

FAQs

WHAT IS A RECIPROCAL AND WHAT ARE THE BENEFITS?

A reciprocal insurance exchange is a common way to structure an insurance company. A reciprocal exchange is similar to a mutual, in that they're both owned by their policy holders. One of the main benefits of a reciprocal is its efficient capital structure, which equates to more stability and security.

WHAT IS THE AM BEST RATING OF VICTOR INSURANCE EXCHANGE? AND HOW SECURE IS THE EXCHANGE?

Victor Insurance Exchange is licensed as a domestic surplus lines insurer in Delaware and is rated A- (Excellent) by AM Best. Companies with an A rating have demonstrated an excellent ability to meet their financial obligations in the judgment of AM Best. AM Best has assessed and analyzed the credit worthiness of insurance companies across the globe since 1899. This rating is reflective of a strong projected balance sheet, robust risk management and good operating practices and oversight controls. Since its founding in July of 1998, ICAT has demonstrated itself to be a secure market with the core mission of helping clients quickly recover after an event, which is also a key tenet of the Exchange. For the latest Best's Credit Rating, access www.ambest.com.

HOW IS VICTOR INSURANCE EXCHANGE STRUCTURED AND MANAGED?

All reciprocals need a separate entity, called an Attorney In Fact (AIF), to run the day-to-day operations. An Attorney in Fact is governed by a board and also is subject to the periodic oversight and input of a Subscriber Advisory Committee, which is comprised largely of subscribers of the Reciprocal. Victor Attorney in Fact will oversee the underwriting of its program manager, ICAT, and Victor AIF also will manage Victor Insurance Exchange's finances, reinsurance, claims operations and all other matters. Victor AIF will be owned by Victor and Gallatin Point Capital.

WHAT IS THE SUBSCRIBER AGREEMENT?

The subscription agreement, also called the subscriber agreement, is a document that establishes the subscriber as a member of the Exchange and appoints the "attorney in fact," responsible for managing the Exchange's operations. It also includes key details such as the surplus contribution, the management structure of the Exchange, and how disputes are handled. The signing of this document is required for all policyholders who have an insurance policy with the Exchange as a carrier.

WHAT HAPPENS WHEN I NEED TO FILE A CLAIM?

Being prepared and responsive is what we do. Our in-house Boulder Claims team has processed over 42,000 catastrophe claims, issued over \$3.4B in payments and handled over 70 catastrophe events. Additionally, the team practices multiple annual catastrophe drills and utilizes state-of-the-art claims administration technology to accelerate claims payments. Visit icat.com/claims/report-a-claim to report a claim.

WHAT IS THE SURPLUS CONTRIBUTION FROM SUBSCRIBERS?

The Surplus Contribution contributes to the surplus capital of Victor Insurance Exchange. ICAT does not earn income from, nor take a percentage of, this contribution. Policyholders pay an extra 10% on the Exchange's portion of your policy premium. For example: a premium of \$1,000 on a policy that the Exchange has a 50% participation on would require a \$50 contribution, for a total of \$1,050. Additional details are available in the [Subscription Agreement](#).

IF I OWN A PART OF VICTOR INSURANCE EXCHANGE, WILL I BE CHARGED EXTRA PREMIUM IF THE EXCHANGE SUFFERS LARGE LOSSES?

No. The Delaware Department of Insurance requires a small minimum policy holder surplus to avoid issuing policies that can be assessed in the event of a loss. With over \$100,000,000 in starting surplus, a conservative reinsurance structure, and prudent underwriting, Victor Insurance Exchange will not issue policies that can be assessed.

WILL I BE PAID DIVIDENDS IF THERE IS A SURPLUS?

Any dividend payment will need to be requested by the Attorney In Fact of the Exchange and approved by appropriate regulatory bodies. Strong reserves are essential to the long-term health of the Exchange. In its initial years, building and maintaining a strong reserve is the first goal of the exchange. It is unlikely that Dividends will be required or approved until that goal has been accomplished.

THE RECIPROCAL IS CALLED VICTOR INSURANCE EXCHANGE, WHO IS VICTOR?

Victor is a leading global managing general underwriter (MGU) with locations in the US, Canada, UK, Netherlands, Germany, Italy, and Australia. Victor's US operations also include ICAT, the digital-based underwriter and producer of US catastrophe insurance. Globally, Victor handles more written premium than any other MGU on behalf of numerous insurance and reinsurance relationships. It distributes specialty property and liability programs and 'main street' small commercial insurance products through a large network of active insurance agents, brokers and producers. With a deep underwriting bench, strong technology capabilities, and a relentless focus on service, Victor is building on 65-plus years of experience to develop innovative and sustainable insurance solutions that address risk in new and evolving areas. For more information, visit www.victorinsurance.com.