Insurance Advisory & Services For Private Equity ("PE") Firms

Global Insurance Services

The insurance industry is operating in an environment unprecedented in its complexity and volatility. This envionment provides opportunities – such as cost reduction and performance improvement for those PE firms with access to the insurance expertise and services required to understand and take advantage of these conditions.

Meeting The Challenges: The FTI Consulting Difference

We are insurance experts. Our practice is recognized as a leading, independent consultancy dedicated to serving the critical needs of stakeholders within the insurance ecosystem worldwide.

Our experts are distinguished by their depth of insurance expertise and experience, combined with their ability to manage projects collaboratively with clients. In addition, we are able to quickly identify issues and opportunities and to present options to senior management for speedy and effective decision-making.

OUR SERVICES

- PE Insurance Portfolio Services
- Portfolio Risk Management Services
- Risk Retention Advisory
- Broker Relations
- Insurance Program Advisory
- Claims Consulting
- Reps & Warranty Advisory
- Transactions Advisory

REPRESENTATIVE EXPERIENCE

Global Insurer: Cost Reduction & Performance Improvement

Our objective was to reduce cost and improve underwriting, operations & claims performance. We performed a situation assessment and utilized our FTI Consulting process library to rapidly design standardized future state processes across target functions. We drove sustained adoption by training staff and establishing a "Continuous Improvement" center of excellence. We achieved objectives with 17 percent cost savings; improved customer experience; and reduced indemnity spend.

Global Reinsurer: Due Diligence for PE Firm

Our experts performed a financial and operational due diligence – evaluating the assets, liabilities, historical underwriting and operational results. Drawing on our deep industry knowledge, we provided strategic insight into the reinsurance marketplace and the reinsurer's position and the growth opportunities for our PE firm client.

PE Firm: Risk Management Optimization and Broker Review

Provided guidance to PE firm as to the appropriate type and amount of insurance to be purchased for one of its holdings based on how a constructed claim cost model correlated with the PE firm's internal risk appetite. We explored alternative insurance structures and other risk mitigation initiatives and assessed potential improvements to existing internal processes. We also assisted our client in selecting, evaluating and retaining a broker.

How We Can Help

PE Insurance Portfolio Services

Our Key Services include Insurance for the various entities a PE firm is invested in; Insurance entities a PE firm might consider being invested in; and Insurance a PE firm may carry for themselves.

Portfolio Risk Management Services

We can serve as the outsourced risk manager to assist in selecting and corresponding with brokers; manage incident and claims reporting, including carrier notification; manage purchasing and renewal of the insurance programs (whether master policies or individual policies at the portfolio company level); and analyze historical experience and recommend changes to the program.

Broker Relations

We have a deep understanding of the insurance distribution system, including large international, national and regional brokers, MGAs, large agency networks, and specialty writers.

Insurance Program Advisory

We rely on data driven insights into historical performance, of programs, combined with an assessment of future needs to determine program performance and any updates needed, including existing policy updates or new policies.

Risk Retention Advisory

We provide advice regarding alternative methods for risk transfer using traditional carriers, self-funding through a captive, or a self-insured retention plan. We can also assist with structuring self-insured retention plans.

Claims

We are experts at managing complex claims, including incident and claim reporting; carrier notification; damage and liability assessment; and claims processing performance improvement.

Reps & Warranties Insurance (RWI)

FTI Consulting combines professionals from its Global Insurance Services and Dispute Advisory Services to provide insurers, insureds and PE firms with expertise in RWI risks, coverage theories and claim quantification. Our CPAs and valuation professionals can assist insurers and insureds in understanding the underlying business of the deal and its impact on potential coverage and claim valuation.

Transaction Advisory

We have a strong history of assisting in M&A transactions of various size and complexity. Our services span the full M&A lifecycle, focused on the services listed below for PE firms.

Pre-Transaction

— Financial Due Diligence
— Operational Due Diligence
— Investigations
— Tax
— Valuations

Transaction Execution

— Communications strategy
— Regulatory advice
— Stakeholder engagement

Post-Transaction Support

— Integration
— Interim management
— Cash & working capital
— Disputes

Please contact any one of our leaders to find out more about our services for PE firms.

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