

Chubb Alternative Risk Solutions (CARS)



Chubb Alternative Risk Solutions (CARS) provides insurance and reinsurance alternatives specifically designed to cover risks that may not be adequately addressed in the traditional marketplace. CARS specializes in customized cost-effective solutions, that provide a balance of risk assumption and insurance protection to help our clients use their capital more efficiently.

Product Offerings

Deductible Reimbursement/ Loss Portfolio Transfers (LPTs)

- Deductible Reimbursement/LPTs are situational transactions that can provide coverage for prospective or historical liabilities, usually an insured's deductible obligations or self-insured retentions.
- Underlying exposures are typically the primary casualty lines: WC, AL, & GL; however, other lines of business can be considered.
- Standard contractual features include per occurrence and aggregate limits. Other features such as sub-limits, aggregate self-insured retentions, and variable or adjustable premiums are also utilized.
- Potential benefits include reducing collateral obligations and/or providing certainty in retained liabilities.

Structured Risk Products

- Non-traditional solutions for clients facing limited availability of risk transfer products or significant increases to premiums and/or retentions due to the changing market conditions, adverse loss experience, or shifting underwriting capacity.

- Focused on exposures and layers of coverage that have transitioned from non-working to working layers of insurance.
- Program features include multi-year policy terms with limit structures based on a combination of annual sub-limits, program aggregate limits, and aggregate self-insured retentions.
- Programs often contain profit-sharing mechanisms that allow the insured to benefit from favorable loss experience.
- Recent transactions have focused on the Commercial Auto buffer layer.

Novations

- Novations are an alternative for insureds who have policies issued by financially troubled carriers.
- Chubb can assume insurance policies previously issued by another insurer, with the consent of that insurer and the insured.
- Once all consents are received, Chubb “steps in the shoes” of the original insurer providing financial security and stability for the ongoing claim liabilities.

For more information, contact:

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