

Today, companies are increasingly taking more proactive approaches to managing risk. Impacted by challenging market conditions and severity loss trends, these businesses are choosing increasingly larger deductibles and retentions as key risk management tools. But, when a loss results in claims under more than one policy, the financial burden of paying two or more deductibles or retentions may be overwhelming. In response to this risk, ACE Risk Management has developed the Retention Clash Policy to help companies with large deductibles or retentions protect their bottom line.

Target Market

- Companies that retain \$100,000 or greater through deductions or SIRs in two or more of the following lines:
 - Auto Liability
 - General Liability
 - Workers Compensation
 - Property

Key Competitive Advantages

- Helps reduce the impact of multiple retention payments
- Allows companies to take higher retentions while still managing total exposure to loss
- ACE financial strength

Limits Available

- Limits
 - Up to a \$10 million policy aggregate
 - Per occurrence sub-limits will apply to each line of insurance

The following are general examples that illustrate how the Retention Clash Policy may apply.

Scenario One:

Workers Compensation and Auto Liability

Company Z's delivery truck collides with a van carrying a family of seven. The driver of the truck suffers serious injuries and the impact kills two family members riding in the van.

Company Z has the following retentions:

Auto	\$500,000
Workers Compensation	\$250,000

The losses under each policy greatly exceed the applicable retention. Company Z must pay \$750,000 to satisfy both retentions before its carriers will pay their share of the loss. If Company Z had purchased a Retention Clash Policy with a retained amount of \$500,000, it would have reduced its out of pocket losses by \$250,000 because the Retention Clash Policy would reimburse Company Z for any retention payments within the policy limit after Company Z pays the agreed retained amount.

Scenario Two:

Workers Compensation, General Liability and Property

A refinery explosion at S Incorporated kills five workers and severely burns two engineering consultants visiting the refinery. The explosion also damages one of S Incorporated's buildings. S Incorporated has the following retentions:

General Liability	\$500,000
Workers Compensation	\$500,000
Property	\$250,000

Damages under all three policies exceed the retention. S Incorporated is responsible for \$1.25 million in retention payments for this accident. If S Incorporated had purchased a Retention Clash Policy with a retained amount of \$500,000 and a \$1 million limit, S Incorporated could be reimbursed a total of \$750,000 over its retained amount of \$500,000 for this accident.

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Minimum Requirements

- Minimum Premium of \$25,000
- Minimum Deductibles/Retentions
 - Two or more deductibles or retentions of at least \$100,000 per line of business

Submission Requirements

- Completed ACE Clash Retention application
- Five years of ground up loss information
- Identification of any historical clash losses

Electronic submissions may be sent directly to our centralized underwriting team via email to: XSWC@ace-ina.com. Our team will contact you after receipt to confirm the submission and underwriter assignment.

Contact

For more information, please visit the ACE Risk Management website at www.aceriskmanagement.com.

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The above is a product summary only. The examples provided herein are for illustration purposes only. In the event of a claim, coverage will depend on the facts presented and the terms and conditions of the policy. For actual terms and conditions, please refer to the policy.

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