



ReSHIP

Reinsurance Study of Highly Insured Persons – 2013

Identify potential
Jumbo Limit Issues
and proactively respond

Improve
Retention Management

MIB first conducted the Reinsurance Study of Highly Insured Persons in 2009 with policy data from eight major reinsurers. The study examined more than six million inforce policies providing a first-ever glimpse into the extent of potential jumbo limit breaches across the U.S. life insurance industry. The results successfully revealed the complex relationship between multiple high-face policies, multiple insurers and reinsurers where an individual had greater than \$65 million of inforce life insurance. For the first time, participants were able to take a proactive approach toward remediation prior to claim with those direct writers, reinsurers and retrocessionaires who shared the risk.

With a proven value, we are inviting large direct writers to participate in ReSHIP 2013. The addition of fully retained business will further enrich this industry-wide study. Early identification of jumbo breaches (of which you were unaware) will give direct writers a new tool to identify and initiate shared risk discussions prior to claim to maintain positive business relationships. Additionally, ReSHIP data will facilitate your retention management, by revealing current market information on shared risks in which your company has participated. The final report flags those excess policies that are within the contestable period, in addition to providing peer group comparisons in multiple categories against the overall industry. Those companies participating in the initial study found ReSHIP was a valuable addition to their risk management toolkit.

MIB's industry positioning, technologies, and actuarial expertise let us deliver unique tools and studies that improve operational risk management practices across the industry.



Methodology

MIB uses its proprietary name search technology to match, align and construct each person's inforce policy relationship to identify coverage that exceeds breach thresholds and calculate a company's financial exposure.

In addition to the standard MIB identifiers, other essential fields include: reinsurer, face amount, issue date and policy number, many of which are used to identify duplicate records. Significant efforts are made to cleanse and de-dupe the data using a multitude of statistical and data scrubbing techniques. All data is securely managed by MIB's data coordinators and unlimited file sizes are exchanged through our secure file transfer tool.

Improvements

Improvements from the prior study include: tighter rules and logic enabling more effective matching and de-duping, refined techniques to reduce *false positive* matches, indicators breaking out automatic vs. facultative business. The addition of new fields around face amount allow for a more in-depth understanding of each excess risk and any over-capacity issues that result. The inclusion of international business from participants will enrich the overall data set.

Custom input fields are allowed, enabling insurers to parse their results by company specific parameters.

About MIB's Actuarial & Statistical Group (ASG)

MIB's actuarial and statistical expertise spans more than three decades conducting industrywide experience studies for the Society of Actuaries and others clients that deliver insights on mortality, morbidity and longevity risk. ASG is the life insurance industry's first statistical agent for the New York State Department of Financial Services assisting insurers with principles-based reserving. MIB's industry positioning together with its actuarial and analytic expertise, help solve some of the industry's most pressing operational risk management issues. Learn more at mibsolutions.com/riskanalytics.

*ReSHIP is an offering of MIB Solutions' Actuarial and Statistical Group.
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Deliverable

A narrative report including company specific results, industry results and de-identified industry comparisons are prepared for each ReSHIP participant. Comparative performance metrics include: Jumbo Breach Ratio, Financial Exposure Ratio, Jumbo Breaches by Duration, and Contestable Jumbo Breaches. Policy level detail including direct writer/reinsurer relationships and pivot table analytics are provided in Excel[®] or results data can be supplied in standard formats for import into your analytic tools. All policies within the contestable period are indicated. Results are provided exclusively to ReSHIP participants.

ReSHIP Datacall

We anticipate a January 2013 datacall with submissions accepted through the end of March. You can reserve your participation in ReSHIP 2013 by contacting your MIB sales representative. Agreements must be signed by year-end 2012. ReSHIP is exclusively offered to members of the MIB Group, Inc.