

# **Collateral Versatility**

to Support Your Risk Management and Financial Strategies

Crum & Forster's flexible approach to collateral options means we can tailor solutions to meet our customers' specific needs and provide better alignment with and support of their financial strategies. In addition, our approach can allow our customers to grow without significant disruptions to their collateral programs.

We take a team approach, with our Credit Management, Underwriting and Actuarial teams working closely together to provide nimble responses and a full-service approach to finding collateral solutions.

## **Flexible Collateral Options**

Our collateral options may be used as stand-alone vehicles or in combination with one or more additional options.<sup>1</sup>



#### Letter of Credit

- Competitive liquidation credits
- True installments rather than an automatic step-up



## Trust Account

- Interest bearing risks
- Flexible terms



#### Surety Bond

 Up to 100% collateralized by surety bond for acceptable risks



## **Pre-Funded**

(Loss Reimbursement Fund)

- Follows premium payments
- Potential return on first adjustment
- Closeouts available for select risks

#### Passive Cash

- Interest rate on cash is the 90-Day T-Bill rate
- Flexible payment plan
- 1 Banks issuing LOC and Surety Bond Carriers need to be approved by Credit Management prior to receiving the instrument.

# Benefits of our flexible approach to collateral can include:

- More effective Liquidity Management
- Reduced Opportunity Costs associated with tying up capital
- Improved Credit Capacity
- More effective **Planning and Budgeting** with predictable collateral requirements
- Easier Compliance with Regulatory Requirements for collateral
- Greater Agility and Competitiveness

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