

Facilitating the Dissolution of a Captive

| Industry | Insurance |
|--------------------|---|
| Motivation | Through an M&A transaction, a company inherited a redundant reinsurance captive. The management team of the company wished to close down the captive in a manner it considered effective. The resulting transaction was: (1) the captive was sold to an unrelated 3 rd party; (2) the acquiring 3 rd party arranged a buyout (loss portfolio transfer) of the insurable risks; and (3) the acquiring 3 rd party closed down the captive. |
| Coverage | Workers Compensation, General Liability, Automotive Liability and Products Liability |
| Buyout Period | Incidents occurring during a 10-year period |
| Potential Benefits | <ul style="list-style-type: none"> > Captive sold to an unrelated 3rd party which closed it down > All potential future liabilities of the captive transferred from the captive through the 3rd party to the insurer |

Global Risk Solutions is a division of Chartis, the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit the Chartis website at www.chartisinsurance.com or the Global Risk Solutions website at www.chartisinsurance.com/us/globalrisksolutions. In the United States, all insurance products are written by insurance company subsidiaries or affiliates of Chartis Inc. Non-insurance products and services may be provided by independent third parties or Chartis' non-insurance affiliates. Scenarios and descriptions are offered only as summaries and illustrations and may not include all terms, conditions and exclusions of the insurance policies and financial products described herein. Please refer to the final insurance policy or other financial product documentation for complete terms, conditions and exclusions, which may vary based on individual jurisdiction or account-specific requirements. All submissions are subject to underwriting guidelines and underwriting review and approval. Certain insurance coverages or financial products may not be available in all jurisdictions. This presentation does not constitute an offer to sell any of the insurance coverages or other financial products described herein. We do not provide legal, credit, tax, accounting or other professional advice, and you and your advisors should perform your own independent review with respect to such matters as they relate to your particular circumstances and reach your own independent conclusions regarding the benefits and risks of any proposed transaction or business relationship. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. Certain products and programs are in the development stage and are not yet finalized or approved for offer or sale. Pending final development and approval, such products and programs may involve insurance, loans and other financial products.