



Global Insurance Services

Executive Brief
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Expanding Our Expertise

FTI Consulting's Global Insurance Services continues its expansion of U.S. and EMEA teams, adding Rudy Dimmling, a veteran in the insurance industry, who will bring his expertise to lead business transformation and performance improvement efforts for clients. Lauren Cavanaugh and Peter Kelly were both promoted to Senior Managing Directors at the beginning of the year.

Spotlight on ESG

The ever-increasing regularity and gravity of extreme weather-related events such as tornadoes in the Midwest, wildfires in California, hurricanes in the Gulf Coast, and others, have resulted in a greater regulatory focus on climate-related risks for many sectors, including the insurance industry. FTI Consulting's Bob Stephens and Jim Wrynn share best practices insurers can implement to address climate-change guidance from regulators.

Special Insights & Guidance Advisory

While COVID-19's successive waves created market fears during 2021, the situation also led to an environment with significant liquidity and fiscal stimulus, and record low interest rates. FTI Consulting's inaugural European Insurance M&A Barometer Report will shine a light on the key trends in the insurance M&A market, its most notable transactions in 2021 and the players to watch.



Expanding Our Expertise

FTI Consulting Bolsters Insurance Practice with Addition of Rudy Dimmling and Promotions of Lauren Cavanaugh and Peter Kelly to Senior Managing Directors

FTI Consulting announced the continued investment in the firm's Global Insurance Services practice with the appointment of Rudy Dimmling and the promotions of Lauren Cavanaugh and Peter Kelly to Senior Managing Directors.

Mr. Dimmling, who is based in New York, joined FTI Consulting from Cardinal Innovations Healthcare, where he served as Chief Strategy Officer, responsible for all efforts to implement the organization's near- and long-term strategies and transformational change initiatives. A veteran in the insurance industry, Mr. Dimmling, along with Andrew Munzberg, will drive the Global Insurance Services practice's business transformation and performance improvement efforts for clients. [Read Rudy's bio.](#)

Ms. Cavanaugh, who is based in New York, has specialized experience in reinsurance pricing and reserving, predictive analytics, and asbestos liability estimation. Ms. Cavanaugh has worked on a variety of engagements including expert testimony, loss reserve analyses, asbestos liability estimation, reinsurance pricing, due diligence support for mergers & acquisitions and other projects. [Read Lauren's bio.](#)

Mr. Kelly, who is based in London, has 30 years of experience in the insurance industry both in the UK and internationally and has deep experience the property/casualty industry. Mr. Kelly leads teams of FTI employees from the UK, Ireland, continental Europe, and the U.S. in highly impactful projects that help insurers improve their technologies and processes in order to be more competitive and to make more effective decisions. [Read Peter's bio.](#)



Spotlight on ESG

What's Next for Climate Risk Management? Top Tips for Insurers to Address NY DFS's Climate Guidance

By: Jim Wrynn and Bob Stephens

Insurers, state and federal financial regulators are coping with the impact of climate change and the increasing risk it presents to the safety and soundness of financial institutions and to the stability of financial systems. The ever-increasing regularity and gravity of extreme weather-related events such as rapid swings in temperatures, tornadoes in the Midwest, wildfires in California, hurricanes in the Gulf Coast, and others have resulted in greater regulatory focus on climate-related risks for many sectors, including the insurance industry.

Reacting to these issues, regulators such as the New York Department of Financial Services (NY DFS) are releasing guidance for insurers on managing the financial risks from climate. Others such as the Security and Exchange Commission (SEC) recently proposed rule changes requiring registrants to include certain climate-related disclosures in their registration statements and periodic reports such as data about climate-related risks that are reasonably likely to have a material impact on their business or financial condition. Also required is disclosure of a registrant's greenhouse gas emissions, which are a commonly used metric to assess a registrant's exposure to such risks.



Many insurance firms will also be impacted by this rule change once it becomes law.

There are direct trans-Atlantic parallels in regulatory focus on climate risk in the UK and EU insurance markets, with UK insurance regulators having mandated the embedding of climate risk management within the broader ERM framework effective end 2021. Similarly, EIOPA, the body that develops the EU insurance regulations, has recently set expectations for all EU insurance regulators to mandate consideration of climate risk as part of regular stress and scenario testing exercises. [Read the full article.](#)



Special Insights & Guidance Advisory

Wrapping Up the Deals: 2021 European Insurance M&A Barometer

Our inaugural European Insurance M&A Barometer Report shines a light on the key trends in the insurance M&A market, its most notable transactions, and the players to watch across the region in 2021.

While COVID-19's successive waves created market fears during 2021, the situation also led to an environment with significant liquidity and fiscal stimulus, and record low interest rates. On balance, we believe this has resulted in significant tailwinds, fueling above-average returns for both private and public financial markets. For the European insurance industry, several factors emphasize the need for insurance businesses to focus on trading profitability: these include regulatory requirements such as Solvency II and the introduction of IFRS 17, inflation (including wage inflation), the imminent rising tide of interest rates, operational resilience challenges (including cyber resilience) and environmental, social and governance (ESG) agendas.



Potentially, this scenario could lead to a further wave of consolidation in Europe as small insurers struggle to meet capital requirements and bear increased regulatory reporting and compliance costs. More generally, a constant feature of business these days is the need to review options to exit non-core businesses through restructurings, divestitures or other transaction activity.

After many years of soft market conditions, the property and casualty insurance industry has been experiencing a hard market as a consequence of COVID-19 losses, catastrophe exposures and social inflation. This sector has therefore attracted private capital, especially given the prospect of high teens returns in the post-COVID environment.

The M&A landscape in the life insurance sector has remained challenging as low interest rates and pressures on premium revenues have impacted on profitability, balance sheets and growth prospects, compressing valuations. Life insurers across Europe have started to follow their UK and North American counterparts in responding to these challenges by disposing of capital-intensive legacy books of business, thereby releasing trapped capital. Disposals will also alleviate stranded fixed costs associated with legacy administrative systems, helping to offset pressure on profitability.

Private equity (PE) fundraising in Europe hit its highest-ever level in the last 24 months, driven in part by COVID-19 economic response measures and also by the prospect of higher returns on private equities than public markets. More money in the market and a limited number of attractive assets has meant that the competition for quality assets is fierce. This causes not only concern over inflated asset prices but also intensity in acquisition processes.

Consequently, PE appetite for insurance assets has remained high, which has led to a greater deal size capacity and more transactional funding. This supports increased deal activity at new annual record levels for valuation multiples in hotly contested sectors such as insurance distribution.

With existing quality insurance businesses trading at high valuations, the trend for new players to enter the (re)insurance market – often backed by an established management team with a proven track record capable of attracting significant financial backing – looks set to continue.

In this context, this inaugural report reviews insurance deal activity across the UK & Ireland and continental Europe, leveraging the results of our recent research.

We would be pleased to hear from you if you'd like a more in-depth analysis of these results or to find out how FTI Consulting can help your company acquire or dispose of insurance businesses while expanding its geographic footprint in Europe. [Read the full report.](#)



As a leading independent advisor and consultancy to the insurance industry, Global Insurance Services helps clients identify opportunities and define strategies to manage risk, improve operational and financial performance, and drive growth.

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