



**NATIONAL
INTERSTATE**
INSURANCE.
Member of Great American Insurance Group

RIGHT SIZING YOUR INSURANCE

Through Captive, SIR, or Traditional
Programs



NATIONAL INTERSTATE OVERVIEW

Founded

1989 as a Passenger Transportation Insurer

Focus

School, Charter, Limousine, Transit, Entertainer Coach, NEMT

Major Lines

AL, APD, WC, GL, Property & Excess

Captive Footprint

Over 50 (Single entity & Group) with the oldest launched in 1996

AM Best Rating

A+ Superior



RISK FINANCING OPTIONS



GUARANTEED COST / TRADITIONAL INSURANCE

- No upside – no downside
- Insurance company keeps all profit & investment income



SELF INSURANCE / LARGE OR SMALL DEDUCTIBLE

- Self insurance can have unlimited downside
- Large deductible can be upfront savings
- Small deductible may make sense depending on loss history



ALTERNATIVE RISK TRANSFER (ART)

- Keep the risk you can predict and control
- Reinsure away the catastrophic loss



TYPES OF CAPTIVE



**Member-
Owned
Captive**



**Group
Rental
Captive**

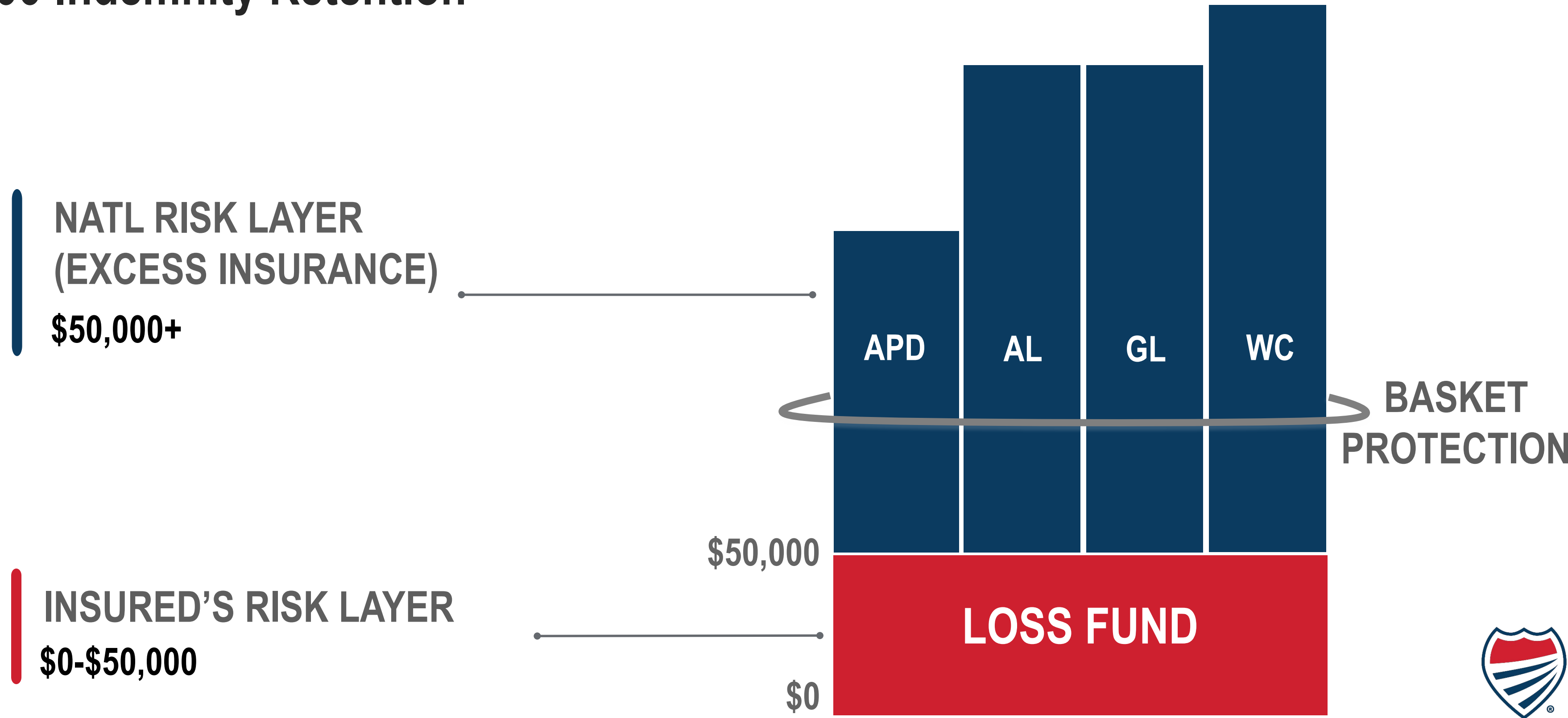


**Single
Parent
Captive**



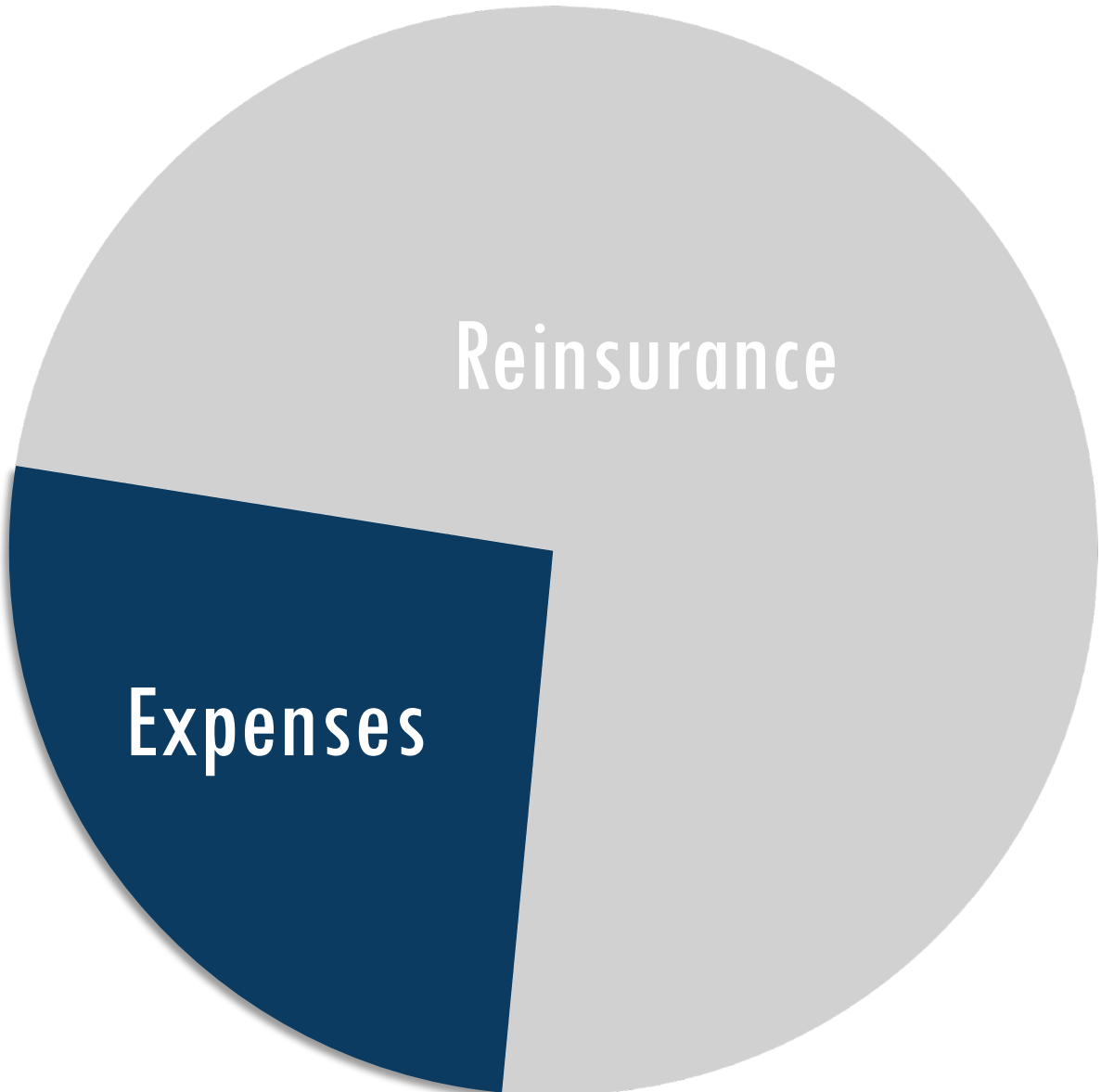
ENTRY LEVEL CAPTIVE STRUCTURE

\$50,000 Indemnity Retention

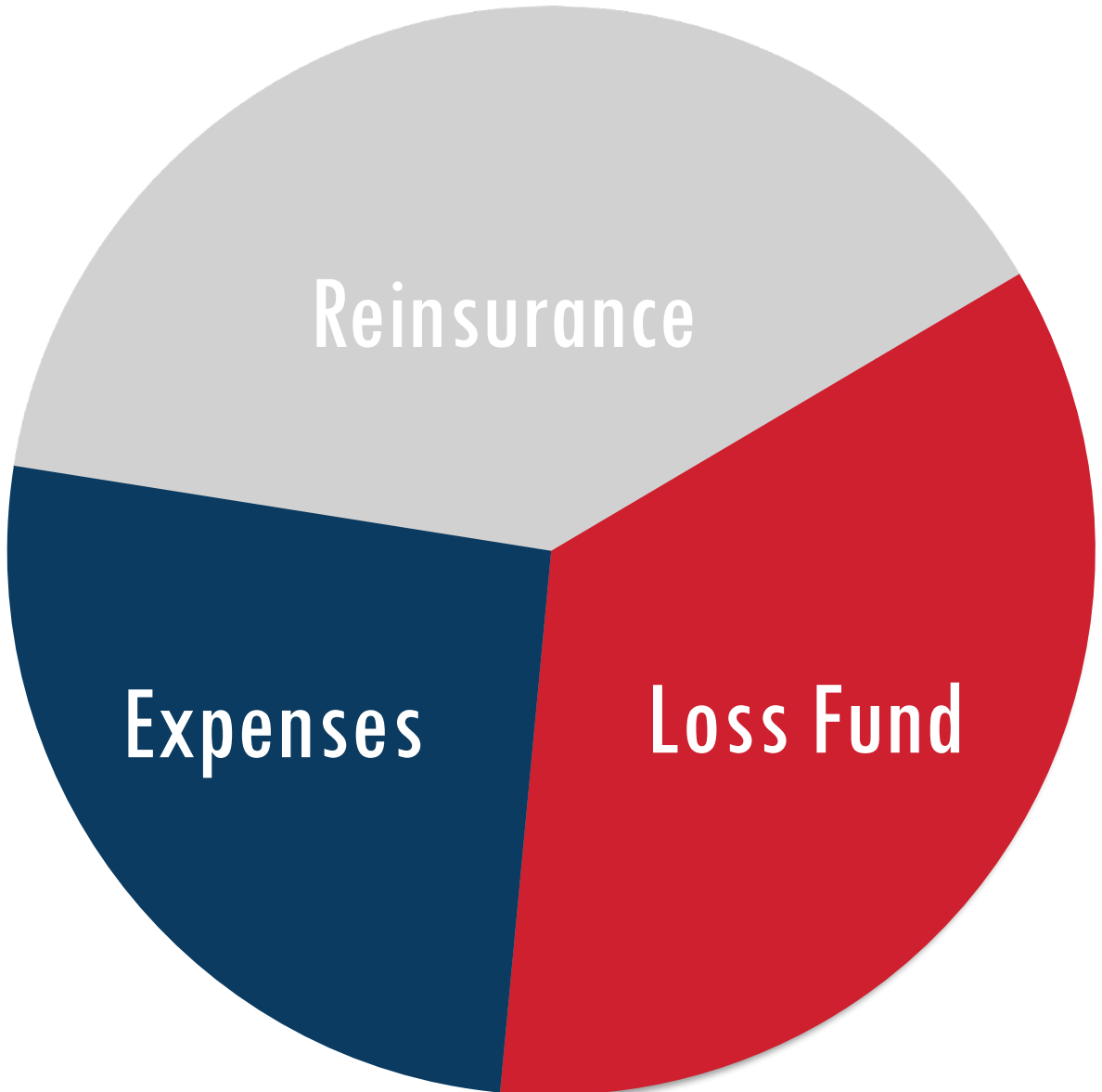


POLICY PREMIUM DISTRIBUTION

First Dollar Policy Premium Distribution



Captive Policy Premium Distribution



DIGGING INTO THE LOSS FUND

WHAT IS IT?

Pre-funded dollars set aside from your premium payments.

Pays for claims within your retention limit (\$0-50,000)

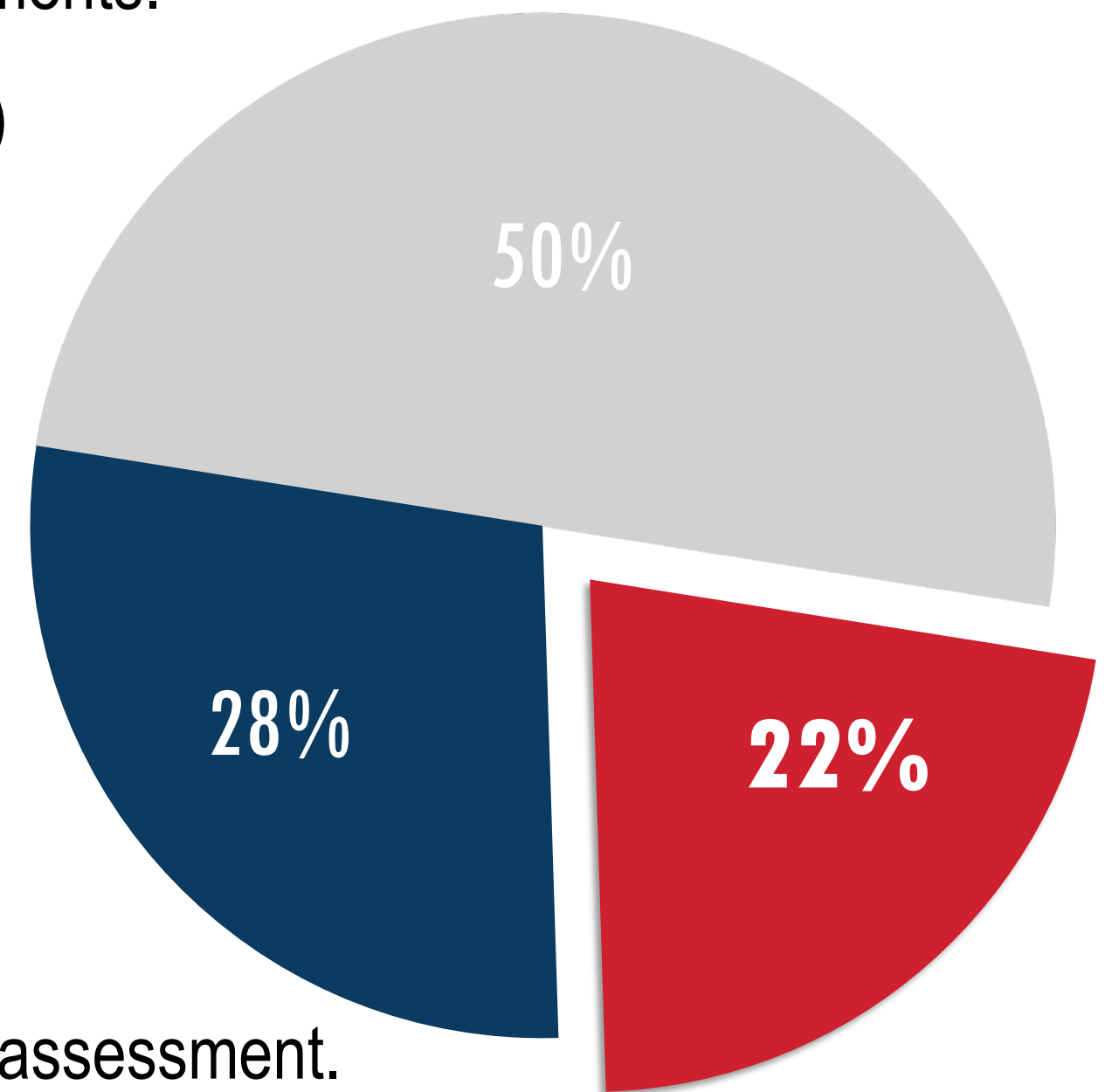
REWARD POTENTIAL

Any positive loss fund balance is returned to you at the end of the 3-year accounting cycle. This process is known as the Commutation.

RISK POTENTIAL

Incur a negative loss fund balance, referred to as an assessment.

Assessment potential capped at additional 40% of the loss fund.



COMMUTATION

What is a commutation?

- The “closing out” of a policy year
- Ends member and group responsibility for given year
- Return of unused LF premium and investment income

Commutation timeline

- Presented and voted on at the next meeting following 3 complete years after the policy year ends



ADDITIONAL BENEFITS

2024

Guaranteed Investment Return

4.75%

**Great American guaranteed investment yield effective 1/1/24. Determined annually by Great American.*



ADVISORY BOARD MEETINGS

Semi-Annual Meetings

SHARING BEST PRACTICES



Being grouped with similar operations allows for sharing of best practices between members.

BUILD RELATIONSHIPS



Meet the National Interstate team and build relationships with industry leaders.

REVIEW GROUP PERFORMANCE



Review group's financial statements produced semi-annually.

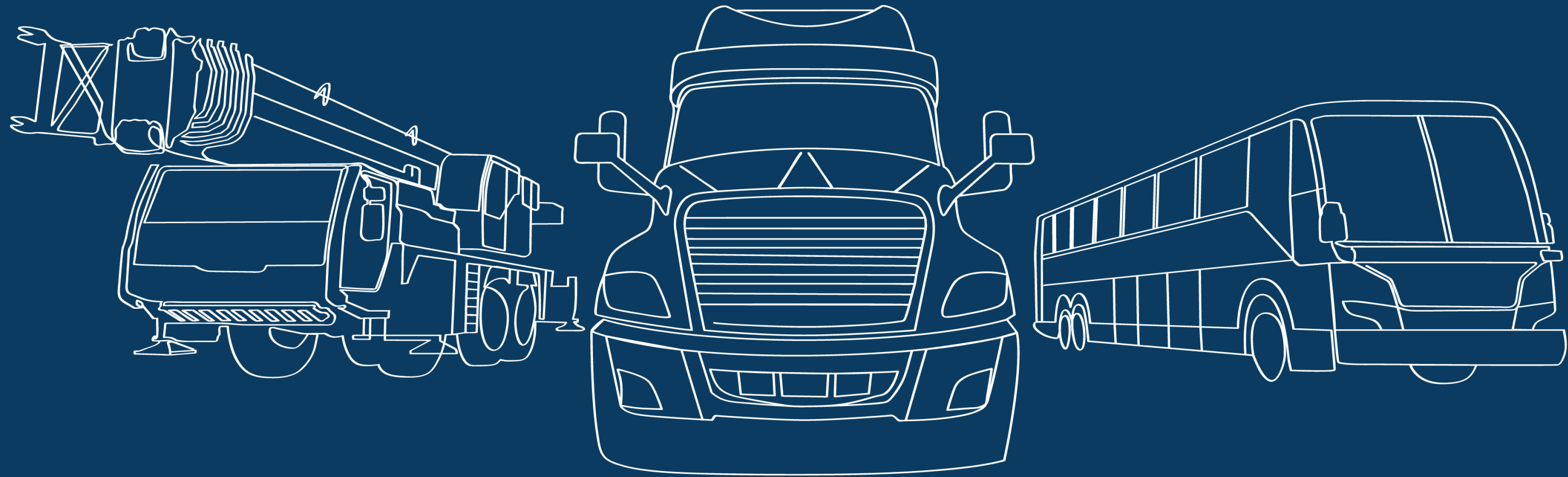
COMMITTEE BREAKOUTS



Each member represents 1 vote in the Advisory Board. Members break out during Advisory Board into 3 different committees.



QUESTIONS?



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