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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
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| ***Gathering Documentation**** Determine location of large deductible records – secure and inventory. This should include:
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| * 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
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| ***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
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