

Leveraging Expertise to Unlock \$1.1M in Savings and Broaden Coverage After a deSPAC Transaction



The Challenge

A publicly traded clean energy company with a billion-dollar market cap sought to improve its insurance coverage following its deSPAC transaction in 2021. As an emerging growth company, they had initially decided to work with a prominent broker who claimed they could leverage their vast experience with similar transactions to secure optimal pricing and best-in-class coverage.

However, when given the opportunity to review the company's coverage, the Newfront team uncovered significant shortcomings in the program. Pricing was far above market expectations for companies of comparable risk profiles, policy retentions were high, and total program limits were well below what financial models and benchmarks suggested. Additionally, the coverage contained restrictive endorsements and lacked critical enhancements typically standard for their industry.

The client acknowledged that the large brokerage simply "went through the motions" during the last renewal. The broker did not invest the time needed to understand the company's business or pressure test the entire market, which meant they couldn't effectively advocate for the client.

The Solution

Armed with their extensive industry knowledge, James Ciarleglio and the Newfront team were confident they could address the situation on pricing and coverage immediately. More importantly, James and the team recognized the importance of investing time into understanding the business. To achieve this, the Newfront team held multiple "prep sessions" with the company's executive leadership, including the CFO, GC, and founder CEO, to thoroughly assess their risk profile and refine their positioning for the insurance market.

Leveraging his underwriting background, James educated the prospect on the key risks insurance carriers would evaluate and the areas that needed to be addressed to achieve the best results. Once the client's risks were well understood, the Newfront team embarked on a thorough education process, ensuring the client was fully informed on how D&O coverage should be structured and how it works. They walked through various claim scenarios, financial models, peer data, and the potential costs associated with different claims. This process significantly opened the client's eyes to how underinsured they were.

The Results

The time invested in understanding the business and educating the client ultimately paid off. Pricing was lowered by 60% (saving the client over \$1.1M), retentions were reduced by \$1M, over 35 coverage enhancements were added to the program, and restrictive endorsements were removed. Additionally, using peer and financial data, Newfront better aligned the company's total program limits with its risk profile. They walked away with higher program limits that would respond in a claims scenario and less restrictive coverage. The client now had a sense of security, owning \$1M less risk upfront before the policy could respond and saving over \$1.1M in premiums.



~\$1M Saved Annually

"The results were fantastic, and we are equally pleased with their process management from start to finish. The Newfront team created competition, managed the timeline well, and answered questions in a timely and knowledgeable manner at every step."

Chief Financial Officer