



Caribbean Catastrophe Handling

Procedures 2023

Catastrophes have a huge impact on people, society and the economic situation in a country

The role that Insurers, Brokers and other risk carriers have in the recovery process is crucial. We value and respect the part we have in this process. It is DEKRA's vision to ensure safety and for more than 90 years we have been the global partner for a safe world.

If you would like to discuss any of the points raised in this document then please do not hesitate to contact us:

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DEKRA – a global partner for a safe world

With our wealth of experience we are pleased to submit our Catastrophe Plan for your consideration. Our catastrophe solutions combine advanced technology, global loss adjusting capabilities and significant geographical experience.

With over 45,000 people in 60 countries we are uniquely positioned to provide solutions to the most difficult situations. Each of the many variables - magnitude, extent, mix of property affected etc. - impacts every catastrophe differently, and each time a disaster occurs we face new problems and learn new lessons. During the 2017 and 2019 seasons we were presented with fresh challenges and have been able adapt including the use of new technology.

Improvements in technology mean that we can contact and discuss claims with policyholders using secure encrypted systems, providing a quicker response time and information dissemination to the risk carrier.

DEKRA Loss Adjusters & Surveyors (DEKRA) has a uniquely qualified team of adjusters, who have been handling individual catastrophe losses since the early 1980s. Our senior staff has built up a wealth of experience of the many difficulties which follow catastrophe perils, and the knowledge gained from such operations has contributed greatly to our preparation.

The purpose of this document is to outline our plans for managing a catastrophic event but we also need to ensure we understand and implement your specific needs. You will have requirements individual to your business and we would encourage this communication so that can respond effectively and efficiently.

The key components of this being that we:

- Make available the right levels of staff to respond without delay.
- Make sure that a proper and cohesive management structure exists so that every person has clearly identified priorities and tasks have the IT support systems operational as soon as possible.
- Establish on-site relationships with suppliers.
- Provide regular updates to our clients.

Operational

DEKRA has the largest network of adjusters available in the Caribbean region, including Bermuda. DEKRA is uniquely prepared to respond to an event in these regions with our local operations having intimate knowledge of the region, licensing requirements, rates and major risks located in these areas.

Client Communication

DEKRA has the corporate structure and resources with which to respond. In particular this requires:

- Adequate manpower and equipment
- IT reporting systems
- Financial ability to maintain and then mobilize these resources

The single most significant concern in implementing a catastrophe plan is the availability of manpower. In this regard DEKRA maintain an annual register of adjusters throughout the group who are prepared to make themselves available for catastrophe secondment. In addition DEKRA has developed and trained regional professionals including, quantity surveyors and engineers to support the adjusting team.

Administrative support is supplied for deployment on and off island. Preference is to include administrative support with the initial deployment, but assistance on a virtual basis is the fall-back position.

Management

In the event of a catastrophe, a management team with clearly defined functions and appropriate authority levels will be immediately established under the direction of the Catastrophe Director.

Our offices will provide day-to-day liaison with Insurers, Reinsurers and Brokers.

Preparation and Notification

Selection of the management team will be made at the time the incident is notified, taking into account the following factors

- Immediate availability of personnel
- Knowledge of the region where the incident occurred
- Experience of catastrophe management
- Any required special knowledge / Account nominations
- Run-off requirements



Resourcing

Adjusting Staff

Currently we can provide an immediate response team of experienced adjusters from DEKRA regional resources, supplemented by additional staff within 72 hours.

Independent Contractors - Adjusters and Surveyors

Judicious use of independent contractors strengthens a catastrophe handling team and can be cost-effective. These contractors are well known to the company and a list of independent contractors, augmented by inclusion of DEKRA consultants, is maintained.

Secretarial and Office Staff

The use of existing employees or temporary personnel for secretarial and other support functions is crucial for effective management of process and logistics. We will always look to augment the loss adjusting teams with this administrative support.



Case Handling

Allocation of Claims

The management team will be responsible for the efficient allocation of claims to adjusting staff and/or contractors, having regard to the size, complexity and nature of each loss, and any client preference for an individual adjuster.

As soon as the local situation becomes clear, the Catastrophe Director will ensure an adequate representation of each adjusting discipline.

Supervision and Management

Team Leaders will be appointed as necessary, and will be responsible for the efficiency of that team, quality and timeliness of reports, and accuracy of adjustments reporting to the Catastrophe Director.

Dedicated Teams

Some Insurers may request a team of adjusters dedicated to the handling of their claims. In such instances agreement will be reached with the Insurers on team size and composition, location, reporting and adjustment procedures.

Claims Run-off

We recognise that it is vital to concluding a successful catastrophe operation that we properly run claims to their natural conclusion with the same care and attention that prevailed during the peak.

On conclusion of the main catastrophe operation individual adjusters will return to their own offices, and a run-off team will handle remaining outstanding cases, review re-opened cases and deal with any new instructions. The Catastrophe Director will continue to be responsible for the run-off and final closing of the operation.

Communication

Reporting Procedures

Reports will be issued in accordance with client requirements. Standard procedure is to provide an initial advice / preliminary report at the earliest possible opportunity, giving initial information and an estimate of the loss, followed by an interim or final report as soon as practicable.

Reports may be in abbreviated form by agreement with clients, and bordereaux can be supplied for large numbers of claims on a single account.

We undertake to supply updated information to our clients on a regular or as required basis.



Systems

In addition to our claims management interface for the control of files, we have developed i2i a system to assist in investigation on a remote basis.

With i2i we can easily make visual contact with your client, from any location, safely and responsibly. The features and functionalities include:

- ˆ Secured and encrypted lines
- ˆ GEO location check
- ˆ Option to record conversations
- ˆ HD quality also in pictures
- ˆ Every network is usable
- ˆ Two way screen sharing
- ˆ Different languages available

DEKRA i2i means: rapid scheduling of appointments and dealing with questions and problems remotely. Combined with DEKRA TPA systems the use of powerful communication tools has shown us how to cut down inspection times as well as release of vital claim data.



Financial Planning

Fee Structure / Invoicing

DEKRA recognise that the preferences of Insurers/Reinsurers vary. Arrangements for fee charging and expense reimbursement will therefore be developed in discussion and by agreement with individual clients. By the nature of the event catastrophes do present challenges and we encourage open dialogue to ensure all parties are satisfied with the agreed arrangements.

It is our experience that both for simplicity (to avoid complex apportionment of time and expense) a percentage scale is the most efficient basis.

(a) Time and Expense

As per the company's standard charge out rates at the time.

(b) Notes

- External specialist consultants' charges will be added as a case expense as needed and authorized by our principals and are not within the 25% charge.
- The above charges are calculated on the gross adjusted loss before coinsurance/average, policy limits and deductibles.
- It is important that early agreement be reached with our instructing principals on the basis of fees and interim invoicing in order to ensure adequate cash flow and proper funding of the catastrophe operation.
- Inter-island travel may incur additional charges, depending on frequency, type of expense and time to complete. Any other exceptional additional expenses such as COVID or other restrictions will be added upon agreement with our instructing principals.

Expenses

DEKRA have a number of controls in place to minimize costs, but it is a fact that a catastrophe operation is expensive. Therefore for most catastrophe locations, on all cases we charge a flat rate of 25% of the fee to cover all expenses except consultant's charges.

There are several potential catastrophe locations with a high cost of living, where the 25% flat rate may not be sufficient to cover expenses. In such locations we would discuss and agree an appropriate uplift percentage with our instructing principals.

Escrow Accounts

We have a wide experience of handling and disbursing funds via escrow accounts, and providing regular reconciliations to clients. Within our London office we maintain staff and systems to manage accounts, ensuring compliance with various internal and external regulatory requirements

Payment Terms

Our normal settlement terms are within 30 days - and net of all withholding taxes.

However, there will be times when cash advances are appropriate to assist with some of the considerable outlays. These arrangements would be discussed on an individual basis.

Summary

It is our intention to provide as efficient a service as possible and given the hands on nature of our operation, we can in most instances adjust any of the below aspects to suit specific needs:

- Domestic portfolios:
Potentially a high volume of primarily home owner claims arising island wide from a single event.
- Commercial Losses:
A wide range of medium and large commercial risks including business interruption losses necessitating the involvement of experienced general and executive level adjusting skills.
- Multi National and Specialist Industries:
These include utility and petrochemical companies, aspects of the communication and agricultural industries who by their size, complexity and potentially sensitive nature are assigned to a Senior Adjuster with prior experience of the field.

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