

Insurance Company Formation and Start-up

New insurance carriers are formed for many reasons, including (but not limited to):

- New product introduction
- New distribution channel
- Additional capacity
- Market disruption
- Deploy new technology
- Geographic distribution

While the reasons and strategies will differ, the overall process of forming and insurance carrier and bringing it to market does not differ significantly by market, state, line of business or distribution channel. While details within the processes will change, the overall scope of the project remains fairly constant and includes:

- Business plan
- Capital raise
- Establishment of Board of Directors
- Selection and contracting with project management consultants and subject matter experts
- Product development
- Marketing strategy
- Regulatory approvals
- System and operation implementation
- Reinsurance purchase
- Selection of service providers
- Contractual agreements
- Recruitment of management team and other employees
- Identification and appointment of agents or establishment of alternative distribution channel

Most management team members have not been through the process of standing up a new carrier. The use of project management consultants and subject matter experts allows management to focus on the business issues rather than process and day to day details of the project.

HCH Advisors' partners have considerable experience with company formation, start-up and early stage companies.

John Hines has formed a multi-line company as a member of the executive team and a mono-line company as a consultant leading the project. In both cases, John developed processes and procedures, managed system selection and implementation, managed product development and negotiated various contracts and participated in the capital raise process. For the multi-line carrier, John also developed the go-to-market strategy and negotiated and placed reinsurance.

Patrick Haughey formed and managed a workers compensation carrier with full operational responsibility for product, underwriting, marketing, processes, IT and claims. The carrier was fully operational in 6 months.

Don Cronin joined two early stage carriers and implemented marketing and underwriting policies that resulted in profitable growth for each carrier.

The operational aspects of a company formation and start-up can be daunting. They require in-depth knowledge of the details of the business and focused project management and execution.

HCH Advisors has the depth and breadth to manage the formation and start-up process from business plan to live operation. Our partners have not only managed the process, but have either developed or have been instrumental in the development of the NewCo strategy.

Contact:

John Hines

610-212-8036

jhines@hchadvisors.com