



Cat5: The Catastrophe Response Plan

The quality and robustness of a reinsurance claims service will never be tested more than at the time of a catastrophic loss. The accurate and timely management of this service is vital, as is the provision of accurate financial information to capital providers. The lack of either of these could seriously affect a Reinsurer's image and competitiveness in the market.

Through Axiom's existing links with major reinsurance stakeholders, we know that there are key deliverables that a participant in the global market must achieve to remain competitive:

1. Technical Excellence
2. Accuracy of Reserving
3. Service Delivery
4. Communication between Stakeholders

In order to deliver and balance these critical requirements a nominated catastrophe response team which adjusts, collates and manages all information from major catastrophe losses is essential.

Axiom's Reinsurance Cat Claims Team have handled all the major catastrophe losses that have impacted the Lloyd's market in recent years. This includes losses emanating from the World Trade Centre, and the 2004 and 2005 hurricanes.

Axiom's team of experienced market recognised individuals engenders a culture of responsibility and ownership of problems and issues. With any instruction one of our catastrophe claims managers will be appointed as a focal point for all communication.

Our appointed claims manager will liaise directly with your representative to define the parameters of our instruction, whether this is a full claims management instruction or a set of bespoke services to supplement your existing claims management structure. The key factor in our service is to work in partnership with you to ensure that the expectations of both you and your Clients are met in full.

1. Technical Excellence

First class reinsurance claims management cannot be achieved without highly skilled team members. Working in a partnership approach with you, Axiom will utilise highly technically capable experienced adjusters, recognised within the market for delivering high quality and innovative solutions. We will underpin the technical excellence of our team with the proven infrastructure of Axiom.

Axiom appreciates that one size does not fit all and as a consequence we recognise that flexibility of resources is critical to the effective management of catastrophe claims. Our service is tailored to the individual requirements of our Clients and can be the provision of in-sourced or outsourced expertise.

“Working in
partnership”

“Team of 10 expert
catastrophe
claims managers”

“Flexibility of
resources”

2. Accuracy of Reserving

Accuracy of reserving and the early identification of issues ensure that the settlement process is concluded in a professional, timely and efficient manner.

Cedant reviews undertaken at regular, specified periods assist in the early identification of issues, including:

- ▶ Under/over reserving and contentious issues
- ▶ Non-moving claim reserves
- ▶ Tracking losses through programmes, to ensure reserves are recorded appropriately on all layers
- ▶ Cedant reserving philosophy
- ▶ Demand surge, internal resource issues, etc
- ▶ Underlying claims are handled in line with policy terms and conditions
- ▶ Correct allocation to the outward reinsurance programme

Axiom has considerable experience with this approach and would consistently emphasise a message of support to the Cedant.

Following a Cedant review, Axiom will issue a structured report with full reserve recommendations, allowing each Reinsurer to have full confidence in the accuracy of their reserving and IBNR.

“Professional,
timely & efficient
manner”

“Consistently
emphasise
a message of
support”

3. Service Delivery

In the weeks following a major catastrophe, reinsurers are inundated with loss advice notifications. These notifications range from simplistic and optimistic precautionary advices to total losses involving whole programmes.

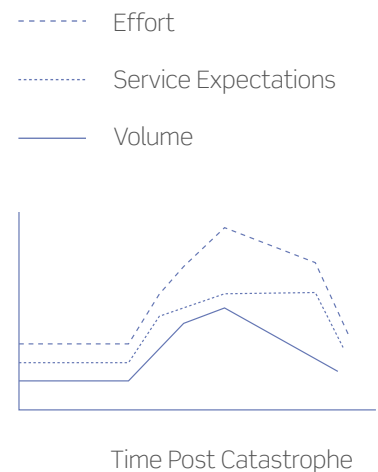
With the increased use of electronic media the pace of claim notifications will undoubtedly increase. The Cedant will, however, still expect exceptional levels of service.

Despite this claim surge Reinsurers will come under increased pressure to service their client's needs at a time of crisis. The steady flow of non catastrophe claims will also continue. Even the most highly efficient organisation will find this surge difficult to resource.

Failure to cater for this surge could result in a number of issues for a reinsurer:

- ▶ Potentially dissatisfied clients
- ▶ Insufficient time to adjust to the reinsurers normal professional standards
- ▶ Inaccurate/late advising of the reinsurers own outwards programme

Axiom offers a tailored solution to meet your organisation's needs. We have the expertise and resources to provide an efficient and pro-active catastrophe claims management service. Alternatively, we can provide additional claims management resources to free existing adjusters so that they can concentrate on catastrophe claims.



4. Communication between Stakeholders

Client Communication

Whilst service delivery is vitally important to the success of any business, it cannot stand alone. It is critical that excellent service delivery goes hand in hand with communication between all interested parties. Axiom can demonstrate that the most effective method of communication takes place when it is on a peer to peer basis.

Axiom will, therefore, nominate a Senior Claims Adjuster who will be responsible for your account. This will provide a focused and informed forum for the discussion and resolution of any relevant issues. This peer to peer approach combines the account management and relationship management roles frequently separated by service providers.

Regular account management meetings will be conducted on a pre-agreed, structured and recorded basis.

This will provide auditable and agreed action points. The account management meetings will be supported by informal dialogue on an ad-hoc basis.

Broker, Intermediary and Cedant Communication

A significant and contributing factor to the success of strategic claims management is the ability to enhance communication in an elongated distribution chain. Axiom will utilise the strong relationships that exist between our senior claims adjuster and global (re)insurers and global (re)insurance intermediaries. This will ensure the accurate and timely flow of information to support robust reserving and fast settlement of claims to policyholders.

“Excellent
service delivery
hand-in-hand with
communication”

“Auditable
and agreed
action points”

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