

Debt purchase – Establish claims and purchase insolvent debt

Client description

- An active European based reinsurer

The client's requirements

- Limited resource capacity resulting in potential loss of reinsurance asset
- Substantial reinsurance recoveries due from an overseas insolvent reinsurer
- No proof of claim established and no dividends being received
- Difficulties with incomplete broker records resulting from previous merger involving original broker where broker systems converted and then broker servicing outsourced

Our solution

- Utilise our existing working relationships with the liquidator and administrator of insolvent reinsurer and the current UK based broker
- Access sufficient data between the parties to reconcile balances to a point in time, enabling a proof of claim to be filed and a scheme claim established on behalf of the client
- Purchase of the established claim for an immediate cash payment
- Ongoing review of the brokers archive systems to identify significant additional balances, enabling supplementary claims to be established and purchased by Pro

Value delivered

- Accelerated cash flow for client from immediate cash payment
- Mitigation of credit risk associated with potential loss of reinsurance assets arising from limited resources and access to key contacts and problems with data and records
- Solution in place to assist with identification and establishment of additional claims