

North America Fronting



Overview

North America Fronting develops innovative, compliant, highly customized fronting programs to manage challenging risks for traditional and non-traditional exposures.

Combining collaboration with AIG's Underwriting, Credit, Legal, Claims and Actuarial teams, with an ability to tap into our Captive Management solutions, AIG North America Fronting designs customized programs for insureds who:

- **Require evidence of insurance** for regulatory, disclosure, financing, marketing, trading, or counterparty needs.
- Experience increased retentions, premiums, attachment points and/or limited availability of underwriting capacity for risk transfer in traditional markets.
- **Seek greater certainty and flexibility** on coverage and premium through varying market cycles.

North America Fronting Advantages

- Part of AIG's holistic North America Captive Solutions platform that is a leading provider of Captive Management, Fronting and Group Captives solutions to support clients at all stages of the captives lifecycle.
- Skilled at critical aspects of fronting programs including money movement, policy wording and issuance, invoicing and claims.
- Uses AIG's established, A rated paper.¹
- Provides deep access to underwriting excellence for broad range of products, classes and industries.

¹ AM Best Credit Report, American International Group, Inc., January 26, 2024.



What is Fronting?

Fronting structures involve an insurer issuing an insurance policy where the risk of loss arising under that policy is retained by the insured or captive insurer through an indemnity agreement or reinsurance agreement.

North America Fronting Solutions in Action

	 Retail BOP	 Energy Casualty	 Property
Issue	Under tight time constraints, a national franchisor required a highly customized solution for its complex franchisee Business Owner's Program (BOP).	A long-standing energy and chemicals industry client, who self-insurers a large portion of its risk, required evidence of casualty insurance at levels above its current limits.	A North America leader in modular offices and mobile storage units, who typically self-insures for most risks, need rated paper to satisfy counterparty requirements.
Solution	Building off a budding relationship with AIG Risk Management, North America Fronting brought together its expertise with the skills of AIG's group captives and programs professionals, as well as experts across critical functions, to provide a highly innovative solution for thousands of franchisees in a timeframe many thought impossible.	Utilizing a new process to provide fast track fronting solutions with a standardized program structure, AIG North America Fronting partnered with AIG Energy Casualty to provide an excess general liability fronting solution for the client.	Leveraging the client's strong balance sheet and geographically dispersed footprint with limited CAT exposure, we developed a fully collateralized indemnification fronting solution for its property risks.
Benefit	The fronting solution helped the franchisees move to a new captive structure that enabled them to retain more risk while protecting their businesses.	With the certificate of insurance in place, the energy company was able to satisfy contractual requirements.	The new fronting solution enabled the client to meet regulatory and contractual requirements, and pursue its plan for growth.

Contact Us!

For more information about North America Fronting, please contact:



CJ Donovan
Head of North America Fronting
cj.donovan@aig.com
617-519-7866



Ryan Gustafson
Head of Captive Solutions
ryan.gustafson@aig.com
312-930-8311



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