



## The ARC Awards 2006

### Run Off Management Services Provider of the Year

*Winner*

CMGL

*Highly Commended*

Wasa Insurance Run-Off Services

### Run-Off Legal Services Provider of the Year

*Winner*

Kendall Freeman

*Highly Commended*

Clyde & Co

### Run-Off Advisory Services Provider of the Year

*Winner*

KPMG LLP

### Run-Off Company of the Year

*Winner*

Equitas Ltd

*Highly Commended*

Wasa Insurance Run-Off Services

### ARC Award for Services to Run-Off

*Winner*

Paul Taylor, Financial Services Authority

The winners of the first ARC Run-Off Awards, supported by Run Off Business, were announced at the ARC Dinner on 26 October 2006. The five winners were each presented with a trophy in an appropriately 'tombstone' shape by ARC chairman Philip Grant, assisted by Leslie-Ann Giovnilli. The judges did not find it easy coming to a decision as all of those shortlisted had plenty to commend themselves.

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## Run Off Management Services Provider of the Year

*Winner*

**CMGL**

CMGL has gone from strength to strength since its management buy-out from Zurich Financial Services in September 2005. It has expanded its client base in the Lloyd's and company markets and developed its presence in Continental Europe and Australia.

CMGL recently achieved a 100 per cent payout on an insolvent client that wrote a pre-dominantly US property & casualty account.

It also managed the run-off of the UK branch of Turegum Insurance Company from 1998 until 2004, when Turegum was sold to Harper Holdings in one of the largest transactions of its kind.

In July 2006, CMGL acquired City International Insurance Company from its owners.

On the technology side, CMGL's Syndicate Claims Management System (SCMS), an IT system that consolidates syndicates' risk, claims and reinsurance data on to a single platform, has been implemented on five syndicates representing \$867 million of liabilities and \$230 million of reinsurance asset.



*Highly Commended*  
**Wasa Insurance Run-Off Services**



## Run-Off Legal Services Provider of the Year

### Winner

#### Kendall Freeman

This award recognized Kendall Freeman's wide range of achievements in the field of insurance and reinsurance insolvency and run-off. The firm acts both in contentious matters, notably advising on and acting in reinsurance collections, and on the non-contentious side where it advises on schemes of arrangement and Part VII transfers.

Kendall Freeman has been involved throughout the 15 year insolvent run-off of KWELM and Bermuda Fire & Marine, representing those and other Weavers pool companies in many arbitrations pursuing their reinsurance recoveries, and so being instrumental in the successful conclusion of the KWELM schemes and the BFMIC liquidation.

In addition, the firm has been involved with the cross-border insolvency of T&N Ltd and other companies in the Federal Mogul group, acting for Munich Re and Centre, a matter which involved cutting edge developments in inter-court communications between the US Chapter 11 court in Delaware and the English Companies Court.



## Highly Commended

#### Clyde & Co



## Run-Off Advisory Services Provider of the Year

### Winner

#### KPMG LLP

KPMG's Insurance Solutions team has made great efforts to demystify and explain the complexities of solvent schemes. In doing so it has played a valuable role in providing guidance and information on the workings of UK schemes to policyholders and cedants worldwide.

Over the last year or so, it has developed a number of initiatives in response to the various criticisms of schemes, chief among these being complaints about late or no notification of forthcoming schemes and of key dates on which voting and claims adjudication would take place.

Among the support services provided by KPMG have been:

Schemes seminars to educate policyholders and help participants understand the process. These consistently oversubscribed seminars have succeeded in educating staff, making them more aware of the scheme process.

Email alerts distributed to a growing number of subscribers – US, UK, Bermudian, Asian and

European contacts including lawyers, insurance companies, brokers, the media, industry associations.

A schemes database which is a key reference tool for the industry.



Tony McMahon Partner KPMG LLP



## Run-Off Company of the Year

### Winner

#### Equitas Ltd

It was fortuitous that the award to Equitas came hard on the heels of its landmark reinsurance deal with Berkshire Hathaway. That deal having been an unusually well kept secret until its announcement, the award was based primarily on Equitas's success in commuting its major asbestos liabilities, an achievement which paved the way for the Berkshire agreement.

Since its inception in 1996 Equitas has settled claims of over £17 billion, reducing its undiscounted liabilities by 71 per cent.

In the period since 2001, it has completed 46 major direct asbestos settlements involving payments in excess of £1.8 billion, and reached agreement with all ten of the largest direct asbestos assureds identified in 2001.

In June 2006 Equitas announced a comprehensive settlement with The Hartford, resolving claims which in aggregate amounted to many hundreds of millions of dollars.

Equitas has been enormously influential in the run-



off sector as a leading exponent of accelerated runoff and the Berkshire deal will be seen as a vindication of its strategy.

### Highly Commended Wasa Insurance Run-Off Services

## ARC Award for Services to Run-Off

### Winner

#### Paul Taylor, Financial Services Authority

The award goes to Paul Taylor of the FSA who was nominated for his role in making the UK's strong regulatory environment the best in the world for run-off.

In particular it was felt that, while he has been very supportive of managed exits, such as schemes of arrangement and Part VII transfers, he has ensured that the right balance is struck between the company's desire for a profitable exit and the need to protect its policyholders.

It was also noted that he has forged strong relationships with regulators from overseas, and that he has built up a strong team at the FSA with a solid and up-to-date knowledge of the market. His practical approach has helped to create a regulatory environment which has added to the attractiveness of the UK as a forum for the proactive management of run-off.

