

CASE STUDY:**Private Equity/Wholesale Distribution**

Building a simple, cost-effective protection strategy for a growing company

After years of heavy M&A activity, a Private Equity-backed wholesaler of tools and construction equipment was set to source products from global manufacturers across the United States, having finally built a footprint across North America. They had a sizable Auto fleet for distribution and a series of sizable warehouses across the country. However, their rapid expansion had left the insurance program for their various operating divisions fragmented and inefficient and spread between 10 different carriers and three brokers. As costs continued to increase and risk management administration became more challenging across their growing network, their CFO recognized the opportunity to simplify their protection program and drive greater value for the business.

A known partner makes the transition easier

One of Chubb's M&A insurance brokerage partners supported the Private Equity firm on various transactions within their portfolio of owned companies, and had developed a collaborative relationship with the CFO. The broker had worked with Chubb's Private Equity group on other companies in the firms' portfolio, and valued Chubb's specialized approach to underwriting and servicing M&A-heavy businesses. Additionally, they knew Chubb had the products, capabilities and global reach to support clients as they scaled, especially appreciating Claims and Risk Consulting services.

As the CFO eyed a potential recapitalization, managing margin and EBITDA were a top priority to maximizing enterprise value. The broker partnered with Chubb to put together a tailored, consolidated insurance program that would not only support the company as it grew — knowing it would inevitably make more acquisitions—but also capitalize on economies of scale and coverage uniformity. The key to this was an insurance partner who was flexible, familiar with servicing M&A transactions, and had the breadth of products and global reach to be a one-stop provider. Developing a tailored insurance program was the first step. Engaging and aligning the CFO and all the various stakeholders impacted by the change in programs was the next critical challenge.

The broker proposed Chubb as a single carrier solution that would not only save the company over 10% in insurance costs, but also simplify his leadership team's administration of the program. The CFO quickly recognized the material impact on EBITDA given the size of their spend on insurance and just needed to support his team in transition to a new process. Chubb met with the client's leadership team to outline a clear transition process, highlighting the various benefits: the risk consulting team identified ways the client could better manage risk across their growing company, a single Claims Liaison walked them through a uniform, straightforward claims reporting and management process, and assigned a Global Client Executive to serve as a single point of contact for all the client's and broker's questions, needs and concerns.

Chubb coverage provided:

- Package
- Worker's Compensation
- Auto
- Umbrella

In the end, the client was convinced that Chubb's comprehensive value proposition, well-structured transition plan and new program benefits would deliver lasting value for the company as they continued to grow — positioning them for sustained success in the future.



Want to see how Chubb can help you solve unique risk challenges?

Contact your broker, agent, or local Chubb underwriter today.