



riskinternational

CASE STUDY

\$150 MILLION

SHAREHOLDER
VALUE CREATION

6 MONTHS

SPEED OF CAPTURE

INDUSTRY
INDUSTRIALS

EMPLOYEES
120,000

LOCATION
QUEBEC

SECURITY SERVICES (B2B) INDUSTRIALS

\$4 BILLION PRIVATE EQUITY OWNED

ENGAGEMENT

- Engaged by Private Equity sponsor to conduct Total Cost of Risk (TCOR) assessment of global provider of physical security guard and armored car services, with over 200 offices worldwide.
 - Approx. \$36M of commercial insurance market premium + \$24M in retained losses = \$60M TCOR.
- Reviewed 13 years of historical loss runs (fully developed/trended) and 10K Monte Carlo simulation trials to determine actuarial confidence levels.

RESULTS

- Programs and layers with a "Rate On-Line" of >20% placed in captive.
- Captive operates on expense allocation of ~1% of premium vs. 40% in commercial market.
- Losses are predictable and only \$7M-\$8M (avg.) over past 10 years were placed in commercial market. Captive now retains those losses.
- Same coverage, deductibles, and limits as current program.
- Company retains same losses as under current program structure.

FACILITATED **\$13M** IN FIRST YEAR SAVINGS