

Audit & inspection

Client description

- London Market reinsurance company

The client's requirements

- UK reinsurer experienced unexpected claims deterioration from a Bermuda based cedant's liability book
- Underlying risks were worldwide D&O risks
- The book experienced very late claims development with a succession of large movements advised 5 years after loss development

Our solution

- An inspection of the cedant's records was undertaken
- Prior to the inspection, a full study was made of all available placing information

Value delivered

- The reporting delay was due to the high layers of coverage written by the cedant
- The inspection revealed that a condition precedent to coverage had been breached
- The breach was accidental rather than intentional
- We brokered a commutation deal whereby the reinsurer achieved significant savings in excess of \$6m
- The project was completed within 14 days, from first enquiry through to final report and commutation