



Differentiation through client relationships: a key strategy at Maiden Re

Karen Schmitt, President of Maiden Re, discusses how the company distinguishes itself by working closely with clients and providing exceptional security.

In today's competitive marketplace, how does Maiden Re stand out from other reinsurers?

When Maiden Re was formed in 2008, we embarked on a unique business model to best serve our clients and shareholders. Above all, we dedicated our company to serving regional and specialty P&C companies, focusing on their core reinsurance needs. That led us, for example, to avoid writing catastrophe reinsurance, which is prone to wide swings of profitability and loss, and to focus instead on traditional, lower volatility lines of business. We committed our company to fostering long-term relationships, where we could generate a true sense of partnership, and participate in assuming substantial – and increasingly large – portions of our clients' more predictable, working layer level of reinsurance.

What are some of the things you do to foster long-term client relationships, and how does your Dedicated Financial Trust product fit into that strategy?

What our clients want from us, first and foremost, is stability and financial security. They want to know that funds will be there when they need them – regardless of what may be going on with our balance sheet, our profitability or our corporate structure. And so we offer the Dedicated Financial Trust, our hallmark product. Briefly, our Dedicated Financial Trust is an individually segregated account for each client with total reinsurance liabilities in excess of \$1 million. Each trust is fully collateralized with high quality assets to cover all our projected obligations to that client, including case loss reserves, IBNR and unearned premiums. All this ensures that their money will be there. It gives our clients tremendous peace of mind.

It sounds like maintaining the trusts is a lot of additional work.

The trust product has been used for several years so we are adept at handling the logistics, and we absorb all the costs and fees. The trusts are monitored and maintained by an independent trustee. We review them with each client quarterly and make adjustments accordingly. In addition, each quarter we send our clients a detailed report analyzing just how their business with us has fared. It's all very transparent. At the end of the day, we want to give our clients the highest level of security in the market. If that requires additional work on our behalf, so be it.

Do clients have ready access to the money in their trusts if there's an unpaid claim?

Claims are paid from our normal, daily operations, not from a client's trust account. However, if for some reason we don't pay a claim within 90 days, clients have the right to go into their trusts and take that money. But that has never happened; it is just another level of protection we provide our clients. We also offer many of our clients a service called Rapid Payment Management, or RPM. Through it, we pay claims electronically within 24 hours of a request and the client can submit their claim documentation afterwards. We believe the risks of this approach to be minimal and it provides outstanding service to our clients.

What other services do you offer that differentiate your company and nurture exceptional client relations?

Every company talks about partnering, but we really walk the walk. We pride ourselves in listening and always being alert to the needs of our clients, offering products or assistance that will help them grow and

prosper. These are typically non-traditional products that are developed based on client needs, often on an ad hoc basis. These may include actuarial assistance, business expansion analysis, compliance consulting and products, IT consulting and more.

From the initial and subsequent designs of the reinsurance structure to meet our customers' specific needs, to regular on-site visits to discuss company results and industry trends, to non-reinsurance product offerings, we aspire to be the best reinsurance partner our clients have ever had.

If Maiden Re was formed as recently as 2008, how can you talk of a track record of longevity with your clients?

Much of our business comes from the 2008 acquisition of GMAC RE. That entire business came over to Maiden Re largely intact, including an exceptional staff of seasoned professionals. Some client relationships have existed for 15 or more years. These clients know our underwriters and our philosophy, which have remained relatively unchanged following the acquisition. In fact, we were proud to see that our efforts have made an impact on our clients. In the recently released results of the "2011 Flaspöhler Survey™ (Cedants Evaluate Reinsurers / NonLife / U.S.)", Maiden Re Clients voted Maiden Re as the "Best Overall reinsurer." Our clients also rated Maiden Re highest, according to the combined nine Flaspöhler reinsurer evaluation and selection factors.

By continuing to differentiate ourselves through value added services, the Dedicated Financial Trust, and just taking the time to learn our client's business, we hope to continue growing with our clients for many more years.