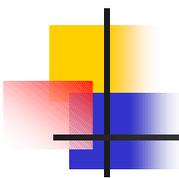


Risk Solutions, Inc.

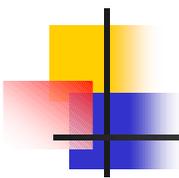
***Outsourcing Risk Management
Services & Qualifications***



Introduction

In order to improve quality, efficiency and profitability, many companies seek to focus their internal resources on “core competencies” and purchase “non-core” services from outside vendors. As a result, many functions, which had traditionally been provided by “corporate”, are now purchased from outside vendors or “outsourced.”

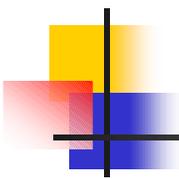
Outsourcing the risk management function can reduce costs and improve quality of your program. Risk Solutions, Inc. is a premier provider of outsourced risk management services.



What is Outsourcing?

Outsourcing is where a company utilizes external resources of a specialized firm to perform the insurance and risk management function. In an outsource relationship, the company seeks to minimize the time that employees spend on the insurance and risk management function. The primary activities traditionally included in the outsourced risk management function are:

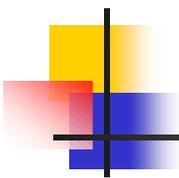
- Risk Identification and Strategy Development**
- Insurance Procurement**



What is Co-sourcing?

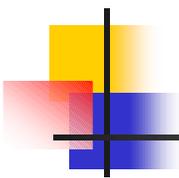
Co-sourcing is where a company utilizes internal employee resources for certain aspects of the risk management function and external outsourced resources for the balance. The specific activities that are continued “in house” are traditionally those functions which relate to an integral aspect of the business for which the development of in house expertise is desired.

In both outsourcing and co-sourcing, the outsource provider takes responsibility for the oversight of the insurance and risk management function. In contrast, in a standard consulting relationship, the consultant provides specialized expertise on an “as requested” basis and may not be responsible for the implementation of



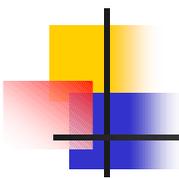
Range of Service Examples

- **Insurance renewal assistance**
- **High level coverage review**
- **Verify the accuracy of all deliverables prepared by brokers and claim administrators**
- **Attend semi-annual meetings (renewal/stewardship)**
- **Assist with catastrophic claim review**
- **Minimal high level assistance with M&A transactions**
- **Develop renewal strategy**



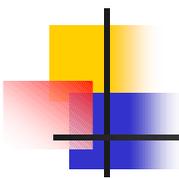
Range of Service Examples

- **All of the previous standard consulting services**
- **Comprehensive insurance coverage review**
- **Negotiate service agreements with brokers and claim administrators**
- **Quarterly meetings with client**
- **Prepare cost of risk report**
- **Comprehensive assistance with M&A transactions**
- **Assist with claim disputes with insurers**
- **Estimate liability accruals for retained claims for GAPP purposes**



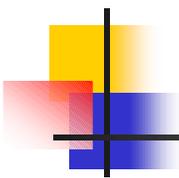
Range of Service Examples

- All of the previous services
- On site presence, (typically weekly/monthly) includes voicemail access to corporate Internet site, etc.
- Visit key operating locations
- Review corporate policies relating to risk management
- Review corporate legal agreements for insurance and risk management issues (as requested)



Advantages of Outsourcing and Co-sourcing

- **Your organization will acquire resources with specialized expertise.**
- **Risk Solutions works with several other companies. You will benefit from our breadth of exposure to the issues faced by these companies.**
- **It frees your company from relying on the broker for information about the market and coverages. Our consultants have multiple contacts and can benchmark information from several brokers/insurers.**



Advantages of Outsourcing and Co-sourcing

- **Outsourcing can usually be done on a budget neutral or cost savings basis. This assumes company was applying sufficient resources to perform risk management**
- **It results in a reduction in human resource issues; it is easier to discontinue relationship with contractor vs. termination of an employed risk manager.**
- **If “special project” issues develop, e.g. initiatives to reduce certain losses, or analysis of establishing captive insurance company. Your company has existing relationship with a qualified firm.**