



Nexus Re: How Risk Conversion Works



- Policyholder **premiums** and **losses** are ceded to Nexus Re via their **Captive (A)**.
- Nexus Re **reimburses** captive for policyholder losses.

- A **percentage** of the **total** premiums and losses assumed by Nexus Re are ceded to Captive Reinsurers.
- Captive Reinsurers **reimburse** Nexus Re for its share of total losses.
- *Retained pool premiums are invested (individually) by the captive, but are pledged to Nexus Re (via an LoC) to ensure funds will be available for pool losses.*