

## A path to success

*Despite tough competition in today's market, Maiden has long been a strong player in its field. Karen Schmitt, the company's CFO, told PCIAA Today how a strategic approach and strong focus on customers' needs have kept the company at the top.*

Since taking the reins as CFO of Maiden Holdings—a provider of reinsurance-based capital solutions to regional and specialty property and casualty insurers—Karen Schmitt has laid heavy emphasis on effective capital management, building client partnerships and managing the company for the future.

“Today, efficient use of capital is very important in the reinsurance space, so I'm spending a lot of my time managing our efficient use of capital, reviewing the available tools to maintain capital adequacy and generally considering changes in the capital adequacy over various scenarios,” she said.

Echoing the views of many in the industry, Schmitt labelled the abundance of capital and increased competition as the two biggest challenges currently facing reinsurers, and explained that despite continuing to gain new business, Maiden has always achieved growth through its existing customers.

“The sector has always been competitive but it's much more so now. However, we've always grown with our customers' growth, meaning that historically a large percentage of our premium growth has been from existing customers, and that's still happening today,” she said.

“New business is somewhat more difficult now, and the teams are working harder to get develop new relationships. We are adding new customers and recognise that to be the most successful we have to deliver on differentiated approaches with customers”.

### Establishing a niche

With innovation a key theme within the re/insurance sector, Schmitt said that it is important to be constantly thinking towards the future.

Maiden's key differentiator is still the Dedicated Financial Trust (DFT), which was launched a few years ago. “It's unusual in the space and it's a great product that provides peace of mind for our clients,” said Schmitt, who went on to explain the



Karen Schmitt

*“Historically a large percentage of our premium growth has been from existing customers, and that's still happening today.”*

reasoning behind the trust's establishment.

“We developed it when we were still GMAC Re and thought it would be a great marketing tool.

“In the year we implemented it we grew the business significantly, and knew from our customers' reactions that it was a great product. Since its inception, it's been enhanced, moving from semi-annual to quarterly trust balance adjustments and now includes significantly more information to the senior management of our ceding companies about

how their reinsurance programme is performing.

“It's now an informational tool that allows us to talk with our customers about the performance of their business on a real time basis. It gives us the opportunity to have a lot of dialogue about ways we can work together. It's really improved the partnership of our company and our clients.

“On the facultative side, we have our automated platform, which we've continued to improve and add new tools for primary underwriters to use in pricing and managing their business. We're also providing clients with a lot more information on their facultative reinsurance purchases than ever before,” she said.

Another focus is around the umbrella product line for regional and specialty customers.

“We're writing more of this business now, and with the introduction of our new turnkey offering we're helping customers who don't have this product to launch it,” she said.

### Adding value

As a leading regional specialty reinsurer, Maiden is known for its customer-focused approach to business, a value that is evident through Schmitt's response to how Maiden differentiates itself from the competition.

“It's all about relationships,” she said. “We look to partner with our customers and provide services that meet their specific needs, even if it means bringing in external resources. Finding best-in-class service providers who we can bring to our customers can supplement our internally provided offerings.

“We're smaller than some in the market, but we've been recognised by a Flaspöhler industry survey as being the leading provider of value-added services. In our segment of the market, we are capital providers and we continue to focus on delivering partnership-based solutions to our customers every day.” ■

*Karen Schmitt is CFO of Maiden Holdings. She can be contacted at: [kschmitt@maiden.bm](mailto:kschmitt@maiden.bm)*