

# Canopius

## BACKGROUND

The client had initiated an RITC process for a syndicate with a complex 2001 and prior Year of Account. Syndicate reserves included WTC, Financial Institutions and Aviation losses with an extensive reinsurance programme. In addition, a complex corporate member structure existed, with multiple interested stakeholders and potential conflicts of interest. Management time available to oversee the process was also constrained.

## CLIENT REQUIREMENT

The overall client objective was to implement an RITC process that was competitive, transparent and consistent with legal and regulatory requirements.

The brief for MXB Consulting was to implement and manage a process that would:

-  
Control the bidding and due diligence process and manage third parties

-  
Co-ordinate internal teams and governance processes and provide data QC for submissions to bidders

-  
Provide co-ordination of reporting to the management team and relevant boards and committees

## ASSIGNMENT EXECUTION

The solution was based on tight control processes and on-site presence to support the management team and relieve the in-house run-off team from the workload generated by the RITC process.

The key support functions included:

-  
Manage the interface between bidders and the client and co-ordinate the due diligence process internally, ensuring data requests were reviewed and actioned and responses were appropriate

-  
Arrange and control meetings with up to 12 bidders through a two stage process, as well as internal meetings and liaison

-  
Manage access and data flow to an electronic data room and co-ordinate data requests and control quality

-

Manage third parties &ndash; brokers, lawyers, actuaries, accountants and consultants

-

Provide logistical support and act as secretary to the Board&rsquo;s RITC Committee including preparation of review papers, agendas and minutes and reporting to the Board

-

Define process and prepare operating procedures and Terms of Reference for the RITC Committee

-

Assess potential disengagement of the existing run-off team in the event of a successful third party RITC

-

Arrange consultation with interested stakeholders:

- \* Capital providers and Corporate Members

- \* Lloyd&rsquo;s

-

Co-ordinate resolution of issues which arose during the process:

- \* Reserving/actuarial

- \* Accounting

- \* Claims

- \* Service companies

- \* Conflicts of interest

- \* Legal and regulatory requirements

- \* Briefing non-exec directors

## OUTCOME

The RITC was successfully concluded in compliance with regulatory requirements and consistent with the objectives of all stakeholders evidenced by positive feedback from all involved. Significant value was provided for the client through the level of support and co-ordination that was delivered, and this has been recognised by an instruction for a follow-on assignment.

