

Switzerland | GWP Insurance Brokers AG

GWP Insurance Brokers AG (GWP) was founded some 20 years ago and was one of the first insurance brokers in Switzerland. The firm maintains a regional structure with five offices, including a centralized team of specialists in Zurich, providing comprehensive insurance broking services. Moreover, GWP belongs to the Funk Group, an owner managed company specialized in insurance and risk management, as well as employee benefit solutions, comprised of some 900 employees including 85 in Switzerland.

According to the Head of Commercial Business Armin Gutmann, GWP's services pertaining to the due diligence process are strictly focused on the client's individual requirements. "The types of services provided are dependent on whether our client is the seller or the buyer," he noted.

"The seller wants us to improve the presentation of the existing risk and insurance solution, whereas the buyer normally wants us to analyze the presented solution in detail in order to find gaps, hidden costs, uncovered exposures or warranties as well as inadequate reserves, potential premium saving, or to check the adequacy of insured limits."

He added that in most cases, GWP is asked to analyze warranty cases, product liability losses and policies, and pension liabilities, as part of the employee benefits solution. "In case we identify any exposure, we are asked to quantify the impact on future income and / or the value of the company."

In one recent case study, GWP was asked to calculate the combined costs for a company's employee benefits solutions. GWP found out that the premiums could be reduced but that the target company had contractual obligations for pensions which exceed the insured pensions but there were no reserves on the balance sheet. Those unfounded obligations were deducted from the purchase prize.



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Especially in connection with management liability policies, or professional liability policies on a claims-made, basis, often it is necessary to come up with a model and calculation for a suitable run off coverage.

When asked how GWP ensures that insurance programs are in compliance with contractual obligations – for instance, lease agreements, liabilities assumed under contract and insurance provisions under loan agreements for heavily financed undertakings – Mr. Gutmann provided a comment:

"The only way to ensure whether contractual obligations are matched is to check each and every contract against the existing insurance policies, which often proves to be an intense and time-consuming, albeit crucial, analysis.

"Further, GWP ensures that risk management and/or insurance programs are conducted under acceptable corporate and industry "best practice" standards by analysing policies and taking into consideration security and safety, loss experience and the level of risk retention. With that, we can deduct accurate statements as regards to potential premium savings. We can also come up with recommendations regarding how to improve structure, coverage, compliance issues and sometimes financial security, by checking the rating of the insurers."