



Quest consulting

Consulting Services

Contents



SECTION	PAGE
1. Consulting Services Approach	3
2. Inspection of Records	4
3. Arbitration and Litigation Support	5
4. Operational Due Diligence	6
5. Underwriting Reviews	7
6. Claim Assessments	8
7. Commutations	9
8. Dispute Resolution and Mediation	10
9. Reinsurance Recoveries	11
10. Corporate Advisory Services	12
11. Training	13
12. Quest's Key Consulting Team Members	14
13. Quest's Service Examples	15
14. Contact Details	16
15. Quest Group	17

Consulting Services Approach

Delivering services that help our clients achieve success

- 
- *Quest is committed to providing the greatest value for its clients*
 - *Quest is committed to building long term relationships that produce consistently effective results*

Quest's service principles

- Professional.
- In partnership with our clients.
- Provide expertise.
- Efficient.
- Effective.
- Proactive.
- Communicative.
- Flexible.
- Strategic.

Inspection of Records

Comprehensive examination of contractual and representational compliance

- *Focused investigation into any areas of the relationship between a cedant and reinsurer*
- *Quality management of the inspection process*
- *The knowledge and expertise to know when something is right or wrong*
- *Strategic solutions that work for clients*

Quest's service

- The technical examination of underwriting, premium or claim related issues through a review of the records of a cedant on behalf of a reinsurer.
- Confirm the extent to which a cedant has complied with contractual provisions.
- Verify the accuracy of material representations.
- Confirm whether a cedant's incurred or ultimate loss values are valid and/or have been accurately reported.
- Clarify the reason(s) for significant variance between expected and actual results.
- Act on behalf of cedant clients to protect their interests when an inspection is being performed by or on behalf of reinsurers.

Quest's commitment

- To proactively manage the whole inspection process in a timely and efficient manner, and in appreciation of the specific relationship between the cedant and reinsurer.
- To produce a highly focused and relevant work plan, onsite examination and report.
- To provide clients with the strongest possible evidence to support their position in the event of exceptions emerging from the inspection process.
- To provide strategic advice and deliver flexible solutions that achieve our client's objectives.

Arbitration and Litigation Support

Factual examination, reporting and evidence

➤ *Committed, dependable and credible expertise to determine, report and present the facts in contentious situations*

Quest's service

- Examination of documents and/or data by way of discovery.
- Analysis and recommendation(s) relative to identified contentious issue(s).
- Liaison with clients and/or clients' legal advisors and experts.
- Detailed recording of the actual position (through examination of cedants and/or reinsurers records) relative to any other matter(s) that are a source of disagreement and/or concern.
- Submission of factual reports.
- The giving of factual or expert evidence by way of deposition and/or at a court or arbitration hearing.

Quest's commitment

- To provide experienced individuals capable of performing to the highest standards in contentious circumstances.
- To provide technical and strategic expertise that will give confidence on the issues and the direction taken.
- To commit all appropriate resources to support and protect our clients interests.

Operational Due Diligence

Knowledge. The essential ingredient

➤ *Acquisitions need to be entered into on the basis of equal knowledge by the vendor and purchaser*

➤ *Identify the good, the bad and the ugly*

Quest's service

- A detailed review of the operation of an insurance entity on behalf of a prospective purchaser.
- The specification for the due diligence would be tailored to the potential purchaser's requirements but may include:
 - Assets and liabilities.
 - Policy coverage.
 - Business continuity, marketing and competition.
 - Management and employees.
 - Operational processes and controls.
 - Statutory and regulatory reporting.
 - Disputes and litigation.

Quest's commitment

- To ensure the purchaser knows what is being acquired.
- To examine and report on the key operational factors when considering an acquisition.
- To fully understand all obligations.
- To maintain the highest level of (internal and external) confidentiality.

Underwriting Reviews

Ensuring interests are protected

- *Enhance knowledge of how a cedant underwrites its business and the market*
- *Be in a position to consider whether appropriate underwriting management processes and controls are in place*
- *The opportunity to take remedial action before it is too late*

Quest's service

- Underwriting review of a cedant on behalf of reinsurers who participate (or are considering participation) in a reinsurance agreement with a cedant.
- Examine how the business is being underwritten.
- Verify whether underwriters are complying with underwriting guidelines and minimum rates.
- Assess underwriting controls and reporting/accounting of premium.
- Review aggregation monitoring, reporting and control.
- Analyse market conditions, competition and rating.
- Assess policy coverage and restrictions.
- Review the underwriting and reporting of 'Special Acceptances'.
- Audit delegated underwriting authority.
- Confirm appropriate reinsurance protection arranged.

Quest's commitment

- To determine if the cedant is writing and ceding business with a realistic opportunity for profit.
- To confirm whether there is appropriate underwriting management and control.
- To ensure that the cedant is acting as if un-reinsured and in the best interests of its reinsurers.

Claim Assessments

Assess the obligation to indemnify

➤ *Determine whether a valid liability to pay a cedant's claim has been established and is appropriate in consideration of the terms of both the original and reinsurance policies*

➤ *Analyse and assess claim quantum*

Quest's service

- Examine the validity of one or many claims under a reinsurance agreement.
- Confirm whether cedants' reported claims figures are accurate and timely.
- Assess the cedants' claims adjustment, management and control.
- Identify and report on non-disclosed or misrepresented claims.
- Appraise reinsurers of the extent to which they are obliged to follow their cedants' fortunes.
- Review reserving policy and adequacy.
- IBNR assessments and methodology analysis.
- Verify whether appropriate credit has been given for inuring reinsurance (and other) recoveries.
- Time bar analysis.

Quest's commitment

- To confirm whether liability has been established in compliance with insurance and reinsurance terms.
- To examine a cedant's right of recovery/reinsurers obligation to indemnify.
- To provide clients with a detailed analysis of their exposure.

Commutations

Expert analysis, proactive communication and skilled negotiation

- 
- *Crystallise liabilities at an early opportunity*
 - *Negotiate the most favourable terms*
 - *Innovative solutions for contentious problems*

Quest's service

- Review a client's portfolio of contracts to identify suitable commutation targets.
- Perform appropriate reconciliation of contracts and balances.
- Assess future exposure and analyse cedant estimates.
- Undertake skilled negotiations using all available technical, legal and financial arguments.
- Enhance client's negotiating position following an inspection of records.
- Use commutation to resolve a dispute, if appropriate.
- Draft settlement agreements that finalise contractual obligations.
- Consider, cater for and follow through on the implications of inwards, outwards and global commutations.

Quest's commitment

- To achieve an early finalisation of contractual obligations.
- To obtain the most favourable settlement for clients.
- To seek, in appropriate circumstances, a commercial settlement.

Dispute Resolution and Mediation

Bringing an end to conflict through effective communication, mediation and compromise

- 
- *An understanding of both sides' position and arguments*
 - *Determine what is truly at issue*
 - *Create an environment to enable all possible outcomes to be explored*

Quest's service

- Maintain control of the dispute resolution and mediation process.
- Examine and understand all areas of conflict.
- Identify key areas for resolution.
- Discuss, through frank and skilled communication, all possible outcomes.
- Mediate a resolution through a thorough understanding of the practical, technical and political issues.

Quest's commitment

- To achieve an outcome acceptable to both parties.
- To use all resources to effect a satisfactory, expedient and cost effective resolution.

Reinsurance Recoveries

Effective Asset Management

- *Quest's wide range of contacts in the insurance and reinsurance industry combined with our proactive approach can facilitate the maximum possible recovery for clients*
- *In appropriate circumstances Quest will purchase the recoverable asset on terms agreed with the vendor*

Quest's service

- The collection of aged and/or problematic recoveries.
- Utilisation of extensive London and international market relationships.
- Purchase reinsurance debt.
- Maximise reinsurance recoveries at the earliest opportunity.

Quest's commitment

- To use all available skills, knowledge and contacts.
- To apply the most effective asset recovery strategy.
- To maintain the highest level of commitment to successfully conclude the process at the earliest opportunity.
- To generate the greatest value for Quest's clients.

Corporate Advisory Services

Consulting services at the corporate or portfolio level to tackle macro corporate issues

- *Unlike most consulting businesses in the insurance sector, Quest can provide corporate level consulting and advisory services that address strategic issues*
- *When combined with our other insurance consulting services, Quest can work with clients to provide a complete solution*

Many of the challenges that insurance businesses face go beyond a single issue and impact the business as a whole. Quest can provide corporate level advisory and consultancy services that set it apart from other consultants in the sector. The range of services are outlined below and further details can be made available on request.

Transaction advisory services

➤ Quest have specialist merger, acquisition, financial due diligence, commercial due diligence and general transaction advisory expertise specifically relevant to the insurance sector. We can support and assist clients in pursuit of their strategic objectives. Transactions involving regulated businesses require specialist expertise to deal with the range of stakeholders involved.

Restructuring advisory services

➤ The Quest management team includes a qualified insolvency practitioner who can provide advice and support in difficult situations. This support is especially relevant when operating within a regulated environment. The transition from ongoing underwriting to run-off is one specific and relevant situation where cash flow and strategic objectives are radically altered overnight.

Solvent Schemes of Arrangement

➤ Discontinued insurance entities are increasingly using solvent schemes as a means to bring finality to liabilities in run-off. A successful Scheme of Arrangement requires both detailed preparation with relevant expertise. Quest can act as scheme advisor and/or provide the vital project management support.

Run-off administration

➤ Quest currently manages over \$1 billion of liabilities in run-off. Quest can provide this outsource service to clients in the knowledge that Quests expertise will ensure claims are minimised and not just processed.

Quest's commitment

➤ Quests corporate level consulting service offering is founded on the principal that if our clients are successful through their involvement with Quest, our reputation and success will grow.

Training

Tailored tuition

- 
- *Acquire consulting skills*
 - *Apply those skills in practical situations*
 - *Enhance performance and productivity*

Quest's service


- Tailored tuition of consulting skills.
- 'One-to-One' or team 'own projects' training.
- Practical 'hands-on' guidance and assistance in relation to active own projects.
- Assess own projects performance.
- Recommend steps to improve performance and results.

Quest's commitment

- To train for specific needs.
- To provide a process for continual skills development.

Quest's Service Examples

The Quest team bring with it an excellent track record of delivering effective services



➤ *Professionalism, experience and expertise that can be relied upon to achieve results*

Quest's service examples

- Determination of fraud relating to the collapse of an international aviation pool resulting in hundreds of millions of dollars in damages.
- Identification through inspection of significant misrepresented and non-disclosed claims by a major London market company leading to a saving for a panel of reinsurers in excess of £75 million.
- Examination into an inappropriate collaboration by a London market operation and their broker resulting in a multi-million pound settlement for reinsurers.
- Run-off administration of three former member companies of the Fortress Re pool, with liabilities under management of over \$ 1 billion.
- On behalf of a consortium of companies, detailed investigation into a high profile failed London market agency/pool. Findings resulted in a commercial resolution through heavily discounted commutations.
- Investigation and analysis of over-stated and redundant reserves under a purchase guarantee enabling a commercial settlement to be negotiated, saving our client in excess of \$ 10 million.
- Start to finish execution of Solvent Schemes of Arrangement in multiple jurisdictions. Approach focused on preparation and creditor consultation achieving near 100% support thereby ensuring brand protection.
- Development and implementation of a strategic review at the time of deciding to enter run-off to enable an Australian reinsurer to focus on the priorities required in run-off, including cash-flow management, claims investigation and commutation.
- Working with a range of stakeholders to provide a consensual restructuring solution for a top ten global insurance broker.
- The successful rescission by a London reinsurer of marine excess of loss reinsurances placed on behalf of a New York cedant under New York arbitration proceedings and law.
- The processing and settlement of an Israeli companies obligations to hundreds of international creditors under a scheme of arrangement.

Quest's Key Consulting Team members

Experts in delivering innovative, flexible and effective services

➤ *The team assembled to deliver Quest's Consulting Services brings together a unique blend of complimentary skill sets, significant expertise and experience to provide complete and effective services*

➤ **Jeremy Fall (Director/Chief Executive Officer)**

- Former Managing Director of Chillington International Limited, a worldwide insurance consultancy group, based in London with over 40 staff. Qualified professional with over 20 years industry experience in resolving problems for clients on a worldwide basis providing strategic advice on claims management, discontinued portfolios and finality solutions.
- Recognised run-off market expert, skilled negotiator, factual and expert witness in arbitration and litigation. Appointed Arbitrator.

➤ **Sean McDermott (Director)**

- Qualified Accountant and restructuring professional. A former core member of Ernst & Young's Financial Services Restructuring Team with 12 years insurance industry experience involving a wide variety of complex and multi-jurisdictional engagements.
- Full range of skills extending across the spectrum from formal restructuring assignments to business reviews, financial investigations, commutations and solvent schemes of arrangement. A proven track record in developing and implementing innovative and commercial solutions to deliver value for a range of stakeholders. A range of assignments for regulatory authorities.

➤ **Karl Floyd (Associate Director)**

- Qualified professional with over 25 years market experience handling all classes of business, contract types and operational areas.
- Management of over 100 consulting projects, predominately inspection of records, covering underwriting, claims, technical accounting and reinsurance recoveries. Skilled analyst and negotiator. Factual witness in arbitration proceedings.

Quest's Contact Details

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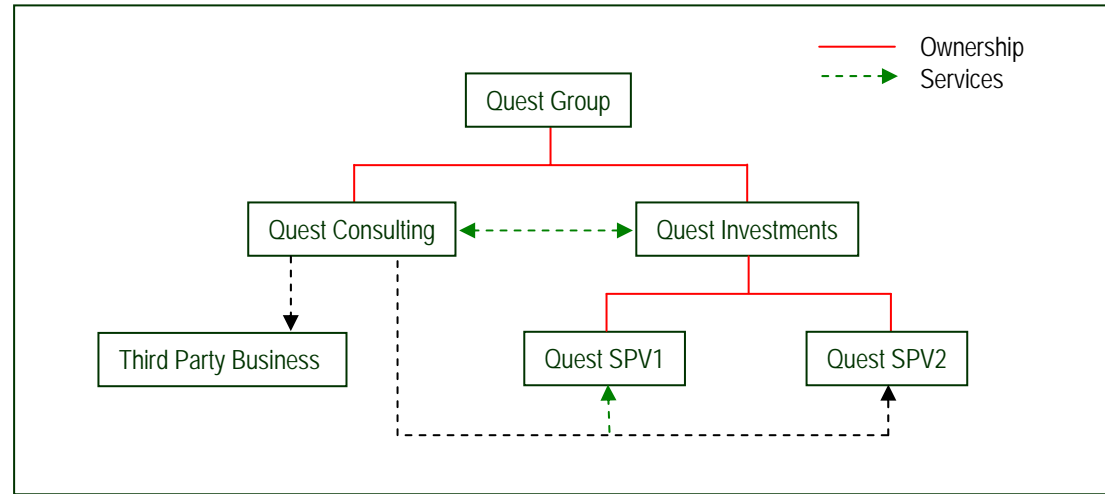
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Quest Group

Dual structure separates operational focus whilst allowing seamless integration to deliver finality solutions

➤ A focussed investment vehicle/ team dedicated to originating and executing innovative and flexible finality transaction solutions

➤ A comprehensive consulting business supporting the insurance industry providing services to 3rd parties/other group companies



Quest Investments

- Acquisition vehicle to operate as an independent entity from Quest Consulting. Steve Gowland and Sean McDermott to focus on delivering transactions with a focus on finality and capital release.
- Target companies acquired through a series of SPV's raising capital, where necessary, on an acquisition basis to segregate capital and risk.
- Quest Consulting performs and assists with due diligence on potential acquisitions and enters agreements to provide run-off and claims management services to acquired companies.

Quest consulting

- Led by Jeremy Fall (CEO) supported by Karl Floyd (Head of Consulting) replicating their individual and collective successes in previous similar roles. Supported by a team of insurance specialists.
- Operates as a third party outsource service provider offering claims management and other comprehensive consulting expertise to clients, regardless of the size of any problem.