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| **Checklist 11—Large Deductible Policies** | **Project Assigned To** | **Date Completed** | **Completed By** | **Notes** |
| ***Overview***   * Meet with Manager of Large Deductible Collections (and/or other appropriate personnel) to discuss large deductible Collection procedures, personnel and responsibilities, staffing and what will be required from staff as a result of the order * Conduct interviews of appropriate large deductible collection department personnel to determine policies and procedures. Document same. * Establish a large deductible recoverable balance as of the receivership date |  |  |  |  |
| ***Gathering Documentation***   * Determine location of large deductible records – secure and inventory. This should include: |  |  |  |  |
| * All policies containing large deductible endorsements * Claims files arising under such policies * Correspondence files * Billing records   + Letters of credit, trust agreements, deductible reimbursement policies or other collateral * For all LOCs, trust accounts, funds withheld:   + Secure all originals   + Notify all banks and trustees of the order |  |  |  |  |
| ***Documenting Large Deductible Collection Procedures***   * Review recent billings for all large deductible policies * Obtain a list of large deductible payment history and determine whether insured payments have been ongoing or if payment from collateral has been required. * Obtain a list of paid and unpaid bills updated after liquidation * Obtain claim documentation for claims arising under large deductible policies   + By paid loss and loss reserves and ALAE paids and reserves   + List of claims in litigation/arbitration * Review large deductible billing system; determine that all paid losses arising under large deductible policies have been billed. |  |  |  |  |

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| * Determine whether large deductible endorsements provide that losses within the deductible are limited in the aggregate * Evaluate recovery processes and determine if new procedures are appropriate * Determine whether collateral is held by affiliated/unaffiliated third party via large deductible reimbursement policy, trust agreement or other vehicle, and evaluate whether collateral can be transferred to the receivership * Document insured collection disputes * Determine which functional group handles disputes * Interview members of each group responsible for coordinating, monitoring and controlling large deductible collection disputes * Audit large deductible collection-specific systems. Track data from source to final product to verify billings are correct and inclusive and internal controls are adequate |  |  |  |  |