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Layout & Distribution: Valéria Kozakova

Insurance Portfolio Transfers – The Emergence of a Restructuring Tool

Ian Clark

Insurance Portfolio Transfers

- Introduction
- Circumstances where portfolio transfers might be used
- The role of the independent expert

Circumstances where portfolio transfers might be used

- Capital efficiency

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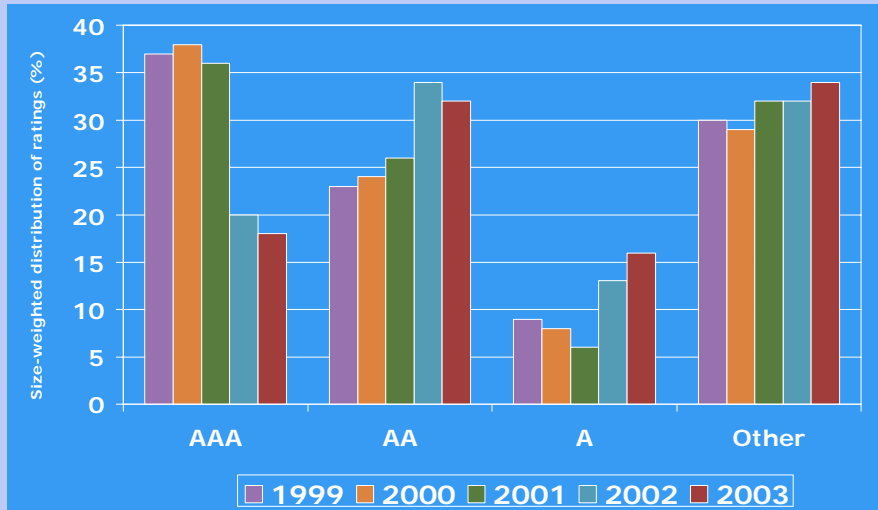
Circumstances where portfolio transfers might be used

- Capital efficiency
- Pressure on ratings

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WTC loss took its toll on the ratings of US P/C firms



Source: Standard & Poor's; calculations by Swiss Re Economic Research & Consulting

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Recent post-Katrina rating downgrades

P/C Company A.M. Best's Financial Strength Ratings	Pre-Katrina	Post-Katrina
Olympus Re	A-	B+
Montpelier Re	A	A-
Renaissance Re	A+	A
IPCRE	A+	A
Endurance Specialty Insurance	A	A-
Rosemount Reinsurance Ltd.	A-	B
PXRE	A	A-
Ratings of 24 insurers under review by A.M. Best with negative implications		

Source: www.factiva.com

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Circumstances where portfolio transfers might be used

- Capital efficiency
- Pressure on ratings
- Tidying up the balance sheet

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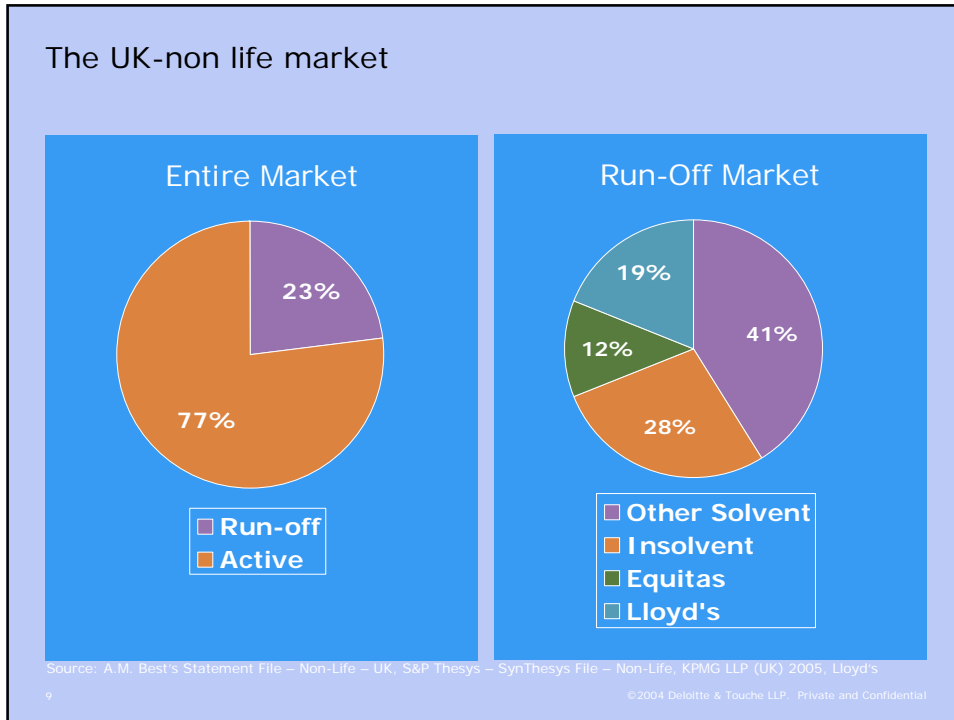
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Circumstances where portfolio transfers might be used

- Capital efficiency
- Pressure on ratings
- Tidying up the balance sheet
- Finality solutions

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- ### Circumstances where portfolio transfers might be used
- Capital efficiency
 - Pressure on ratings
 - Tidying up the balance sheet
 - Finality solutions
 - Underwriting pools
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Circumstances where portfolio transfers might be used

- Capital efficiency
- Pressure on ratings
- Tidying up the balance sheet
- Finality solutions
- Underwriting pools
- Lloyd's

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Insurance Portfolio Transfers

- Introduction
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