansion of the litigation finance sector, expanded determination of liability, plaintiff-friendly juries and larger jury awards.

In this hard market, submission flow has spiked as brokers struggle to replace lost capacity, build additional layers of coverage, and move some risks from admitted to non-admitted markets. Insurance advisors must get out in front of renewals earlier than ever, as they experience delays in quotes because underwriters are completely inundated with submissions. Producers need to get applications in early, particularly with high limits or excess layers, and need to take seriously any carrier non-renewal notifications.

For example, excess casualty markets continue to be more challenging than the primary due to shrinking capacity. In most cases, rates on excess layers are exceeding those of primary layers. This has led to some buyers choosing to reduce limits and retain more risk in the face of rising premiums.

Property and casualty producers are knowledgeable about all aspects of the organization's operations, as well as the business and regulatory environments in which they conduct business. Working alongside the client's leadership team, the producer can identify the most important coverages which both supplement and complement their existing insurance program – providing effective risk management with their own Oxford solution. Policy features, coverage and limits which are strategically tailored to meet each organization's specific needs and challenges.

OXFORD CASE STUDY: Trucking company with favorable loss history, facing significant premium increase on upcoming renewal. **Oxford Specialty Captive was implemented to provide:**

<p>\$3 million excess liability layer</p>	<p>20% retention</p>	<p>80% offset to reinsurance pool</p>	<p>15% Less New premium about 15% less than renewal, in addition to potential capture of significant underwriting profit with no loss</p>
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Client total savings approximately **50%¹** with this solution

[¹Combined savings from premium reduction and anticipated cell underwriting profit]



Have an opportunity to discuss?
To open a new case please click here:
Contact@OxfordRMG.com

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All coverages are subject to the terms, conditions, and exclusions of the actual policy issued. Information provided in this brochure does not constitute professional advice; if you have legal, tax, coverage or other questions, you should contact an appropriate professional.

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The Leading Provider of Captive Insurance Services

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