PERR KNIGHT

SERVICE REFERENCE GUIDE

ACTUARIAL CONSULTING FOR SELF-INSURANCE & ALTERNATIVE RISK FINANCING

Leading corporations, government entities, and many other types of organizations increasingly are considering alternative approaches for financing risks. Alternative risk financing takes many forms, including:

- Self-insured retentions
- Large deductibles
- Captive insurance
- Risk retention groups
- Risk purchasing groups
- Risk pools
- Joint Powers Authorities

Alternative risk financing methods introduce unique challenges. Companies must understand the specific financial and regulatory requirements associated with alternative risk financing, choose the most beneficial structure, and then properly fund and reserve for future costs. Such companies also find themselves dealing with complex accounting standards associated with the Governmental Accounting Standards Board (“GASB”), the Financial Accounting Standards Board (“FASB”), and Sarbanes-Oxley. Perr&Knight’s actuarial consultants can help meet these unique challenges.

PERR&KNIGHT'S ACTUARIAL CONSULTANTS

Perr&Knight has assembled an expert team of actuaries including 30+ Fellows and Associates of the Casualty Actuarial Society and the Society of Actuaries making us one of the top 10 largest property and casualty actuarial consulting firms in the United States. Our actuarial consultants come from numerous, diverse backgrounds, including rating bureaus, primary insurance companies, reinsurance companies, insurance departments and other consulting firms. They have experience with nearly all lines of property & casualty and accident & health insurance. Perr&Knight's actuarial consultants provide our clients with:

- A comprehensive array of actuarial services
- Extensive industry knowledge and expertise
- Accomplished project management and consulting skills
- Excellent communication skills

OUR SELF-INSURANCE AND ALTERNATIVE RISK FINANCING CLIENTS

Perr&Knight has worked with hundreds of clients who engage in alternative risk financing. Our clients include the following types of entities:

- Publicly traded companies
- Privately held companies
- Not-for-profits
- Hospitals and other health care organizations
- School districts and universities
- Government entities
- Religious institutions
- Fraternal organizations

Many of our clients finance the lines of insurance traditionally insured in the alternative market, including workers compensation, general liability, commercial auto and medical malpractice. We also provide actuarial services to clients who choose to finance more niche coverages, such as cargo, fraud, directors and officers liability, trade credit and contingent liability.

Captive insurance is an important means of alternative risk financing for many of our clients. We provide services to captive clients domiciled in Arizona, the District of Columbia, Hawaii, Montana, Nevada, South Carolina, Vermont, Barbados, Bermuda, the Cayman Islands, as well as several other domiciles. Perr&Knight is also very involved in the Arizona, Hawaii and Vermont captive insurance associations.

ACTUARIAL SERVICES FOR SELF-INSURANCE AND ALTERNATIVE RISK FINANCING

Perr&Knight provides a complete array of actuarial services for alternative risk financing, including:

- Feasibility studies
- Captive/Self-insurance program design
- Pro-forma financial projections
- Certification of self-insurance reserves
- Loss reserve analyses and opinions
- Loss projection and funding analyses
- Limits, deductible and retention analyses
- Equity and cost allocation
- Cash flow analyses
- Analyses of the impact of reinsurance
- Reinsurance Risk Transfer Analyses
- Workers' Compensation Large Deductible and Retrospective Rating Tools
- Workers' Compensation Large Deductible Collateral Evaluations

ACTUARIAL ANALYSIS

All actuarial analysis is subject to our peer review and technical review processes to ensure that our recommendations and results are based on accurate and thoughtful calculations. Perr&Knight's actuarial consultants have access to an extensive database containing millions of personal and commercial carrier rate filings. Our actuaries can obtain premiums charged by insurance carriers and industry loss statistics from these filings in order to make projections for an entity entering the alternative risk financing market with no experience, or to supplement an entity's historical data.

ABOUT PERR&KNIGHT

For over 30 years, Perr&Knight has provided insurance consulting and software solutions to the property & casualty and life, accident & health industries.

Our consulting services combine deep insurance expertise with technology, data and automation to help clients move from strategy through execution. Our capabilities include strategy (PK Blueprint), actuarial consulting, applied AI consulting, product development, insurance policy and forms consulting, regulatory compliance, compliance and operational assessments and training, state filings, agency and entity licensing, technology consulting, statistical reporting and data services, predictive analytics, and bureau monitoring and maintenance.

PK1Cloud is Perr&Knight's integrated insurance technology platform, designed to bring product development, filings, compliance, data, workflows, and institutional knowledge into a connected environment. The platform incorporates a growing range of AI and automation capabilities to help insurance professionals analyze information, streamline routine work, accelerate product development and navigate regulatory requirements more efficiently. From concept to market and throughout the ongoing product lifecycle, PK1Cloud helps carriers, MGAs and program administrators work faster, improve visibility and control, reduce friction and manage regulatory complexity with greater precision.

With offices nationwide and nearly 200 insurance professionals, including more than 35 credentialed actuaries, PK is among the largest independent actuarial and insurance consulting firms in the United States. For more than three decades, we have helped our clients not only respond to change in the insurance industry, but build what comes next.

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