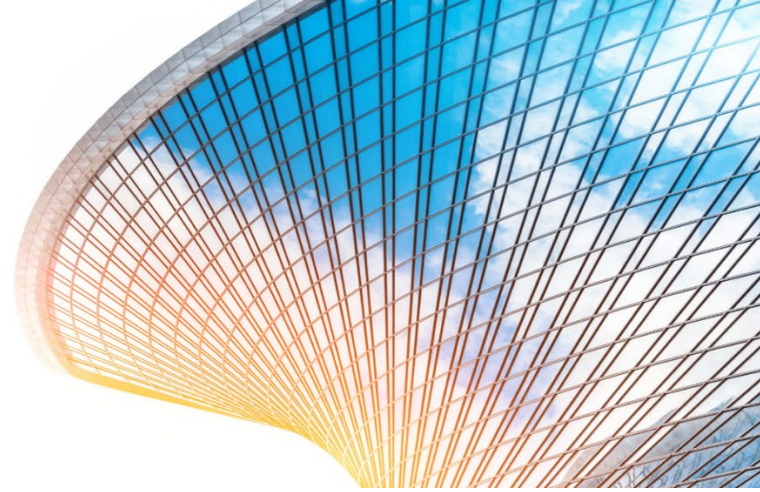




From analysis to action



Creating value while strategically managing risk

Accelerating results

We recognize the challenges of balancing strategic business needs with the costs and risks associated with your long-term business objectives. KPMG self-insurance professionals are well positioned to help you mitigate risk and uncover opportunities. We provide objective, unbiased insight based on our extensive industry experience, and empower you to make more informed decisions. We will provide an objective review and assessment of your insurance program and give you quantitative and qualitative insights that provide meaningful, measurable, financial benefits to the organization.

Our informed analysis, your informed decisions

An insurance program tailored to your company's needs and risk appetite is critical. With economic pressures, a changing risk profile, contract coverage questions, and a rapidly changing insurance market, now is the time to assess your insurance risk program.

We listen, learn, assess, and advise

A strategic review of an insurance program is typically accomplished in a staged approach.

Phase 1: Current insurance program assessment

We gain an understanding of the current insurance program and the challenges being faced by management and key stakeholders. We identify alternative program structures and provide a report with our findings.

Phase 2: Quantitative and qualitative analysis

Using qualitative and quantitative actuarial techniques, we analyze the costs of the existing program and potential costs of selected alternative options, including the use of a captive.

Phase 3: Results feedback

In our advisory capacity we provide unbiased, objective, value-oriented, and fact-based analyses to help you define a roadmap forward.

Phase 4: Monitor

After optimizing your insurance operations and reducing the overall cost of compliance and risk management, we continue providing related services, such as actuarial analyses and related regulatory filings.

Why KPMG

We deliver the innovative thinking necessary to help our clients identify the path and approach that is right for them.

Your KPMG team will deliver:

- **Experienced multi-disciplinary insurance savvy team** including fully credentialed actuaries, accounting advisory, insurance advisory, and tax professionals.
- **Objective perspective:** We have your best interest in mind by providing an objective perspective that is not aligned with a broker or captive manager.
- **Proven experiences:** Our self-insurance professionals work with many of the top Fortune 100 companies, and organizations from all sectors.
- **NextGen technology:** KPMG drives innovation with new technologies like data visualization and claim level machine learning analytical techniques.
- **Practical approach:** We will work collaboratively with you and tailor the approach to address your specific challenges.

Captive Related Services

Whether you have or are considering a captive insurance program, KPMG can help you assess, modify, and enhance your insurance program.

Captive strategy review

Captive strategy review and implementation: Perform cost-benefit analysis of a captive or alternative risk transfer options to manage insurance spend, coverage needs, and provide a tax efficient mechanism.

Captive implementation: Design a blueprint and business plan for the captive to commence underwriting, including designing the optimal structure and domicile options, and performing captive feasibility studies.

Risk transfer: Cash flow testing and actuarial analysis to determine presence of risk transfer.
Tax: Review the appropriate Federal and state tax filing status of the captive and suggest any changes to optimize the after tax benefit of the captive.

Premium and reserve analysis

Unpaid claim cost estimate: Actuarial analysis, customizing each analysis to reflect an individual's program's structure and characteristics. This is critical for a program's financial statements and assessing experience.

Premium and funding analysis: Actuarial analysis comparing premium paid to an estimate of loss experience, including a funding analysis of an estimate of the prospective period.

Benchmarking study: Compare company experience relative to industry benchmark and experience.

Cost allocation: Assist in the assessment of cost allocation of insurance expenses across entities/profit centers.

Transfer pricing: Analyze the existing premium calculation and allocation to determine if the premiums are at appropriate levels such that it meets regulatory and tax requirements.

Capital modeling/ management

Capital adequacy: Work with management to align capital with risk appetite.

Capital efficiency: Provide an adequate return on capital to parent company/ shareholders.

Insurance strategy: Determine advantageous mix of self-insurance vs external insurance; evaluate captive feasibility and other forms of alternative risk transfer. Compared to similar services provided by a broker or captive management company, we provide unbiased recommendations around insurance program design.

Hard market protection: Protect the company from the swings of the insurance underwriting cycle.

Deductible pricing/ retention level support

Variability study: Model the retained and insured losses under various scenarios at different confidence levels.

Deductible/limit study: Estimate retained losses under various deductible and limit structures and/or estimate insured losses by layer and compare to premium quoted by layer, providing the Company with increased negotiating leverage during insurance renewal.

Contact us

Bron Turner

Partner, Audit
T: 441-294-2706
E: bronturner@kpmg.com

Matt Hills

Associate Director, Advisory
T: 440162477399
E: matthewhills@kpmg.com

Pierrick Livet

Senior Manager, Advisory
T: 441-505-4167
E: pierricklivet@kpmg.bm

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