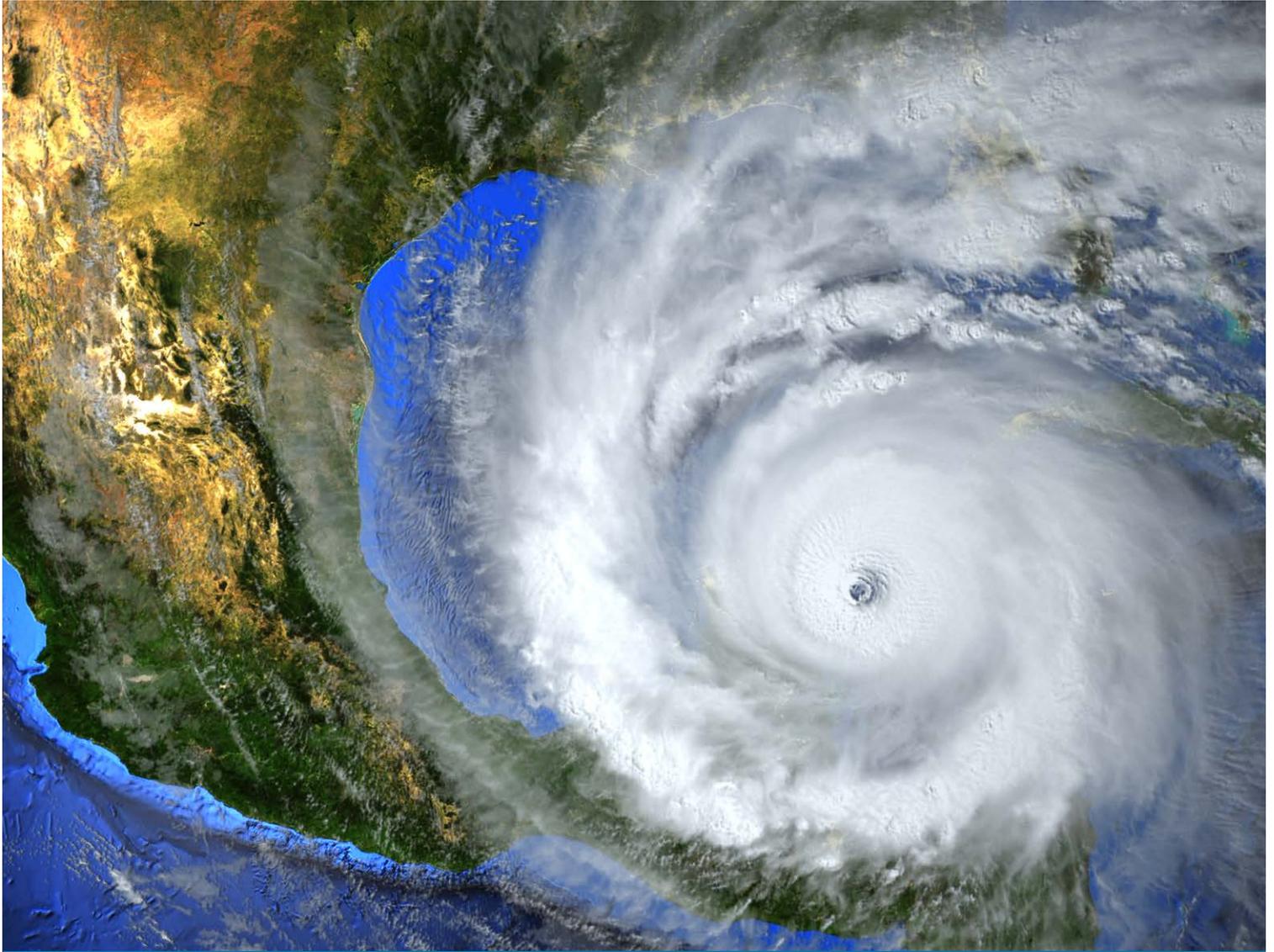




# Insights: Top Disputes & Investigations

Global Insurance Services





## Global Insurance Services

Perhaps no other industry will feel the after-effects of COVID-19 as extensively as the worldwide insurance and reinsurance industries. As companies sort through an expected avalanche of business interruption claims and disputes, they will need to navigate any changes in legislation and evolving court decisions to determine their exposure to COVID-19.

FTI's Global Insurance Services experts are ready to help. In this section, of our **2020 Insights: Top Disputes & Investigations**, we highlight our work helping clients resolve disputes on major Global Insurance Services projects.



# Guiding a Global Insurer Through Large-Scale Acquisition

FTI Consulting's client, a global property & casualty insurer and reinsurer, was about to embark on a sizable acquisition of a complementary business but did not have the in-house experience to organize and manage such a large-scale acquisition. We provided M&A support, program management, and strategic advisory expertise to help them through the process of acquisition and integration.

FTI mobilized a team of experienced M&A consultants and project/program managers to assist the client. The team built a project plan to cover all the tasks until the deal was signed and then a plan to execute on integration. In addition to shepherding the acquisition process, we provided input on disposing of a back book of insurance business, advice on dealing with the insurance regulator and support on optimizing the organization structure.

The deal was signed and all key pre-signing tasks were adequately covered. The client now seeks to involve FTI in post-acquisition initiatives, such as a developing a longer-term Target Operating Model and delivering the synergies.

## Subject Matter Experts



**Rory O'Brien**  
Senior Managing Director



**Jeremy Riley**  
Managing Director



**Andrew Munzberg**  
Senior Director



**Alex Vardy**  
Senior Consultant



**Andre Frazao**  
Contractor



# Business Valuation in Litigation

FTI Consulting was hired by counsel representing an estate in a purchase price dispute regarding the sale of a 50 percent ownership interest in an insurance company to its surviving founding partner. After executing the sale agreement, the founding partner refused to honor the payment terms, alleging that the agreed upon purchase price was overstated because of an inappropriate valuation report used in the original negotiations. Our client, the estate, pursued an action to compel the founding partner to adhere to the original terms of the agreement.

FTI's Global Insurance Services and Forensic Accounting & Advisory Services teams, were asked to provide an expert report on the reasonableness of the valuation report. We reviewed whether it met appropriate valuation standards and practices and whether a potential overstatement of the valuation could have contributed to an unfair purchase price. Our experts evaluated and provided opinions on the quality of the valuations, in addition to acting as advisors to counsel on the intricacies of the insurance accounting model and valuation guidelines.

In support of our client, we issued a joint expert report, were deposed and assisted counsel in taking depositions.

Summary judgement was reached in January 2020 in favor of our client.

## Subject Matter Experts



**Fred Donner**  
Senior Managing Director



**Steve Hazel**  
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**Wendy Shapss**  
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**Garrett Wilson**  
Managing Director



**Thomas Eversmann**  
Senior Director



**Jeremy Stein**  
Senior Consultant

# Forensic Accounting and Actuarial Analysis in an International Post-Acquisition Dispute

A five-party group consisting of international life insurance and holding companies, investment groups, and an individual retained FTI Consulting to aid in a dispute between our client (Plaintiff) and an international insurer (Defendant) that went before international arbitration.

Following its acquisition of Defendant, Plaintiff discovered that Defendant had inflated its reported value using fraudulent loan transactions and accounting schemes. The financial regulator of Defendant's home country commenced an investigation into the loans and discovered a fraudulent scheme involving borrowers, related parties and employees of financial institutions (including Defendant). The regulator's investigation led to the criminal indictment of nearly 50 people, including at least one former employee of Defendant.

Our client claimed that the purchase price was inflated and sought to change the terms of the purchase. FTI was engaged to provide analysis and expert opinions on the accounting treatment and actuarial impact of the fraud to the value of Defendant. FTI's team of accounting and actuarial professionals drew from our offices in Asia and the U.S.

FTI analyzed Defendant's financial status on a reported basis and on an adjusted basis, which considered the impact of the fraudulent activity. The analysis was from both an accounting perspective, where damages were assessed according to various legal theories, and an actuarial perspective via the determination of an Actuarial Appraisal Value. FTI issued an expert report and provided deposition testimony.

## Subject Matter Experts



**Jim Toole**  
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**Matt Stahl**  
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