

Fireman's Fund Conversion: Frequently Asked Questions – 1st Edition

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GENERAL TRANSACTION QUESTIONS

When will the transaction be completed?

The transaction is expected to be completed in April of 2015 (pending regulatory approval).

What are the benefits of this transaction to my clients and my agency?

Clients and agents will benefit from the transaction through:

- The strength, scope, and expertise our combined teams will offer both agents and clients in all facets, including underwriting, claims, service, and risk consulting
- The Power of One – one policy, one bill
- A leader in financial strength among HNW insurance carriers
- Agency self-service for policy quoting, endorsements, and issuance
- Improved technology with 24/7 self-service bill pay and policy inquiry
- Rapidly expanding solutions and capacity for the global HNW citizen

What will happen to the Fireman's Fund employees in the Field, Service, Claims, and Underwriting Centers?

We will be one integrated team, and the vast majority of Fireman's Fund Personal Insurance employees will join ACE upon closing of the transaction.

What experience does ACE have at converting a book of business?

ACE Private Risk Services was created from a renewal rights conversion of the Atlantic Mutual business.

ACE Group has completed over 10 similar transactions in the last five years alone, and is very well prepared to convert the Fireman's Fund business.

BILLING

Will I have to enroll my clients into ACE's billing systems?

Client invoices will be automatically generated by our billing system; however, we will not assign a payment method. That will be the client's choice, and one of the many benefits of this conversion is that ACE offers more options and payment methods. Clients will be informed on how they can select the payment process when they receive their replacement policy offer. To learn more about our billing capabilities, visit www.aceprs.com/paymybill.

How will you handle agency-billed policies?

Because there are many Fireman's Fund policies billed as "agency bill" vs. "direct bill" (due to a requirement of the Fireman's Fund billing systems), we will not automatically assign a policy to agency bill. ACE's direct bill capabilities (24/7/365 self-serve) make billing and payments easier for the client, while dramatically reducing billing-related agency administrative burden. Therefore, we will look to our agents' confirmation and direction if a policy should be moved to agency bill. **It is Big "I" Markets policy to utilize direct bill whenever available.**

Does ACE PRS support EFT payments?

Yes. Clients can avoid installment fees by selecting "EFT payments" when they receive their replacement policy offer. To learn more about our billing capabilities, visit www.aceprs.com/paymybill.

CLAIMS

What if I have a claim still in process as the transaction closes?

Once the transaction is finalized, our combined claims teams will service all claims – both existing and future – without interruption.

Are there any changes in how I report a claim?

Our claim reporting services remain the same. You may continue to use your preferred claim reporting options including:

ACE:

Phone: (800) 945-7461

Email: prsfirst_reports@acegroup.com

Fireman's Fund:

Phone: (888) FIREHAT

Online: [click here](#)

Please be assured reporting numbers will not change throughout the transition, and either method will direct your claim to the appropriate claims professional.

COMMUNICATIONS/MARKETING

When and how will my clients be notified of the sale of Fireman's Fund Personal Insurance to ACE?

We are prohibited from communicating directly with Fireman's Fund policyholders until the transaction has been completed. Our first communication to the policyholder will take place in conjunction with the replacement policy offering.

However, clear and accurate communication is critical to this conversion, and we look to our agents to continue their role in communicating important news and developments with their clients. We will arm you with an agent toolkit post close that will contain letter templates, high-level coverage comparisons, and other helpful documents.

Agents can take advantage of the 30 – 60 day period post close to communicate with their clients well before the first replacement policy offers begin to appear.

What type of marketing support will be available to my agency?

We are creating a set of marketing and communication tools for you to use with your clients. These will include a welcome letter to clients that introduces them to the benefits of an ACE policy and service. More information will be provided in future communications

POLICY SERVICING AND ACCOUNT MANAGEMENT

How do I proceed with making changes to my clients' home, auto, valuable, and umbrella policies once the transaction has closed and before the replacement policy is issued (new home, car, etc.)?

The rule revolves around if the change can be made to the existing Fireman's Fund policy by endorsement prior to conversion (such as a new driver/vehicle), or if a new policy is required to issue coverage (a new home). If a new policy is required to issue cover, all new business policy quotes effective April 1, 2015 or later should be directed to ACE PRS. Endorsements to existing Fireman's Fund policies will continue as normal until the policy has been converted at renewal.

Example Scenario:

- New Home: If the client purchases a new home, the new business quotation should be submitted to ACE as a new policy is necessary to issue coverage.
- New Vehicle: Because this change is made by an endorsement, it would be made to the existing Fireman's Fund policy.
- Newly Acquired Collections Item: This is another example of an endorsement that would be made to the existing Fireman's Fund policy.

You may wish to consider discussing consolidating coverages with your clients whenever making changes to their insurance program.

Do I need new auto ID cards for my clients?

Your clients will automatically receive new ID cards as part of their ACE replacement policy offer. The Fireman's Fund ID card(s) remain active and valid until the policy term has expired or otherwise terminates.

Can I package policies together, or do I need to wait until all policies have expired from Fireman's Fund?

Policies can be packaged once the first policy is available in the pre-renewal window. Consolidating the account is the simplest way to convert your clients and offers other advantages including the power of one policy/one bill, concurrent effective dates, package credits, and less risk of coverage gaps. **Big "I" Markets will add additional policies to the package at, and only at, the request of the sub-producing agency.**

I have an important client with a blanket policy; is that something ACE can support?

Yes. Our ACE underwriting teams are experienced in developing sophisticated blanket programs.

Will ACE apply loss-free experience from Fireman's Fund as it relates to the Deductible Reserve feature?

No. The Deductible Reserve will begin to accumulate during the first ACE policy term.

RENEWAL PROCESS

Will ACE offer all Fireman's Fund policyholders a replacement policy?

We will extend replacement policy offers to the vast majority of Fireman's Fund policyholders. Converting policies will first go through renewal underwriting guidelines before a replacement policy offer is made.

Does the client have to opt-in in order to obtain coverage with ACE, or will it happen automatically?

No opt-in is necessary by the client. The vast majority of Fireman's Fund clients will receive replacement policy offers from ACE Private Risk Services at their next renewal.

When will the conversion begin?

The conversion will begin approximately 30 to 60 days post close for policies effective August 1 or later. Policies that are set to renew post-close, but before August 1, will renew with Fireman's Fund until the policyholder's next expiration in 2016 (or later in 2015 for 6-month automobile policies). Please be advised the conversion process will begin later in certain states, including North Carolina, Louisiana, and others. Additional information will be provided in future updates

When will replacement policy offers be available for review?

We expect the first replacement policy offers to be available in Abiz for agent review in May, 60 – 75 days in advance of the Fireman’s Fund policy’s expiration. This affords agents a window of opportunity to communicate directly with their clients, prior to any policy renewal offers generating.

Can I remarket Fireman’s Fund business to ACE now?

We are not soliciting renewal conversion prior to the completion of the transaction. Remarketing an account in advance of the conversion will be subject to our new business guidelines and underwriting.

Are replacement policy offers subject to new business guidelines?

Conversion policies will be subject to ACE’s renewal underwriting guidelines.

RISK CONSULTING

Will you look to re-inspect properties?

Because these are considered renewal transactions, we will not look to re-inspect properties. Our goal is to make this transition simple and seamless, with as few interruptions as possible to the agent and client. However, as we would with any existing ACE customer, periodic re-inspections of locations are conducted to update valuations, confirm loss repair, and validate appropriate risk mitigation credits are applied.

I have Fireman’s Fund clients located in wildfire-prone areas; does ACE have a solution for this?

ACE already has a great Wildfire Preparedness and Response program that offers pre-loss and event response services. To learn more about the ACE Wildfire Preparedness Program, including access to FAQ’s and eligibility information, please visit: www.aceprs.com/wildfire.

UNDERWRITING

How is Flood transitioning from Fireman’s Fund to ACE?

Fireman’s Fund has offered combined primary and excess flood product in their admitted program. ACE offers primary flood through the ACE Platinum Portfolio. Clients with admitted flood coverage in preferred flood zones will be offered ACE’s admitted primary flood product.

What is happening to the homes with Coverage A under \$1MM?

The vast majority of policyholders will receive replacement policy offers regardless of Coverage A limit.

If there is a significant increase in the replacement policy offer, will the increase be incremental over a couple of years?

Generally, the ACE replacement policy offering will be based on our current rating structure.

What will happen to accounts that have a Farm and Ranch exposure attached to it?

Clients with Farm and Ranch coverage exposures will be handled manually and reviewed for a combined approach through ACE Agribusiness.

Fireman’s Fund’s mold coverage is \$100,000 in California, and ACE’s is \$10,000; can insureds buy up?

Yes, in California, ACE currently allows insureds to purchase up to 100% of the dwelling’s replacement cost.

Fireman’s Fund also has Medical at \$100,000; does ACE have this availability?

ACE will continue to offer \$50,000 in medical payments coverage in most states.

Fireman's Fund has Newly Acquired Items coverage for 90 days; how is this coverage provided by ACE?

ACE provides 90-day cover for newly acquired fine art (25% of the total fine art limit, up to \$25,000). For all other classes, 30-days of coverage are provided, up to \$25,000. Coverage is subject to additional underwriting conditions and terms, and may vary by state.

Will ACE have the capacity Fireman's Fund was providing for Cat-exposed risks in Florida, California, etc.?

Yes, we have capacity to support CAT-exposed risks, and will continue to write business in accordance with our current CAT guidelines for each respective state. For more information, please refer to the Underwriting Guidelines page of Abiz.

How will ACE handle clients who have multiple policies in multiple states?

When the first policy's pre-renewal window is available in Abiz (generally 60 - 75 days prior to the effective date), agents are encouraged to review their agency management system to determine if an opportunity exists to consolidate the program for the client. Consolidating the account is the simplest way to convert this business and offers other advantages including the power of one policy/one bill, concurrent effective dates, package credits, and less risk of coverage gaps.