

# Securely managed insurance solutions

Protected Cell, Incorporated Cell and Segregated Account facilities



# Value Proposition

To provide clients with insurance solutions without the costs or capital and complexity of parent company management time and expense, that a wholly owned reinsurance subsidiary requires. White Rock assists clients achieve their target of lowering total cost of risk.

# The White Rock Cell Solutions

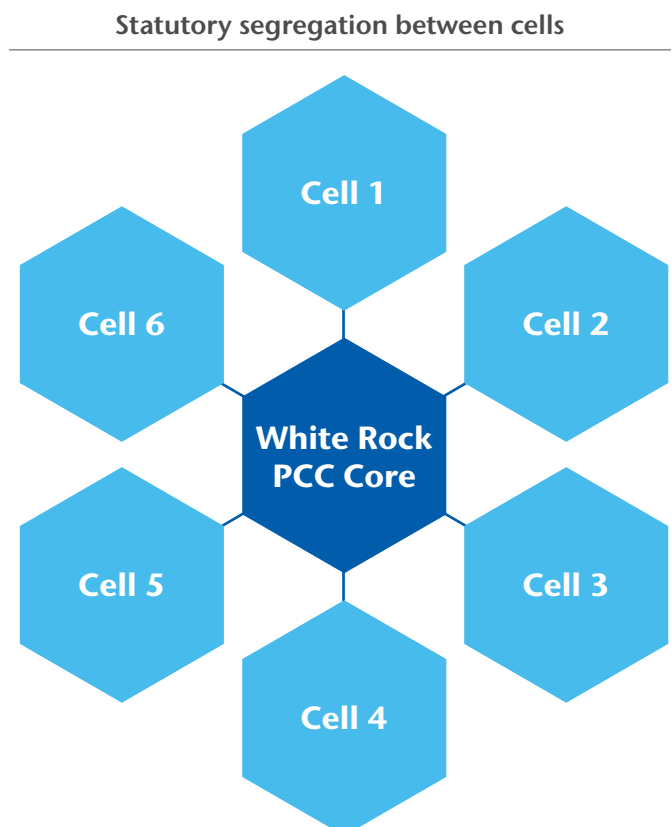
- ▶ Over 20 years experience
- ▶ Protected cells
- ▶ Segregated accounts
- ▶ Incorporated cells
- ▶ Sponsored insurance
- ▶ Over 250 cell companies
- ▶ Seven key locations  
(Bermuda/District of Columbia/Gibraltar/  
Guernsey/Isle of Man/Malta/Vermont)



Collateralised reinsurance (including life business)  
Servicing all global industries

# The Cell Company Legal Structure

- ▶ One legal entity – one company
- ▶ Two classes of share – core and cellular
- ▶ Unlimited number of cells
- ▶ Legal segregation of cells
- ▶ Flexible allocation of capital
- ▶ World-wide acceptance  
(45+ domiciles have similar legislation)
- ▶ White Rock works as a facility



# Advantages – White Rock

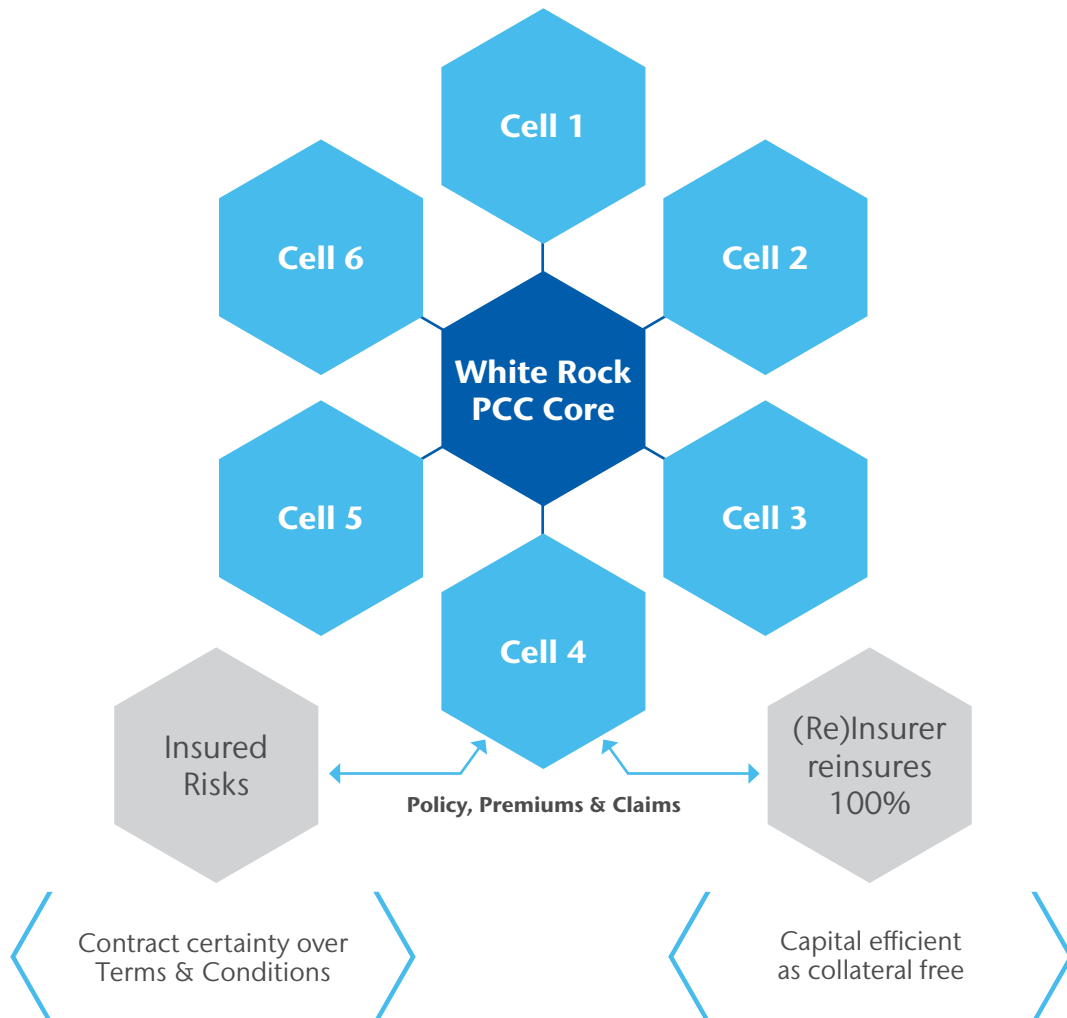
- ▶ Suitable for companies from all industries
- ▶ Suitable for various sized companies
- ▶ Flexible allocation of capital
- ▶ Risk management tool
- ▶ Aids in the reduction of loss volatility
- ▶ Supports balance sheet protection
- ▶ Efficient use of management time and resources
- ▶ Formal, legally enforceable insurance arrangement
- ▶ Speed of entry and exit
- ▶ Capacity to grow risk retention over the medium to long term
- ▶ Flexibility in program design
- ▶ Flexibility in policy wording with contract certainty
- ▶ Facilitates difference in conditions/different limits and deductible buy-downs
- ▶ Access to reinsurance capacity
- ▶ Strong and efficient cash flow benefits
- ▶ Control over information, risk management spend and cost of risk
- ▶ Uninsurable risk solution
- ▶ Profit center potential



Solution  
**1**

# Fronting

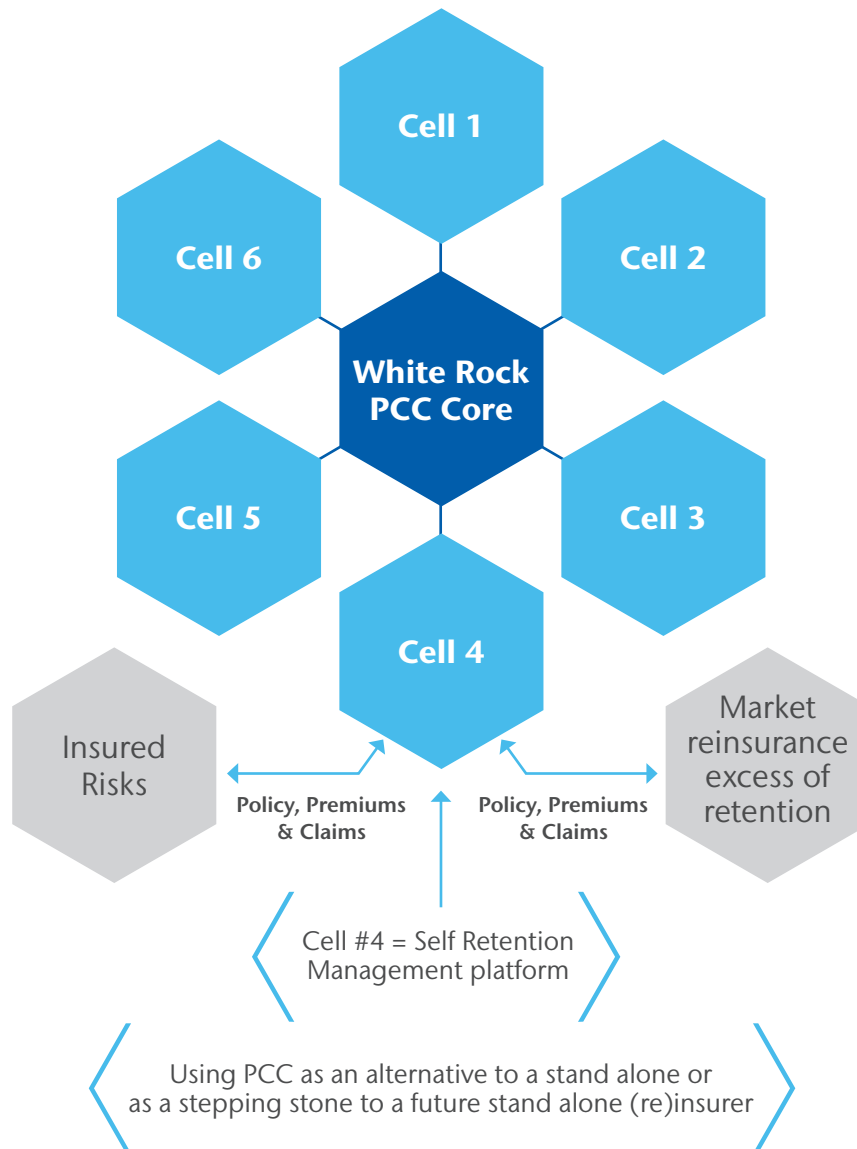
Statutory segregation between cells



## Descriptive

- ▶ Efficient fronting arrangements
- ▶ Fast movement of funds
- ▶ Saving on collateral requirements
- ▶ Contract certainty for terms and conditions
- ▶ Capital efficient
- ▶ Program design alignment

## Statutory segregation between cells



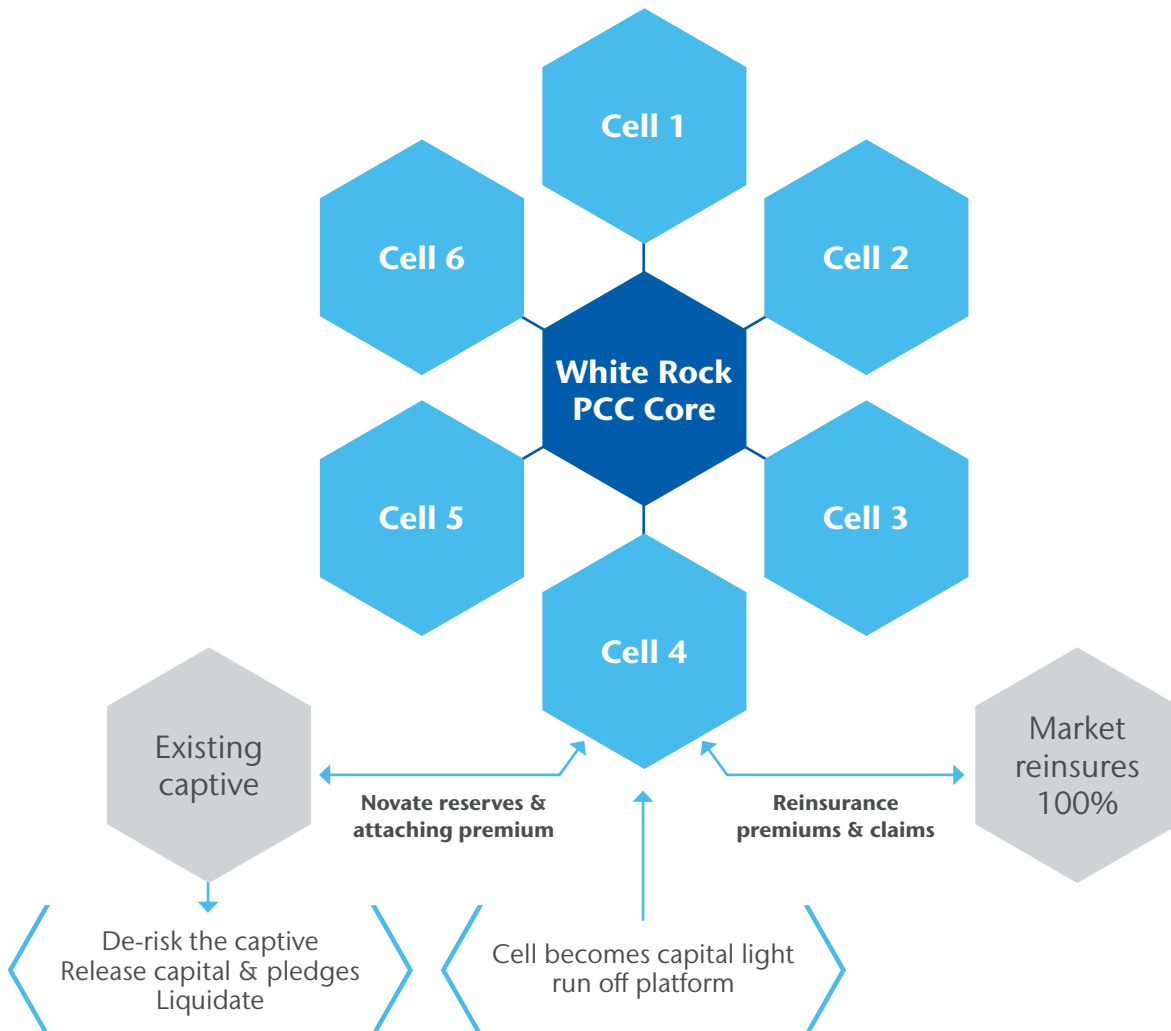
## Descriptive

- ▶ Risk retention platform without capital nor management time required of insurance subsidiaries
- ▶ Set up and closure faster than insurance subsidiaries
- ▶ Ideal for those companies unsure about forming an insurance subsidiary as a way to get first experience of self retention
- ▶ Incubate new risk until performance has been measured

Solution  
**3**

# Run off and warehousing

Statutory segregation between cells

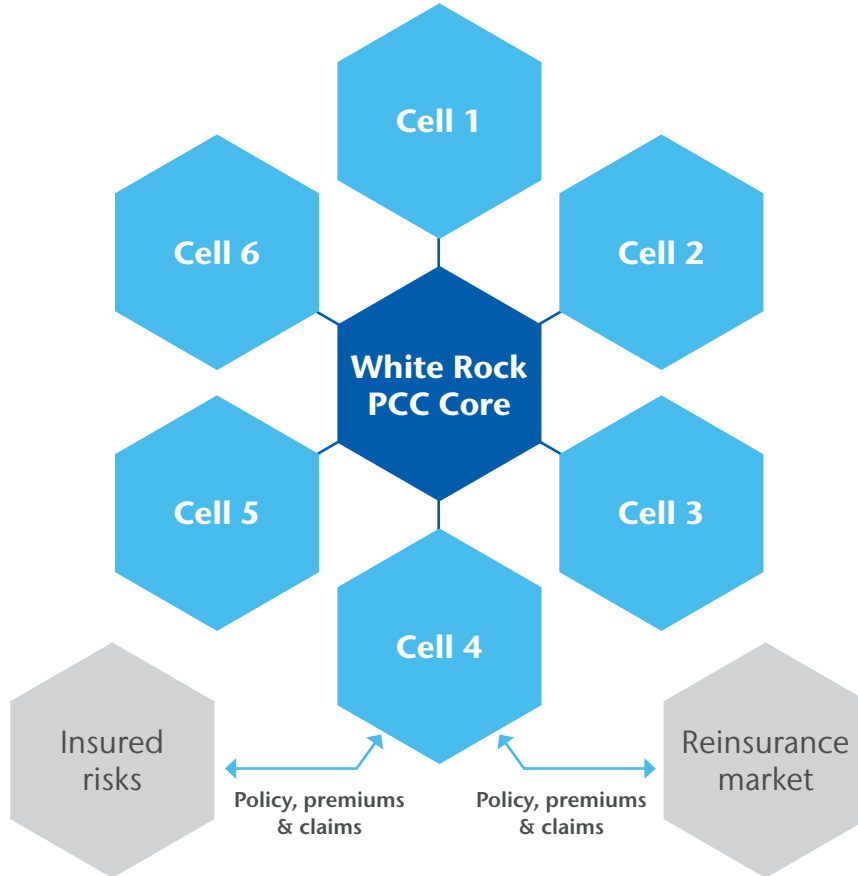


## Descriptive

- ▶ De-risk (re)insurance subsidiary
- ▶ Facilities close down insurance subsidiary
- ▶ Free up capital
- ▶ Reduce management time
- ▶ Maintain contact with reserves running off professionally
- ▶ Release subsidiary pledges and guarantees

# Access to reinsurance market

Statutory segregation between cells



## Descriptive

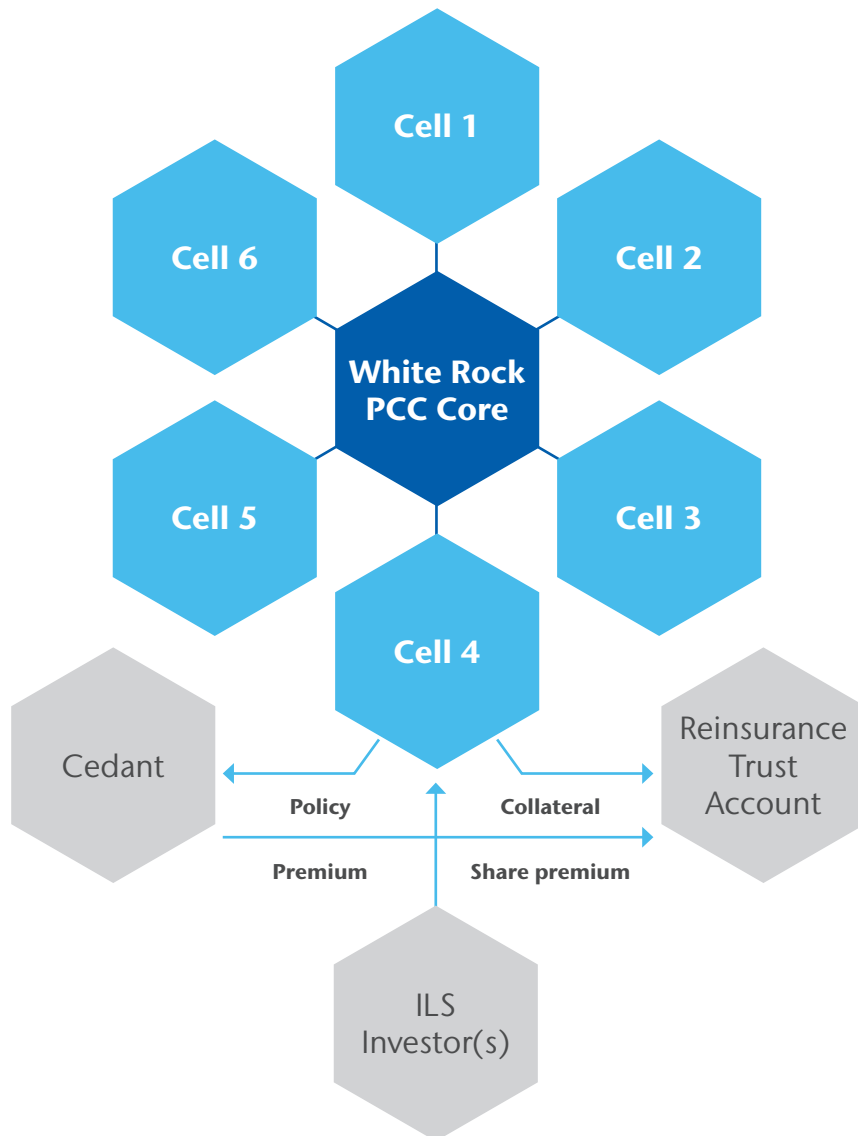
- ▶ Access capacity in the reinsurance market
- ▶ Supports alignment of risk management program
- ▶ Provides additional (re)insurance capacity
- ▶ Allows for risk diversification
- ▶ Strengthens balance sheet support



Solution  
**5**

# Insurance-Linked Securities / Collateralised reinsurance

Statutory segregation between cells



Utilising transformer vehicles, capital markets investors are provided the opportunity to participate in (re)insurance event risk, including property and life; in the absence of a clearly defined trigger event, the initial collateral and any associated proceeds will be realised by the investor

Clients include dedicated Insurance Linked Securities (ILS) funds, (re)insurers, hedge funds, private equity funds, pension funds, banks and other financial institutions

## Descriptive

- Provides capital market investors with flexible and innovative transformer facilities to directly access the reinsurance market
- Offers efficient turn-key solution to investors looking for ease and speed of set up and flexible ownership options, with minimal operational costs
- Extensive experience with establishing new protected and incorporated segregated account cells, as well as stand-alone vehicles, and provides all management services and oversight to the vehicles

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## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

## About White Rock

White Rock is a unique and leading group of insurance and reinsurance vehicles with operations in a number of key domiciles including Bermuda, District of Columbia, Gibraltar, Guernsey, Isle of Man, Malta and Vermont

Owned by Aon, the White Rock Group offers clients a diverse suite of insurance solutions through utilisation of Protected Cell, Incorporated Cell and Segregated Account facilities.

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