

The US legacy market is growing fast: Compre

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The legacy market in North America continues to develop and grow as more insurers view it as a strategic option, as opposed to using it simply to discontinue certain lines of business, David Presley (pictured), chief executive officer of Compre North America, told *Intelligent Insurer*.

“The North American market is maturing; there is plenty of opportunity for growth,” he said. “Not only are we seeing new opportunities from counterparties with which we have not previously transacted, we are transacting with entities we have partnered with in the past.

“The motivation for transactions has developed from cedants’ simply wanting to exit lines of business to a more strategic motivation that includes capital efficiency and operational and administrative relief.”



Bermuda-based Compre is seeing growth opportunities in the market—and it is expanding its team with this in mind. It unveiled the appointment of claims veteran Bill Bouvier as claims director, North America, based in Compre’s Connecticut office. Bouvier, who joins from RiverStone, will be responsible for leading its North American claims team.

“We are seeing opportunities in virtually every line of business.” David Presley, Compre North America

“We are seeing opportunities in virtually every line of business, although it seems that everything old is new again,” Presley said.

“Liabilities that have been staples of the legacy space, such as asbestos, pollution and health hazard and workers’ compensation, continue to present new opportunities for us and are areas in which we specialise.

“In general, the P&C market is seeking exit solutions for both those traditional legacy lines, including more recent or green accident years across all lines of both short-tail (eg, auto) and long-tail (eg, construction defect) lines of business.”

A complex environment

Although the market is generating solid growth, Presley acknowledges that the legal and regulatory landscape remains complex for legacy players. “With 50 individual states and a continually evolving regulatory landscape, it is difficult to receive market adoption for a legal mechanism to transfer a book of legacy liabilities,” he said.

“To date, while Insurance Business Transfer and Division statutes are both available in some states, these solutions remain in their infancy with further regulatory scrutiny required. In the interim, loss portfolio transfers are the most common structure and continue to be the most efficient and effective way to provide economic finality for our clients.”

Presley remains confident that the market will continue to expand and evolve. “The market continues to grow steadily and counterparties will always have legacy liabilities. With the desire for capital, administrative and rating agency relief becoming more routine discussion topics for insurers, including

macroeconomic factors such as social and economic inflation, reinsurers and other risk-bearing entities will continue to access the legacy market as an attractive, long-term partner for reinsurance solutions.”

“Loss portfolio transfers are the most common structure.”

The appointment of Bouvier as claims director reflects the growth of Compre’s presence in the region; he is just one of a number of new hires.

“We have a dedicated scalable North American platform that is positioned to address the expanding US legacy market,” Presley said. “Our footprint in North America has expanded with the addition of some exceptionally talented new hires. We have a dedicated business generation team here in North America with the sole purpose of partnering with clients to meet their legacy needs.

“The new team comprises subject-matter experts with operational expertise in business origination, deal execution, transition and claims management. With three decades of experience in the legacy market, a commitment to client relationships, and disciplined underwriting, we have an appetite for these exposures, and the ability to provide economic and legal solutions,” he concluded.

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