



Case Study: Fidelman & Company’s expertise in Management Consulting, Strategy, and Operations, successfully established CFC Insurance, providing advisory from licensing and business development to the ultimate sale.

BACKGROUND: Continental Finance Corporation (CFC) is a specialty structured finance company that provides capital solutions for the commercial real estate industry. CFC offers proficient skill and expertise in the origination, structuring, underwriting and asset management of short-term, high-yield real estate debt. Established over 25 years ago, CFC has successfully funded over \$1 billion dollars in short term commercial real estate loans.

CHALLENGE: While CFC’s expertise is in real estate lending, the company aspired to create an insurance company from the ground up in order to take advantage of a market displacement caused in 2008/09. The challenge was to establish an insurance carrier domiciled in Bermuda, develop a pipeline of insurance policies and build out the operations of the insurance carrier – including origination, underwriting, issuing and managing RVI policies, as well as establishing the carrier with Bermuda Monetary Authority (“BMA”).

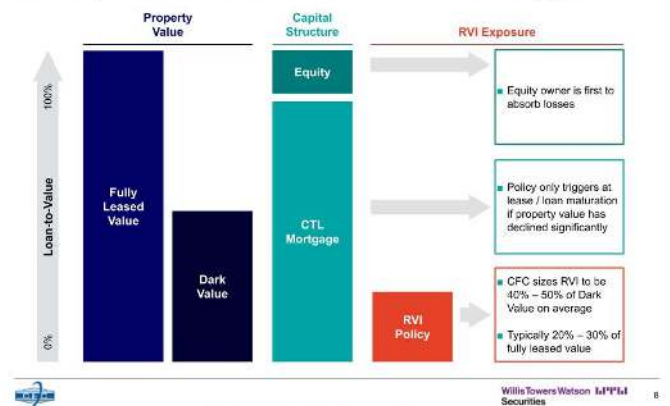
Prior to working with Fidelman & Co., Instalend faced the following challenges:

Lack of Infrastructure – With a lack of bandwidth, the infrastructure needed to be put in place and well documented in order to receive approval and licensing from the BMA as well as execute all of the components of an insurance carrier, from sales to policy management. Fidelman & Co. took the place of COO to build and complement these processes.

Licensing - CFC needed to navigate the regulations and requirements of the Bermuda Monetary Authority in order to obtain licensure.

Funding - CFC needed to raise the necessary regulatory capital to issue insurance policies.

Residual Value Insurance Represents Senior Real Estate Risk
 RVI policies only cover a portion of the property’s estimated dark value, representing a relatively small fraction of the overall market value and CTL mortgage



SOLUTION:

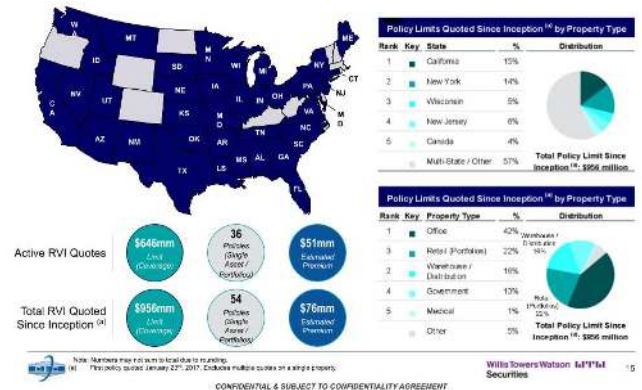
In November 2016, Fidelman & Co. commenced a 6-month engagement with CFC Insurance, which lasted 25-months.

Establishment of Licensing - In the first 6 months of the engagement, Fidelman & Co. drove the establishment of the insurance carrier business, set up the licensing, and developed underwriting guidelines for the insurance policies.

Establishing Partnerships to Develop a \$1B Pipeline to Raise Institutional Capital - Fidelman & Co. built a pipeline of insurance policy quotes for CFC exceeding \$1 billion dollars in potential coverage. Concurrently, it sought to raise the required regulatory capital in order to issue the policies.

Diverse Pipeline of Premium Opportunities

CFC has quoted 54 commercial real estate RVI policies to date ^(a), representing \$956 million of limit and \$76 million of premium in 37 states



RESULTS:

Fidelman & Co.’s work resulted in secured partnerships with re-insurers, an A+ S&P rating, and the lucrative sale of CFC’s insurance carrier.

CONCLUSION:

Fidelman & Co. continues to provide Business Advisory services to companies like CFC Insurance, with management and operations consulting, revenue stream solutions, and supporting companies to create opportunities for diversification and growth.