

CFC Finance

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.

In just 25-months, CFC Finance obtained a \$1B insurance policy quotes pipeline and an A+ S&P Rating

COMPANY PROFILE

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.

PROBLEM

A specialty structured finance firm attempting to start an entirely new insurance company off-shore from the bottom up.

SOLUTION

A fully licensed insurance carrier business with an established insurance policy quotes pipeline

CHALLENGE

Although CFC's specialty is real estate lending, the firm aspired to create an insurance company from the bottom up in order to take advantage of a market displacement that occurred in 2008/09. The objective was to create a Bermuda-domiciled insurance carrier, establish a policy pipeline, and run the operations of the insurance firm - including origination, underwriting, issuing and managing RVI coverage, as well as establishing the carrier with the Bermuda Monetary Authority ("BMA").

Pain Points

- **Lack of Infrastructure** - lack of bandwidth and end-to-end infrastructure needed to be established and well documented for BMA licensing approval.
- **Licensing** - CFC needed to understand and comply with BMA rules and criteria in order to acquire a license.
- **Funding** - CFC needed to raise the necessary regulatory capital to issue insurance policies.

CFC engaged Fidelman & Co in November 2016 to begin a 6-month engagement, which lasted 25-months

AT A GLANCE



Industry Vertical

- Insurance and Finance

Challenges

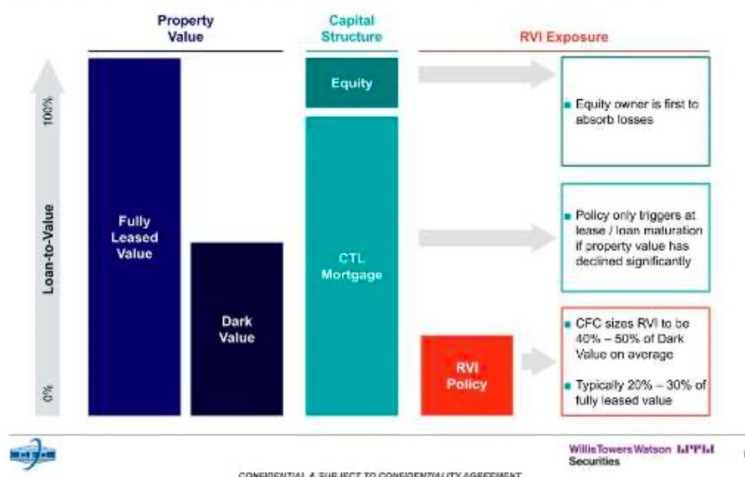
- Licensing in BMA
- Funding
- Lack of Infrastructure

Solution

- Establishment of Licensing
- Establishing Partnership to Develop \$1B Pipeline to Raise Institutional Capital

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



DELIVERABLES

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.

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.