

INSURANCE

Runoff, Liquidation and Receivership

Our Runoff, Liquidation and Receivership Services

Clients rely on FTI Consulting to assist with:

- Valuing liabilities
- Winding down operations
- Financial modeling
- Strategic portfolio management
- Capital management and optimization
- Risk mitigation
- Claims management
- Data management
- Asset marshalling and recovery services
- Regulatory interpretation and remediation
- Expert services including testimony and litigation dispute resolution services
- Risk assessment, risk transfer and schemes of arrangement

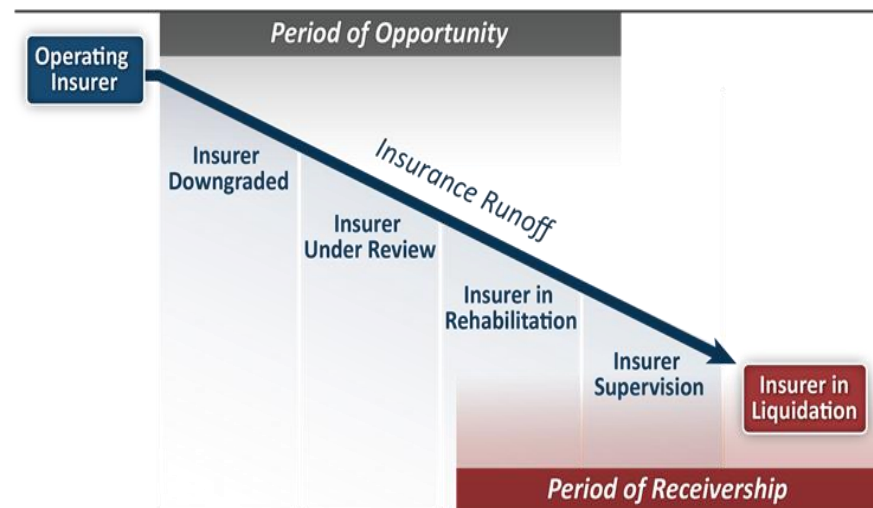
In response to changes in the economic and regulatory environment and demands from consumers and shareholders, the insurance industry faces an increased need to dispose of, or manage, the runoff and wind-down of insurance vehicles and associated liabilities that create a drag on capital. This can occur for a variety of reasons:

- An insurer is exiting a geographical or product market
- A captive or special purpose vehicle whose creation and utility has been replaced by more financially efficient financial or insurance products
- A self-insurer desires to eliminate legacy liabilities that resulted from discontinued operations or to eliminate predecessor and successor liabilities that were due to mergers or acquisitions

How FTI Consulting Can Help

FTI Consulting's Global Insurance Services offers an array of specialty services for stakeholders across the runoff, liquidation and receivership sector.

Lifecycle: Runoff, Liquidation and Receivership



Runoff

Managing runoff requires a full complement of specialized insurance management skills in a variety of areas, including valuation of liabilities, governance of wind-down operations, litigation and dispute resolution, financial modeling, asset management, claims and data management and optimization and extraction of excess capital.

The Global Insurance Services team applies actuarial, corporate advisory and claims management expertise to assist in the development of a strategic portfolio management plan. We also identify key areas of opportunity and work with each company to best position the portfolio(s) for ultimate disposition, whether through sale or direct settlement of liabilities. Our expertise in the valuation of liabilities and understanding of available market options helps optimize a runoff. In addition, we team with FTI Capital Advisors, LLC, our special situation and middle market investment bank, to identify, create and manage runoff solutions with an emphasis on removing contingent liability and financial uncertainty.

Liquidation

FTI Consulting can work with creditors, stakeholders and regulators to help in designing and supporting existing or pending liquidated entities. Across the spectrum of regulatory distress, FTI Consulting will support early intervention through asset marshalling and recovery services. We bring a variety of tools and expertise, including actuarial modeling; claims valuation and settlement; asset management commutation support; accounting; underwriting; operational planning; litigation and expert testimony; regulatory advisory; and reinsurance recovery.

Members of our Global Insurance Services team have helped manage and support many of the major insurance liquidations both domestically and internationally, including having completed the recent 2016 UK PRA/FCA approved solvent scheme of arrangement.

Receivership

Our Global Insurance Services regulatory specialists have a unique understanding of the receivership role in runoff and liquidation. We combine our expertise with the capabilities of our specialty insurance and subject specific business professionals to support a receiver across a variety of functions, including issues of regulatory interpretation and remediation; expert testimony and litigation dispute resolution; and risk assessment, risk transfers and schemes of arrangement.

We focus on issues during the going concern phase (e.g., validating the likelihood of continued profitability) as well as during runoff (e.g., extracting maximum value from the balance sheet). In addition, FTI Consulting has served as receiver for state insurance departments and can bring these capabilities to support client needs.

Members of our team have been involved in many of the industry's major runoff and insolvency matters including, but not limited to:

- EMLICO
- Reliance Insurance, in Receivership
- Employers Casualty Company of Texas, in Conservation
- Highlands Insurance, in Receivership
- Danielson Indemnity Companies
- Executive Life of New York
- Atlantic Mutual, in Liquidation



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EXPERTS WITH IMPACT

About FTI Consulting

FTI Consulting, Inc. is an independent global business advisory firm, dedicated to helping organizations manage change and mitigate risk: 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. Connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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