**Client Focus
Customized Solutions**

PartnerRe

Cut-through Facility Protects Key Accounts

A rating downgrade threatened our client's key accounts. We reacted immediately to help protect their business as they sought to transition back to a stronger financial position. Within just two days we implemented a "Cut-through Facility" that fully addressed the insolvency concerns of their policyholders and prevented any loss of service. Critically for our client, the solution also ensured that they maintained full control of their client relationships.

Understand

Given the sensitivity of the client's policyholders to the downgrade, the situation was critical. Speed was essential. The initial request was for us to "front" for the client's key accounts to address insolvency concerns, providing PartnerRe paper while our client kept the underlying insurance risk. However, a fronting solution came with pros and cons. Our client would have to share control of their key relationships, and would have to rewrite policies on their own paper once they were upgraded, potentially damaging their future reputation.

Partner

Our goal was to find a more effective solution for our client, a solution without the identified issues of fronting, a solution where we would work as a trusted partner, not a competitor. With experience in developing diverse customized reinsurance structures, our team came up with an alternative that would (1) reassure our client's policyholders regarding insolvency risk, (2) prevent any disruption in service, and (3) allow our client to maintain full control of their key accounts.

Act

The solution? A "Cut-through Facility", whereby we issued certificates to guarantee that all claims would be settled, even in the event of our client's insolvency. Policies would continue to be written on our client's paper and we would in no way intervene in their key account relationships. The first certificates were issued within just two days. Our client lost none of its key accounts.

Can our Customized Solutions team help you?
Contact us at www.partnerre.com/risk-solutions/customized-solutions