

London calling

Intelligent Insurer speaks to Mike Palmer (MP), marketing director, and Tony Weller (TW), group chief executive of Citadel Risk, about the firm's London offering.

Q How has your second year of operating in London gone?

A MP: We've had an amazing year. We started talking with London brokers about what Citadel Re could do for them. We now have a panel of about a dozen who are offering opportunities to the Bermudan reinsurer.

Q What kind of deals has Citadel Risk's London operation been involved in?

A MP: One example is where clients have a pressing need for reinsurance, usually at the insistence of a regulator, whether or not there is a pure commercial rationale for the transaction. Sometimes, there is little or no effective risk transferred. We can turn these around quickly.

Our clients include those whose risks are all underwritten and vetted by a responsible and self-motivated consortium.

We also cover small dollar amounts, particularly where the minimum and deposit premium (MDP) is relatively high. Effectively, this transfers a proportionately small amount of risk for a relatively high dollar value. This distinguishes us from other carriers. We will do the small deals and look at facultative reinsurance (Fac).

Citadel Risk's London office has also been involved in programmes with effectively little risk transfer, with the ideal being the so-called 10/10 risk transfer criterion. This would have high rate on line with good underwriting by the client and low or zero historic loss records.

We also service businesses with high premium increases in a hardening market, and companies that have a successful established book of business and seek either quota share or excess of loss (XOL) support to develop that book.



Mike Palmer, marketing director of Citadel Risk



Tony Weller, group chief executive of Citadel Risk

Q Citadel Risk was rated at A- by AM Best last year. What impact will that have on your premium growth?

A TW: It has meant that we are seeing better opportunities than in the past. Some brokers still see us as somebody to review a risk they can't place elsewhere but we can discard those easily enough.

Generally we prefer risks when we are a fairly dominant carrier which, with our surplus, means the deal needs to be smaller. The London Market has enough interesting deals for a carrier with this kind of appetite.