

Mike Palmer tells **Barbara Hadley** about his new role at Citadel UK and how he intends to raise the company's profile in the London market

Citadel has big plans for London market

Citadel Risk Group has launched a new London market company to expand its reinsurance and services capabilities outside Bermuda and the US and has appointed Mike Palmer, formerly marketing and business development director at R&Q, to head up the new UK operation – Citadel Risk Services UK Ltd (CRS).

The Citadel Risk Group comprises three distinct parts: reinsurance, services and investment. Its reinsurance operation dates back as far as 1978 when it was a joint venture with the Hong Kong and Shanghai Banking Corporation and based in Bermuda. In 1984 Citadel Reinsurance Company Ltd (Citadel Re) was established in its own right and has been trading successfully since then out of Bermuda, providing specialist and niche reinsurance products, mainly offering quota share and excess of loss reinsurance programmes.

The company also owns Citadel International Reinsurance Company Ltd (CIRCL) which is a segregated cell company domiciled in Bermuda. In addition to traditional and niche reinsurance programmes, both Citadel Re and CIRCL operate in the captive and risk retention group market.

On the services side of the business, up until now all the work has been US-based, headed up by Art Coleman in New Jersey where there are two offices with a dozen staff currently handling several run-off

portfolios and providing back office services for several live companies. The US operation also owns Citadel Risk Services Inc, which acquired reinsurance intermediary Gallagher Capital Services (formerly John P Woods Inc) in 2009.

'Citadel Risk Services UK is just me at the moment,' says Palmer. 'I am looking to complement what Art and his team are doing in the US so we can then work collectively as Citadel Risk Services in the UK and US.'

'My time will be split equally between the reinsurance and services sides but with an underlying remit to raise Citadel Risk's profile and make sure that what Citadel Risk does, can do and is capable of doing, becomes

years to get. 'We see this as a necessary requirement for the group as we move forward,' Palmer says. Since Citadel Re provides collateral for most deals through LOCs or Reinsurance Trust Accounts, it is still a viable market for most programmes.

CRS is offering a comprehensive range of services, ie. audits and inspections, claims, run-off, commutations, reinsurance collections, reviews and general outsourcing. 'Clients are still looking for help with commutations, where they know someone has strong relationships, and also technical expertise in the audits and inspections area is always in demand,' observes

'If you put all the bits of the Citadel group together I believe we are able to compete with the bigger players'

known in the London market.'

On the reinsurance side, Palmer explains, Citadel Re is a niche writer of reinsurance business and as such has existing relationships with a number of London brokers, but not the larger brokers that tend to use rated reinsurers. Citadel Re currently holds a Demotech A rating.

That said, Palmer is keen to get an AM Best rating for Citadel Re, although a rating will take two

Palmer.

'We are going to look at a number of debt purchase opportunities. I think that is still an active area and one which some of the larger companies are just starting to latch onto – companies which have managed their run-off down to such a low level that they are prepared to sell the reinsurance for the balances.

'Typically you are talking about a figure of around \$5 million made

