

## CASE STUDY

# Outsourcing Loss Fund Repatriation Project

### **The Client**

A leading provider of specialty lines insurance and reinsurance globally who asked for Pro's help in the reconciliation and repatriation Loss Funds .

### **The Challenge**

With Loss Funds sitting dormant despite all claims being paid in full and redundant Loss Funds not being requested to be returned there is an opportunity for these funds to be actively pursued through using specialist firms where resource is not readily available.

In some cases, it is not known where Loss Funds reside or with whom as funds have not been effectively managed and as such there is an opportunity to identify and recover funds that would otherwise be written off and not deployed on any balance sheet.

In this particular case study, the initial remit was to reconcile and repatriate "surplus" Loss Funds (i.e. sum of Loss Fund less claim reserves) as detailed in the data set provided by the client.

This process evolved on Pro's recommendation as the outstanding reserve figures provided were not up-to-date.

### **Value Created**

Following success of phase 1 of the project, the client extended the remit to focus on client led Loss Funds > conv \$ 30K and "follow" funds > \$ 100K (an additional \$45m over 286 loss funds).

To date, some \$18m of Loss Funds (client's share) have been fully repatriated since the start of the project and \$19m confirmed as remaining in place

There is a significant volume of capital languishing unnecessarily in loss funds that could be repatriated, but with daily workloads often overstretched, recovering such funds is often left to fall by the wayside. As this case study shows, the expert team at Pro Global provide a tried and tested outsourcing solution.

## **Our Approach**

The team of experts at Pro managed multiple aspects of this complex project including:

- Data was manipulated by Pro to identify client-led policies and Loss Funds > (conv) U\$ 50K to reach the agreed scope of funds to review (118 UMRs \ \$25m client share)
- From the data provided, Pro identified and approached DCAs / TPAs / brokers with a view to repatriating (partially or in full) Loss Funds identified as being in scope or to provide written confirmation as to why Loss Fund needed to be retained in full.
- Bi-weekly status reports were provided to the client along with monthly client presentations with headline progress and the latest progress statistics.
- It was agreed returns of Loss Funds would be made via the broker and Pro monitors these returns in ECF and reports once repatriated or chases to a satisfactory conclusion as appropriate.

**Please get in touch**

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