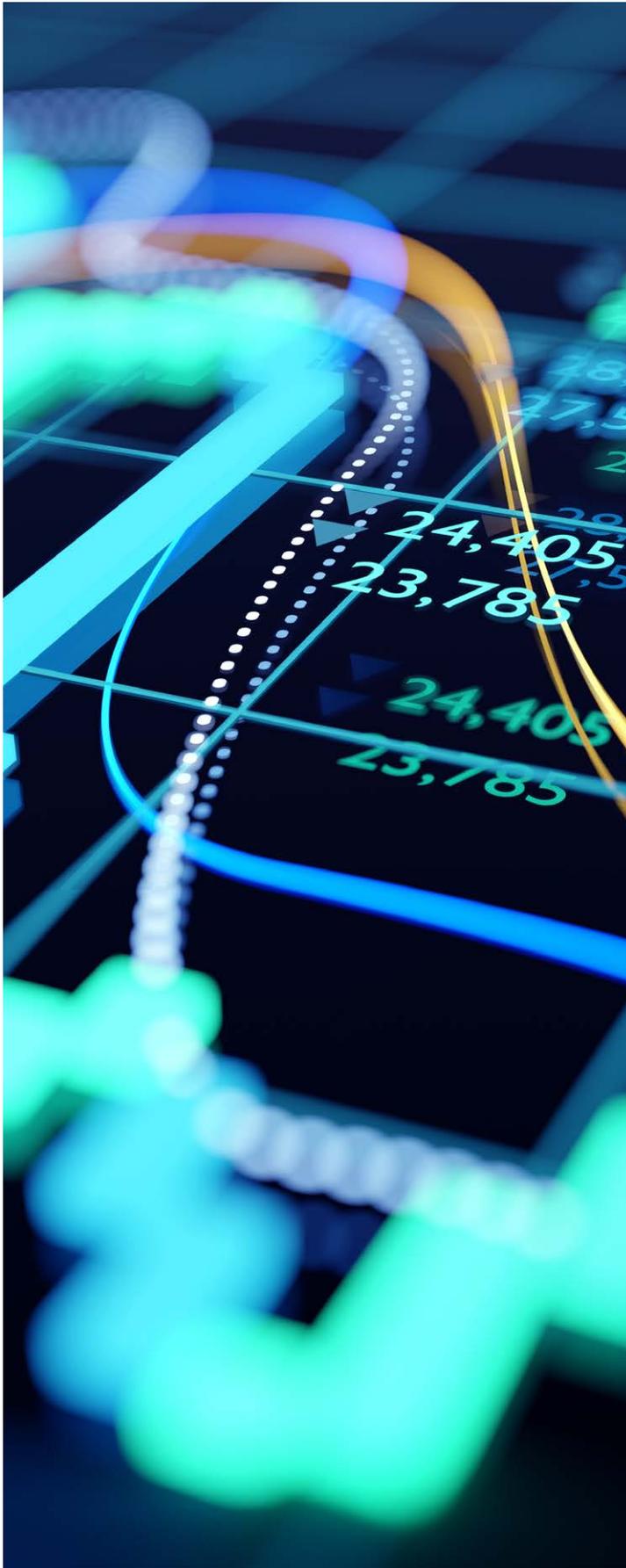




# Global Insurance Services

Executive Brief  
Q2 2021





## In This Issue

---

### New Staff Profiles

FTI Consulting's Global Insurance Services continues expansion of U.S. and EMEA teams, adding to the deep bench of global professionals who support insurance industry stakeholders.

---

### In The News

Five FTI Consulting Professionals Named to Who's Who Legal Insurance & Reinsurance List

---

### Spotlight on the UK

FCA Pricing Restrictions - Are the Good Days Over?

---

### Special Insights & Guidance Advisory

Six Critical Priorities You Need to Address

---



# Staff Profiles

New Members of our Growing Team:  
Lisa Kuklinski and Jay Goldberg



# Lisa Kuklinski, FSA, MAAA

Managing Director

Global Insurance Services

3 Times Square, 9th Floor - New York, NY 10036

+1 917 327 0141

[lisa.kuklinski@fticonsulting.com](mailto:lisa.kuklinski@fticonsulting.com)

## Education

B.A., Mathematics,  
Williams College

## Certifications

Fellow, Society of Actuaries

## Associations

Member, American  
Academy of Actuaries

Lisa Kuklinski is a Managing Director and consulting actuary with over 30 years of experience in the insurance industry. Prior to joining FTI Consulting, she ran her own consulting practice that included independent consulting with EY and FTI. Working with EY, projects included U.S. GAAP Long Duration Targeted Improvements (LDTI) implementations and mergers and acquisitions. Projects with FTI included litigation support on life and annuity reinsurance matters.

Previously, she served as SVP and Chief Actuary of MetLife's US and Latin America region, overseeing all actuarial aspects of individual and group life insurance, annuities, long-term care, pension risk transfer, and disability income in the region. Earlier, she served as CFO of MetLife's Retail business, which included Individual Life, Individual Annuities, and Distribution. Prior to this, she led Variable Annuity product development, where she was responsible for designing and pricing MetLife's suite of VA products, as well as implementing the hedging and reinsurance programs for the product line.

Ms. Kuklinski has experience in various areas, including: US STAT and US GAAP Valuation and Financial Reporting; US GAAP LDTI; European Embedded Value/New Business Embedded Value; Fair Value/Market Consistent Valuation/Embedded Value; Financial Projections and Analysis; Pricing and Product Development; Experience Studies; Mergers and Acquisitions; Financial Controls/SOX; and NAIC Variable Annuity Stat Reserve & Capital Reform as co-chair, ACLI working group.

Earlier in her career, Ms. Kuklinski served on a two-year expatriate assignment in Mexico City where she was Chief Actuary of MetLife's Mexican subsidiary. She is fluent in Spanish.

Ms. Kuklinski holds a Bachelor of Arts in Mathematics from Williams College where she graduated with honors. She is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Through the American Academy of Actuaries, she serves on the Actuarial Standards Board Life Committee. She was also a member of the task force that authored Actuarial Standard of Practice 54, Pricing of Life Insurance and Annuity Products. She was elected to the Board of Directors of the Society of Actuaries in 2019 and currently serves on the Finance Committee and chairs the International Committee.



# Jay Goldberg

Senior Director

Global Insurance Services

3 Times Square, 9th Floor - New York, NY 10036

+1 908 839 7717

[jay.goldberg@fticonsulting.com](mailto:jay.goldberg@fticonsulting.com)

## Education

Bachelor of Arts, Brandeis University

Master of Business Administration, Bentley University Graduate School of Business

## Certifications

- Certified internal Auditor
- Certified Financial Services Auditor
- Certification in Risk Management Assurance
- Certified Fraud Examiner
- Certified Information Systems Auditor

## Associations

- Institute of Internal Auditors
- Association of Certified Fraud Examiners
- ISACA

## Expertise

Internal Audit, Internal Controls, Sarbanes-Oxley Act, Corporate Governance and Risk Management

## Industries

Insurance, Media & Entertainment, Software, Transportation & Logistics, and Distribution

Based in Reno, Nevada, Jay Goldberg is a seasoned governance, risk and compliance expert with a proven track record of building professional, value-added, internal audit functions. He is experienced in enterprise risk management, corporate governance, compliance, business process improvement, and fraud prevention, detection and investigation, as well as implementing all facets of the Sarbanes-Oxley Act (SOX) in public and pre-IPO companies. His industry experience includes insurance and financial services, media and entertainment, software, transportation, logistics and distribution. He understands the complexity facing global companies and has experience auditing and providing compliance education on six continents.

Mr. Goldberg started and led the internal audit function at several publicly traded insurance companies and a publicly traded software developer and publisher of interactive software games designed for video game consoles, handheld platforms and personal computers. He also started and developed the internal audit function at an international freight forwarding, warehousing and logistics provider.

He led a team that provided litigation support in a Board-directed, outside counsel led investigation of a Company’s past stock option granting practices and the related restatement of ten years of financial statements. He led a global company’s initial efforts to comply with Section 404 of The Sarbanes-Oxley Act of 2002 and in year two reduced the number of key controls by 50%.

Mr. Goldberg has performed fraud investigations leading to the prosecution of perpetrators, as well as ensuring that over 2,000 employees in 40 countries around the world received training in the Foreign Corrupt Practices Act. He assisted in performing an independent audit of the Gulf Coast Claims Facility that was set up to evaluate and pay claims from victims of the BP oil spill in the Gulf of Mexico in 2010.

Mr. Goldberg holds a B.A. in Biology from Brandeis University and an M.B.A. from Bentley University Graduate School of Business. He is a Certified Internal Auditor, a Certified Information Systems Auditor, a Certified Financial Services Auditor, and a Certified Fraud Examiner. He also holds a Certification in Risk Management Assurance. He is a member of the Institute of Internal Auditors, ISACA and the Association of Certified Fraud Examiners, and is on the Board of Trustees of Temple Sinai in Reno.



## In The News

### Five FTI Consulting Professionals Named to Who's Who Legal Insurance & Reinsurance List

Senior Managing Directors [Paul Braithwaite](#) and [Wendy Shapss](#), and Managing Directors [Romy Comiter](#) and [Ian Marshall](#) from FTI Consulting's Global Insurance Services have been named to the Who's Who Legal: Insurance & Reinsurance 2021 list. Senior Managing Director [Brian Carl](#) from FTI Consulting's Data & Analytics practice was also named to the list.

In addition, Mr. Braithwaite and Mr. Marshall were named Global Elite Thought Leaders for Insurance & Reinsurance, a recognition for only the top 2% of all nominees. These experts received the highest number of nominations from peers.

Mr. Braithwaite, based in New York, is Co-Leader of the Global Insurance Services practice and has over 30 years of industry experience. He is an expert in actuarial science, underwriting, insurance and reinsurance company management.

Ms. Shapss, based in New York, is Co-Leader of the Global Insurance Services practice and has over 20 years of experience in accounting, auditing, fraud and financial-

based matters. She specializes in litigation consulting, forensic accounting, fraud and financial investigations and bankruptcy consulting.

Mr. Carl, based in Chicago, is a member of the Data & Analytics practice. He has more than 20 years of experience providing clients with data and analytical services in connection with litigation, internal investigations, insurance claims, risk transfers and performance improvement matters.

Ms. Comiter, based in London, is a member of the Global Insurance Services practice and provides advisory services to the general insurance market. She has an extensive knowledge of direct and reinsurance claims, with expertise ranging from operational performance and efficiency, the valuation and assessment of claims, reserving, reinsurance recoveries, and regulatory and compliance issues.

Mr. Marshall, based in London, is a member of the Global Insurance Services practice and has more than 35 years of experience specializing in insurance technical investigations, arbitration and litigation insurance accounting, and Part VII and Scheme of Arrangement processes. He has extensive experience leading major projects relating to accounting, auditing and complex reinsurance transactions.



## Spotlight on the UK

### FCA Pricing Restrictions – Are the Good Days Over?

Insurers in the UK have been operating with a high degree of pricing practice freedom for decades. But the good days might soon be coming to an end.

In the wake of the proposed ban on price walking by the UK Financial Conduct Authority, FTI Consulting's Global Insurance Services experts outline strategic responses to the regulations.

Click [here](#) to request a copy of the FTI Consulting report.



## Special Insights & Guidance Advisory

### Six Critical Priorities you Need to Address

Current trends point to a seismic shift in how insurance will be conducted in the post-pandemic future – driven by factors such as increased cybersecurity threats; advances in technology; increased consumer advocacy and protection; increased focus on environmental, social, governance (ESG); major regulatory changes; global trade rebalancing; and opportunities in emerging markets, among others.

**NOTE:** This shift will create challenges and opportunities that may require your company to undergo significant transformation, including new business models, since these factors will likely require broad and rapid change.

Many of these changes will involve multiple concurrent components that share various degrees of interdependence. Examples include strategic realignment; portfolio rebalancing; mergers & acquisitions; divestitures/carve outs of business; advanced data-driven business models; and a focus on improving the work environment. Accordingly, to achieve successful changes you should consider these fundamental principles that have proven successful by FTI Consulting in conducting numerous transformations:

- An understanding of your current situation
- Definition and design of your desired situation, i.e., new business model
- Road map for getting there, including value measurement metrics
- Assurance of senior management’s oral and written commitment, communication and transparency
- Relentless execution



Below we provide insights and guidance for six critical priorities:

1. Cybersecurity
2. Advanced Data-Driven Business Models
3. Expanding Your Organization's Ecosystem
4. Employee Wellness
5. Agility-Speed-Resilience
6. Mergers & Acquisitions/Divestitures



## 1. Cybersecurity

The Internet is replete with examples of cyberattacks on public and private organizations, such as the recent breaches on the Baltimore Public School System, LinkedIn, Instagram and Facebook. Historically, most breaches result from two recurring factors: Outdated or insufficient security equipment and settings, and lack of adherence to security protocols by staff.

*FTI Cybersecurity's world-class services are engineered to synthesize cutting-edge, intelligence-led capabilities around a trusted core of comprehensive offerings. This enables clients of any size to address their most critical needs and integrate new solutions (including advanced technology) atop or alongside pre-existing policies and programs to address cyber threats.*

*We build a safer future by helping organizations understand their own environments, harden their defenses, including reinforcing staff responsibilities; rapidly and precisely hunt threats, holistically respond to crises, and sustainably recover operations and reputation after an incident. Additional information is available [here](#).*



## 2. Advanced Data-Driven Business Models

Sole reliance on static internal data, (or pre-established "standardized" data from traditional data providers) is no longer feasible in the fast-changing post-pandemic world.

*To be competitive, organizations must take advantage of data that captures rapidly changing events in near real-time.*

Taking advantage of such data may require the services of specialized firms that refine a variety of complex and raw sources, feeding the data into technology tools such as artificial intelligence/machine learning (AI/ML) and Natural Language Processing (NLP) to capture and prepare the data for use.

The advanced method of data delivery is by means of straight through processing (STP), which provides a single path that includes data sourcing through to data loading into the client's data management system. Once in the hands of domain experts, such data can be used immediately to achieve a variety of business objectives, including crafting new business models.

*FTI Consulting facilitates this process by helping companies understand their data needs – where and how relevant data can be accessed, and how to apply it to develop new business models and achieve business objectives. Our service also includes helping clients expand relationships within the organization's ecosystem.*



## 3. Expanding Your Organization's Ecosystem

Broadly interpreted, insurance ecosystems include those interconnected services in a single integrated experience that are accessed by your organization. This includes emerging platforms that connect cross-industry players. Expanding your ecosystem provides your organization with broader business and technology relationship opportunities, thus contributing to your business objectives and competitive advantage.

*FTI Consulting continues to develop relationships with emerging players within our clients' ecosystem. ForMotiv and ClearPrism are two examples.*

**ForMotiv** enables our clients to take advantage of online behavioral analytics. Its Digital Polygraph™ measures thousands of unique behavioral signals captured as users engage online with forms or applications. Using a combination of AI, ML and predictive behavioral analytics, the software can ascertain user intent.

Armed with this actionable, explanation-based behavioral intelligence, the platform enables insurance companies to optimize their clients' online user experiences, predict instances of risk or fraud, and increase business conversion ratios by creating dynamic online experiences tailored to each individual user.

**ClearPrism** uses technology tools such as AI/ML and NLP to capture data beyond traditional data sources. The goal is to find disparate data that can provide greater visibility into potential risks or opportunities that would otherwise be overlooked. In addition, ClearPrism technology prepares data for client use in near real-time, helping eliminate uncertainty and increase the speed of decision-making. As an example, ClearPrism helps mitigate risk and financial exposure in your vendors by:

- Protecting your overall partner network,
- Attaining visibility and optimizing your partner network beyond your direct vendors,
- Detecting reputational and compliance risks throughout the partner network,
- Anticipating financial headwinds at the T2 and T3 vendor tiers and,
- Analyzing and acting on alternative partner network scenarios in the supply chain.



#### **4. Employee Wellness**

Employee Wellness, a recent emerging priority, is primarily focused on three key areas: health, financial security, and the employment experience (EX).

Employee health and financial security are influenced by EX, with support through third-party programs.

**EX** embodies the personal perceptions of individual employees and includes components that comprise company culture such as individual and team roles; growth opportunity; workplace flexibility (virtual, home, company office, and hours); a collaborative, collegial environment; individual recognition of accomplishments; and job security.

There are five keys to achieving the desired environment for EX:

- Definition/Design
- Commitment
- Communication
- Transparency
- Execution

As an example, senior management must first agree on definitions, answering questions such as “What do we mean by a collaborative, collegial environment?” and “How do we improve health and financial security?” Once such questions for the components are answered, management must create and document a working structure that enables design and execution of each component, followed by communicating their oral and written commitment.

Also, execution should include proactive individual mentoring and coaching to help each employee achieve individual and company goals.

*FTI Consulting partners with C-suite, business leaders, heads of Communications, and HR to drive positive business results by enabling people to achieve their full potential at work.*

*We are experts in designing, enabling and implementing Change Management, Learning Systems, Organization Design, Employee Development and Culture Change that make it possible for leaders, professionals, and support staff to commit to, and deliver sustainable change that enables the organization to be successful in business-critical moments – and every day.*



## 5. Agility-Speed-Resilience

The COVID pandemic has demonstrated how broadly and rapidly things can change. Recovery in the post-pandemic environment will also include broad and rapid change. In essence, as discussed above, companies will be undergoing significant transformation, much of which will involve multiple concurrent change components.

To be competitive, companies need to be the first out of the gate, acting boldly, decisively, and quickly. Agility, speed, and resilience are three critical capabilities that intersect to help ensure company competitiveness in near real-time and over the long term.

- Agility equates to flexibility
- Speed equates to execution in near real-time
- Resilience refers to how quickly the company recovers from harmful events

*FTI Consulting helps clients achieve agility, speed, and resilience by collaborating with clients to ensure that the five FTI Consulting principles outlined earlier are followed; that data and technology/system requirements essential to execution are in place; and that successful execution is achieved.*



## 6. Mergers & Acquisitions/Divestitures

Insurance M&A activity continues to be strong, driven by divestitures of non-core businesses, persistent competition for distribution targets, the hardening of specialty P&C markets and significant levels of deployable capital.

Activity in the insurance sector was strong in 2020 despite COVID-19 and remains robust in 2021 as rising commercial insurance rates bolster earnings, making insurers attractive targets.

A continued low interest rate environment based on Fed actions will maintain pressure on investment returns and profits, especially for carriers managing capital intensive segments or blocks of business. As these companies re-assess their core portfolios, expectations are for further divestitures, particularly within the life and annuity sub-sector.

Transaction multiples in the brokerage space are indicators of the level of competition among private equity firms and other would-be acquirers. Distribution deals are likely to dominate the sector's announced transaction volumes in the coming year.

Insurance technology investments have also grown, providing another avenue to enter the sector. In addition, special purpose acquisition companies, the use of which has boomed in many sectors over the past year, are being used in the insurance sector as a means of potentially taking companies public.

*FTI Consulting offers a forward-looking perspective and track record of success across the entire transaction life cycle. Our consultants have intimate knowledge of unique transaction structures, providing innovative ideas and strong execution capabilities that deliver creative, cost-effective, and marketable solutions to our clients. Our transaction advisory consultants are senior partners and dedicated professionals with specific industry expertise, many with insurance M&A experience within businesses. Whether representing buyers, sellers, lenders, legal or PE firms, we offer comprehensive pre- and post-transaction services.*



## Takeaway

The priorities covered represent foundational components that are critical for achieving short-term and long-term success in the post-pandemic environment. Execution of these priorities will help companies outperform and achieve competitive advantage.

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.

---

**PAUL BRAITHWAITE**

Co-leader, Global Insurance Services  
Senior Managing Director  
+1 212 499 3659  
paul.braithwaite@fticonsulting.com

---

**WENDY SHAPSS**

Co-leader, Global Insurance Services  
Senior Managing Director  
+1 212 841 9374  
wendy.shapss@fticonsulting.com

---

**RORY O'BRIEN**

Leader, Insurance Services EMEA  
Senior Managing Director  
+44 20 3727 1727  
rory.obrien@fticonsulting.com

## **EXPERTS WITH IMPACT™**

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.

©2021 FTI Consulting, Inc. All rights reserved. [www.fticonsulting.com](http://www.fticonsulting.com)

05/26/2021 | V001461-ENG

