

Audit (US casualty)

Client description

A major 'A' rated Japanese insurer & reinsurer

The Client's requirements

- Required finality with UK and US domiciled cedants – assumed portfolio of US long tail Casualty and APH exposures
- Litigation underway with one cedant which the client wanted to resolve

Our solution

- Inspect cedants' underwriting & claim records, and also brokers' placement files
- Assess the management of, and cessions to, specific treaties
- To provide client with strategy to negotiate values asserted and achieve finality with creditors. Strategic settlements / commutations

Services/Value delivered

- Audits confirmed solid evidence of serious documentation and contractual failures
- All audits eventually led to commutations, yielding substantial balance sheet savings
- Commuted US Casualty and APH exposures
- All commutations achieved below client's commutation benchmarks – improvement of balance sheet
- We provided sufficient evidence for ongoing arbitration to be 'dropped' by reinsured