

AUSA Provides Commutation Support.

- *Commutation provides finality on known and unknown exposures.*

COMMUTATION; SUPPORT AND ADVISEMENT

In the life cycle of a ceded or reinsured risk, commutation is the last stop. It is the point at which both parties gain ultimate finality on their contractual relationship to an account or group of accounts.

Commutation takes many things into consideration; the existing known and unknown outstanding liability, the history of payment activity on the claims, the nature of the business at hand, the counterparty (financial health, existing or future relationship, quality of claims handling and reporting), and whether there is a desire to stay on a program longer than the original contract anticipated. Also, the company may consider its own financial health and future underwriting objectives.

Once the reasons have been determined, it is now time to pursue and execute a commutation. Most companies are aware of how to approach this and have the staff to do so. However, there are times when an objective third party can provide insight and market knowledge that will assist the company in accomplishing their goal.

At ApetropUSA, our goal is to work with you to:

- 1) **Understand and Prioritize** your goals.
- 2) **Work within or help you develop a commutation protocol.**
- 3) **Implement** commutation program or due diligence.

Contact us to arrange a non-binding, confidential conversation about your options and any other questions you may have.

We provide services, reinsurance and capital to meet your needs.

The Steps In The Process:

What are they?

What do they mean?

Reserve and IBNR review and analysis: Being able to review a liability portfolio and qualify it based on decades of experience in the international market is an important consideration. Being able to recognize reserving practices, history of payment trends in the market and the negotiating tactics of counterparties is something that can only be gained with experience.

Developing Protocols: We will work within your preferred methodology. If you have not yet had experience in commutations and have not yet developed protocols or commutation approaches, we can work with you to develop that as well. Our desire is to make sure your corporate goals are satisfied and that they are done so in a way which is complimentary to your philosophy.

Final Commutation: Our intent is to do the discovery, analysis and advisement to our client. The next step is the negotiation and execution of the commutation. At your agreement and direction, we can negotiate and bring the counterparty to the signing table.