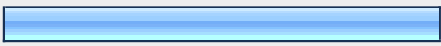
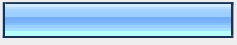
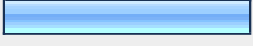


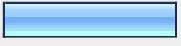
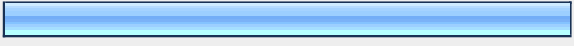





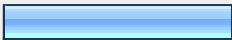
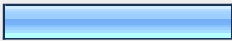

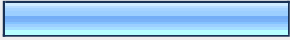
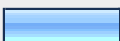


## Pulse Survey #15: Fronting and Collateral Requirements Part 2


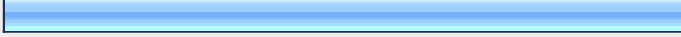
1. I. What type of captive do you represent?			
		Response Percent	Response Count
I am a single parent captive owner, manager or consultant		48.1%	25
I am a group captive owner, manager or consultant		25.0%	13
I am not a captive owner, manager, or consultant		26.9%	14
		<i>answered question</i>	<b>52</b>
		<i>skipped question</i>	<b>0</b>






2. If you have left a fronting carrier, did your previous carrier consider a collateral reduction for expired years?			
		Response Percent	Response Count
Yes, substantial collateral return		6.3%	1
Yes, modest collateral return		12.5%	2
No collateral return		18.8%	3
<b>Not applicable</b>		<b>62.5%</b>	<b>10</b>
		<i>answered question</i>	<b>16</b>
		<i>skipped question</i>	<b>36</b>

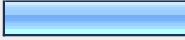
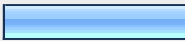

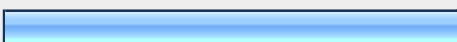
3. If you have stayed with the same fronting carrier utilized last year, how has your collateral requirement changed over last year?			
		Response Percent	Response Count
More collateral is required this year		18.8%	3
<b>The same amount of collateral is required this year</b>		<b>25.0%</b>	4
A bit less collateral is required this year		18.8%	3
Significantly less collateral is required this year		6.3%	1
Not sure		6.3%	1
<b>Not applicable</b>		<b>25.0%</b>	4
		<i>answered question</i>	<b>16</b>
		<i>skipped question</i>	<b>36</b>

4. What is your sense of the available capacity of fronting carriers to serve the captive market?			
		Response Percent	Response Count
There is an abundance of fronting carrier capacity and these carriers should engage in more competitive practices to attract my captive's business		25.0%	4
There is an abundance of fronting carrier capacity and these carriers are engaged in appropriate competition for my captive's business		0.0%	0
<b>There are an adequate number of qualified fronting carriers available to my captive</b>		<b>31.3%</b>	5
<b>There should be more qualified fronting carriers available to my captive</b>		<b>31.3%</b>	5
There is an extreme shortage of qualified, financially sound fronting carriers available to support my		12.5%	2

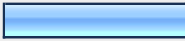

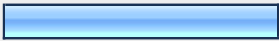
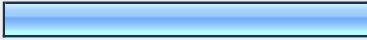
captive		
	<i>answered question</i>	<b>16</b>
	<i>skipped question</i>	<b>36</b>

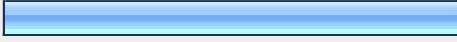

5. Have you considered forming an RRG to utilize as a fronting mechanism?			Response Percent	Response Count
Yes			25.0%	4
No			75.0%	12
		<i>answered question</i>		<b>16</b>
		<i>skipped question</i>		<b>36</b>

6. How will pure collateral decisions be made going forward?			Response Percent	Response Count
No changes; my captive is satisfied with the current fronting/collateral process & methods			6.3%	1
<b>My captive will go with reasonable collateral requirements suggested by fronting carrier</b>			31.3%	5
My captive will engage in discussions with existing carriers in order to better understand the methodologies used to come up with requirements going forward			18.8%	3
My captive will engage in discussions with existing or potential new fronting carriers regarding more lenient collateral requirements and make a decision regarding fronting arrangements based on the outcome of this discussion			25.0%	4
Not sure			18.8%	3
		<i>answered question</i>		<b>16</b>
		<i>skipped question</i>		<b>36</b>

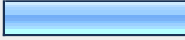



7. If you have left a fronting carrier, did your previous carrier consider a collateral reduction for expired years?			
		Response Percent	Response Count
Yes, substantial collateral return		20.0%	2
Yes, modest collateral return		20.0%	2
No collateral return		10.0%	1
<b>Not applicable</b>		<b>50.0%</b>	<b>5</b>
		<b><i>answered question</i></b>	<b>10</b>
		<b><i>skipped question</i></b>	<b>42</b>

8. If you have stayed with the same fronting carrier utilized last year, how has your collateral requirement changed over last year?			
		Response Percent	Response Count
More collateral is required this year		20.0%	2
The same amount of collateral is required this year		20.0%	2
A bit less collateral is required this year		0.0%	0
<b>Significantly less collateral is required this year</b>		<b>40.0%</b>	<b>4</b>
Not sure		0.0%	0
Not applicable		20.0%	2
		<b><i>answered question</i></b>	<b>10</b>
		<b><i>skipped question</i></b>	<b>42</b>

9. What is your sense of the available capacity of fronting carriers to serve the captive market?			
		Response Percent	Response Count
There is an abundance of fronting carrier capacity and these carriers should engage in more competitive practices to attract my captive's business		0.0%	0
There is an abundance of fronting carrier capacity and these carriers are engaged in appropriate competition for my captive's business		20.0%	2
There are an adequate number of qualified fronting carriers available to my captive		10.0%	1
There should be more qualified fronting carriers available to my captive		30.0%	3
<b>There is an extreme shortage of qualified, financially sound fronting carriers available to support my captive</b>		40.0%	4
		<i>answered question</i>	<b>10</b>
		<i>skipped question</i>	<b>42</b>

10. Have you considered forming an RRG to utilize as a fronting mechanism?			
		Response Percent	Response Count
Yes		50.0%	5
No		50.0%	5
		<i>answered question</i>	<b>10</b>
		<i>skipped question</i>	<b>42</b>

**11. How will pure collateral decisions be made going forward?**

		Response Percent	Response Count
No changes; my captive is satisfied with the current fronting/collateral process & methods		0.0%	0
My captive will go with reasonable collateral requirements suggested by fronting carrier		20.0%	2
My captive will engage in discussions with existing carriers in order to better understand the methodologies used to come up with requirements going forward		10.0%	1
<b>My captive will engage in discussions with existing or potential new fronting carriers regarding more lenient collateral requirements and make a decision regarding fronting arrangements based on the outcome of this discussion</b>		50.0%	5
Not sure		20.0%	2
		<b><i>answered question</i></b>	<b>10</b>
		<b><i>skipped question</i></b>	<b>42</b>