

Risk & compliance

Client description

Large German insurer

The Client's requirements

Client concerns as to the operation of a proportional reinsurance facility, specifically:

- A lack of transparency concerning the cession of risks to the facility and the reinsured's compliance with contractual obligations relating to minimum retentions.
- A lack of transparency concerning the calculation of losses ceded to the client.

Our solution

Pro's task was to review the extensive electronic document and data disclosed by the reinsured in support of a sample of ceded losses and to determine whether these claims were recoverable via the facility and had been calculated correctly.

Services/Value delivered

- Pro team reviewed the arbitration documentation, provided an expert opinion as to the calculation of ceded losses, assisted the Company's legal team with the preparation of pleadings, provided a critique of the expert evidence relied upon by the cedant, provided expert witness testimony at the US arbitration and performed calculations in support of the client's demand for an award of interest.
- The arbitration panel awarded the Company \$15.3m plus \$1m in exemplary damages and interest.
- The arbitration award was subsequently confirmed by a federal judge.