

## Benefits of Deductible Reimbursement Policies

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Deductible Reimbursement Policies (DRP) are increasingly popular for larger, financially secure insureds, especially for Workers Compensation and Commercial General Liability lines, but can be offered for any line, including Business Automobile, Professionally Liability, and Property. DRPs are designed to satisfy the traditional large deductible obligations, including collateral requirements, claims escrow and paid loss reimbursement.

Moreover, DRPs are often used with captive solutions in which the captive insurer issues a policy directly to the insured. The policy terms typically mirror the large deductible policy terms, and the limits offered by a DRP can range from \$100,000 to several millions depending on the size of the insured. What's more, different limits can be issued for different coverages.

### **The benefits of a DRP include:**

- Reducing third-party insurance expenses
- Providing for smooth cyclical insurance premiums
- Accelerating premium expense deduction for losses within deductible
- Exerting control over claims services and proactive risk management practices
- Realizing underwriting and investment income
- Leveraging captive assets to insurers for other lines within business

Caitlin Morgan can provide your insureds with a Deductible Reimbursement Policy for any line coverage line as long as the deductible payments exceed \$100,000. We also offer a number of captive solutions. To find out more about our DRP product and all our solutions, please contact



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