

Case Study: Risk Advisory

Leveraging Actuarial Expertise for Effective Collateral Optimization for a US Private Equity-Owned Retail Client

UNLOCKING POTENTIAL THROUGH PROACTIVE COLLATERAL MANAGEMENT

ENGAGEMENT

- Conducted an actuarial analysis of loss history to forecast ultimate costs by policy year.
- Reviewed the insurer's analysis to identify discrepancies in collateral requirements.
- Collaborated with the broker and insurer to assess collateral needs and accountability.
- Established a quarterly review process of liabilities to ensure ongoing monitoring and adjustments.

RESULTS

- Achieved a \$3 million reduction in collateral requirements through negotiations.
- Implemented a systematic quarterly analysis of unpaid casualty claims to refine estimates and reserves.
- Identified and enhanced trends in safety, claims, and loss history in partnership with the risk management team.
- Developed specific loss development factors and metrics to gain deeper insight into loss programs.
- Empowered the client to proactively address and improve adverse loss trends, enhancing overall risk management strategies.

FACILITATED A \$3 MILLION REDUCTION IN COLLATERAL REQUIREMENTS

\$30 MILLION
SHAREHOLDER VALUE CREATION

6 WEEKS
SPEED OF CAPTURE

CLIENT BACKGROUND

Description: \$3.6 Billion Private Equity-Owned Big Box Retail Company

Industry: Retail

Employees: 40,000

Location: New Jersey