ART
Alternative Risk Transfer

Structured Insurance Solutions

Manage risks that have traditionally been difficult to insure. Profit from your good claims experience and make the most of an interdisciplinary approach. This is what a structured insurance solution can do for you. Break down insurance barriers with flexible and innovative ART solutions.
Structured Insurance Solutions

Today, risk management is faced with constantly changing needs and challenges, which means your company must be prepared to deal with such changes. Zurich’s Alternative Risk Transfer (ART) competence centre can offer you individualised strategic solutions for complex risk and financing situations. Increase the efficiency of your risk management with a customised combination of insurance and capital market instruments suited to your particular situation. Break down insurance barriers with flexible and innovative ART solutions.

Efficient Risk Management

Corporate risk management involves much more than insurance. Decisions concerning capital allocation and management also play a key role. A company’s value depends on its ability to generate future earnings and cash flows. Efficient risk management can guarantee sustainable and profitable growth, allowing your company to focus on optimising its capital structure (equity, debt, off-balance sheet funds) in consideration of its risk exposure.

Risk Management to optimise Capital Structure:

Structured Insurance Solutions

Structured Insurance Solutions offer you practical risk management and risk transfer solutions, based on both traditional and non-traditional risks. They cover underwriting risks, timing risks, credit risks and investment risks. Our Structured Insurance Solutions are characterised by their special retention levels, profit sharing and additional premium agreements, depending on the availability of historical claims and exposure data. Unlike traditional insurance solutions, which are based on the law of large numbers and which spread the risk over the insured population, a Structured Insurance Solution is generally geared to a single risk or a well-defined basket of two or more risks.
We offer you four Structured Insurance Solutions:

- **Finite Risk Solutions**
  are structured (re-)insurance programmes with a multi-year term, aggregate limits and a profit sharing mechanism. These programmes combine self-financing and investment returns with pure risk transfer. In a typical Finite Risk Solutions, we can either underwrite traditional insurance risks or provide coverage for risks that in the past have generally been difficult to insure, such as price fluctuations, weather risks, environmental risks, and extended product liability.

![Coverage Concept](image)

- **Structured Credit & Surety Insurance**
  provides protection against insolvency through sophisticated solutions for credit risk portfolios.

- **Loss Portfolio Transfer Solution**
  Managing retrospective liabilities, environmental legacies and provisions has become a major financial challenge for risk managers. Zurich will evaluate your existing provisions based on actuarial techniques and claims audits and offer a variety of tailor-made solutions to transfer the loss portfolio. A Loss Portfolio Transfer is especially useful with regard to mergers, acquisitions or divestitures, as it allows you to focus on future business and free your balance sheet from accrued liabilities, releasing previously blocked capital for operating activities.

- **Structured Residual Value Insurance**
  For financial reasons, lessors may wish to protect themselves against depreciation of their assets at the end of the lease term or the default of the lessee. We will perform a Risk Engineering audit and detailed analysis of your situation, after which a Residual Value Insurance solution will be crafted to optimise your risk allocation.

All our Structured Insurance Solutions can also be integrated into a captive programme to exploit possible synergies.

**Interdisciplinary Approach**

Regardless the risks you need to cover, we at Zurich draw from our extensive knowledge, experience and innovation to focus on meeting your specific needs. Our interdisciplinary approach offers you new perspectives. As consultants and underwriters, we have the skills and resources to assist you in the solution process, from the initial consulting phase to long-term collaboration.
Prerequisites for Risk Analysis

• You ensure the availability of detailed data concerning loss history and/or market data for an analysis.

• You consent to work closely together with Zurich during the development of the solution and to conclude a service agreement, which includes an advisory fee.

Prerequisites for ART Risk Financing

• You are prepared to finance a substantial part of the risk coverage yourself.
• You are prepared to provide sufficient cash to finance the solution (minimum of EUR 500,000 per year).
• Your credit standing and credit rating are sufficient to finance an ART solution.
• You meet political and legal requirements.

Your Advantages

• Limited risk transfer for traditionally uninsurable or difficult to insure risks (extended coverage)
• Greater planning & budgeting freedom (smoothing of results/balance sheet protection)
• Optimisation of risk capital costs, balance structure and key figures
• Transparent risk analysis
• Asset & liability management: adjustment of asset allocation according to time horizon of liabilities
• Tax optimisation opportunities