

## CASE STUDY

## *Safe Hands for Shareholders and Claimants Alike*

### **AMERICAN SAFETY GETS PEACE OF MIND AT THE RIGHT PRICE**



*“We were able to provide a creative solution in the end that met American Safety’s needs not only to get the right price but also to give the right assurances for its policyholders.”*

**NICK BENTLEY**  
CEO, RiverStone

### **CHALLENGE**

American Safety was a publicly traded company acquired by Fairfax Financial Holdings Limited. Operating in the highly competitive Excess and Surplus lines space, the insurer put itself up for sale. Based on counsel from its run-off advisors, American Safety sought “a friendly buyer” for its business. American Safety’s board was adamant about their desire to get a good price but without jeopardizing end claimant service and the insurer’s standing in the marketplace among consumers and regulators.

### **APPROACH**

Exploring options with more than one prospective run-off provider, American Safety negotiated around price and structure several times, trying to achieve a fair transaction for all parties. Under the direction of Fairfax, RiverStone led the due diligence process to evaluate the opportunity. This enabled Fairfax to structure a deal that worked for both parties. A key priority was to ensure that the various stakeholders would be looked after properly, especially the claimants.

### **RESULT**

American Safety met its chief goal to “find safe harbor” for policyholders and shareholders alike, while also achieving the right price. The Board of Directors at American Safety was also encouraged and assured by the Board at Fairfax Financial Holdings Limited that the terms of the deal, as well as the ongoing service and support of outstanding claims and liabilities, would all be handled professionally and with integrity, in both the negotiation process and throughout the life of the agreement and relationship.

## *Risksmart Run-Off<sup>SM</sup> Solutions*

*Risk intelligence  
for the right price  
and the right risk  
for long-term success*

Our RiskSmart Run-Off solutions help sellers improve their balance sheets and maintain their reputations. Our approach to deal sourcing and due diligence builds deep trust and relationships with our many repeat clients and serves as the ultimate testimony to our success as a market leader in the run-off industry. We are known for and sought after as the industry professionals with integrity.

### **WHEN SELLERS AND RIVERSTONE MAKE A GOOD FIT**

- We like sophisticated sellers. Often, we seek sellers undergoing a change in leadership or with a Board-mandated shift in focus.
- We do not shy away from the complex and difficult – from managing staff... to reinsurance...to diverse lines...to shepherding sellers through shifting regulations (Part VII).
- We value prior relationships a great deal, but we are always seeking to develop new ones. Many sellers choose us repeatedly because we can execute, at scale and speed.
- We strive for transparency and collaborative deals with sellers and brokers. The more counter-parties know about us and our parent, the greater our collective success.
- We bring speed where it matters. We execute quickly and with care, in less than 90 days in some cases.
- Sellers come back to us, repeatedly. We are not just proven, we are reliably accountable and scrupulous in how we conduct business.
- Our price is based on risks identified through our due diligence. Our RiskSmart philosophy demonstrates that there is a real difference between being risk averse and controlling risk.
- We are known for our expertise in certain areas, but we are capable in many. If we do not work in a specific line of insurance, we will say so.