

ID Jumbo Limit Issues, Proactively Respond

Avoid Costly Litigation and Potential Losses

Reserve your place:

Contact your MIB sales representative at 781-751-6330 or email info@mib.com.

ReSHIP is exclusively offered to members of the MIB Group, Inc. by MIB Solutions, Inc. Individual company results will not be shared.

REINSURANCE STUDY OF HIGHLY INSURED PERSONS

A jumbo breach is one of those high impact, unforeseen events that given a choice, you'd prefer to unravel well in advance of claim. Highly-insured individuals are moving targets — Is the inforce history accurate on the application? Were previous policies actually replaced by new ones or kept in force? Is undisclosed coverage with other carriers being kept in force?

MIB's Reinsurance Study of Highly Insured Persons (ReSHIP) is the only method by which direct writers and reinsurers can recognize these complex, intra-industry relationships and then proactively and amicably resolve issues before they become conflicts. ReSHIP aggregates highly-insured policyholder data from across the industry and shows the aggregate life insurance coverage on an individual above a \$65 million threshold, so carriers can better understand potential jumbo limit breach issues in advance of claim. Now, in its third iteration, past study participants will tell you that ReSHIP has proven its value several times over by avoiding costly post-claim litigation.

- See the totality of your highly insureds' inforce business to identify potential jumbo breaches prior to claim.
- Jumbo breaches that occur in the contestable period are identified.
- Avoid costly, time-consuming litigation from post-claim remediation.
- Use as a "watch list" of near threshold highly insureds for future coverage.
- Gain a consolidated view of your insureds' coverage across your subsidiaries.
- Review at claim to identify others on the risk to share info. and expenses.
- A best practice for risk management—avoid untimely, costly surprises and gain reinsurers' confidence.

ReSHIP enables direct writers to discuss shared jumbo limit risks with their reinsurers to maintain positive business relationships. Final reports give participants policy-level detail so they can trace potential breaches.

We invite all direct writers who customarily issue, retain or reinsure high-face policies to be part of ReSHIP 2017.

ReSHIP participation agreements must be signed by November 30, 2016 with data submitted on or before March 31, 2017. All submitted policy data must be current through the date of final submission.

ReSHIP 2017

METHODOLOGY

With a parent company at the center of the industry for more than a century, MIB has long provided an unbiased, neutral facility where the industry's data can be analyzed, providing actionable information so insurers can better manage risk. MIB leverages its expertise in name matching technologies, data validation and data security to provide a deliverable that is accurate and complete. We extensively scrub, validate and "de-dupe" the data using sophisticated algorithms to align and construct each individual's inforce policy history, calculating breach thresholds and showing a company's financial exposure.

All data is securely managed by MIB's data coordinators. We use multiple file transfer protocols and tools that assure secure file exchange.

GREATER EFFICIENCIES

For ReSHIP 2017, MIB Solutions is using a well-known industry consultant to perform the legwork of validating inforce business on study uncovered breaches. We will also be providing a password protected portal that will enhance

collaboration between participants when reconciling their study results. MIB Solutions incorporates improvements with each iteration of the study including: tighter decision rules and logic for more effective matching and de-duping, refined techniques to reduce false positive matches, and indicators differentiating automatic from facultative business.

DELIVERABLE

The final report with analytics, charts and policy-level detail are provided in Excel®. The analyses include company-specific results, industry results and de-identified industry comparisons for each ReSHIP participant. The results report features comparative-performance metrics including: Jumbo Breach Ratio, Financial Exposure Ratio, Jumbo Breaches by Duration and Contestable Jumbo Breaches. ReSHIP's policy-level detail includes direct writer/reinsurer relationships and pivot table analytics, or results data can be supplied in standard delimited formats for import into your analytic tools. Policies in the contestable period that are part of a breach are flagged. Results are provided exclusively to ReSHIP participants only.

Policy Number	Direct Writer	Surname	Given Name	Middle	Gender	Residence	Birth Date	Issue Date	Wholly Retained	Reinsurer	Face Amount	Reinsurance Amount	Face Amount Accumulation
3349002	ACME LIFE	SMITH	JOE		M	NJ	8/24/1933	12/5/2008	N	X RE	\$ 12,000,000	\$ 7,000,000	\$ 76,000,000
911334626	Dir. Writer 5	SMITH	JOSEPH		M	NJ	8/24/1933	11/1/2007	N	Reinsurer 5	\$ 6,000,000	\$ 1,000,000	\$ 64,000,000
911334626	Dir. Writer 5	SMITH	JOSEPH		M	NJ	8/24/1933	11/1/2007	N	Reinsurer 3	\$ 6,000,000	\$ 400,000	\$ 64,000,000
911334626	Dir. Writer 5	SMITH	JOSEPH		M	NJ	8/24/1933	11/1/2007	N	Reinsurer 2	\$ 6,000,000	\$ 600,000	\$ 64,000,000
911334626	ACME LIFE	SMITH	JOSEPH		M	NJ	8/24/1933	11/1/2007	N	US Re	\$ 6,000,000	\$ 500,000	\$ 64,000,000
1160445	Dir. Writer 6	SMITH	JOE		M	NY	8/24/1933	1/27/2007	N	Reinsurer 3	\$ 5,000,000	\$ 750,000	\$ 58,000,000
1160445	Dir. Writer 6	SMITH	JOE		M	NY	8/24/1933	1/27/2007	N	Reinsurer 2	\$ 5,000,000	\$ 1,050,000	\$ 53,000,000
38930425	Dir. Writer 1	SMITH	JOE		M	NY	8/24/1933	1/26/2007	N	Reinsurer 2	\$ 5,000,000	\$ 1,100,000	\$ 53,000,000
38930425	Dir. Writer 1	SMITH	JOE		M	NY	8/24/1933	1/26/2007	N	Reinsurer 1	\$ 5,000,000	\$ 1,150,000	\$ 53,000,000
38930425	ACME LIFE	SMITH	JOE		M	NY	8/24/1933	1/26/2007	N	American Re	\$ 5,000,000	\$ 950,750	\$ 53,000,000
5554500	Dir. Writer 2	SMITH	JOE		M	NY	8/24/1933	12/8/2006	N	Reinsurer 4	\$ 15,000,000	\$ 2,000,000	\$ 48,000,000
5554500	Dir. Writer 3	SMITH	JOE		M	NY	8/24/1933	12/8/2006	N	Reinsurer 3	\$ 15,000,000	\$ 3,500,000	\$ 48,000,000
5554500	Dir. Writer 3	SMITH	JOE		M	NY	8/24/1933	12/8/2006	N	Reinsurer 1	\$ 15,000,000	\$ 1,750,000	\$ 48,000,000
1105562	ACME LIFE	SMITH	JOE		M	NY	8/24/1933	12/1/1998	N	American Re	\$ 5,000,000	\$ 650,000	\$ 33,000,000
5548873	ACME LIFE	SMITH	JOE		M	NY	8/25/1933	2/15/1994	Y	N/A	\$ 20,000,000	N/A	\$ 28,000,000
1566450	Dir. Writer 4	SMITH	JOE	S.	M	NY	8/24/1933	11/15/1991	N	Reinsurer 2	\$ 8,000,000	\$ 2,500,000	\$ 8,000,000
1566450	Dir. Writer 4	SMITH	JOE	S.	M	NY	8/24/1933	11/15/1991	N	Reinsurer 2	\$ 8,000,000	\$ 3,250,000	\$ 8,000,000
1566450	ACME LIFE	SMITH	JOE	S.	M	NY	8/24/1933	11/15/1991	N	US Re	\$ 8,000,000	\$ 1,500,000	\$ 8,000,000

In the illustration above, ACME's issuance of \$12MM of additional insurance breached the jumbo. ACME was unaware that policies issued earlier from two direct writers (3 & 6) for \$15MM and \$5MM were reinstated. Blue indicates duplicate policies reported.

Participants are expressly prohibited from using the study deliverables as a means to reach any understanding, expressed or implied, with competing participants which tends to restrict competition or impair the ability of participants to exercise independent business judgment regarding matters affecting competition. Participants must make their own independent business decisions with their ceding insurers on how to handle potential jumbo breaches and may not consult other participants about how to do so.