

## Tucci: Jireh aims to be 'transformer-plus' for ILS market

Liz Bury 26 January 2023



**Sal Tucci has sketched out a vision for his new Bermuda outfit Jireh Risk Advisory, as a “transformer-plus” service provider for the ILS market and a “marketplace for reinsurance fronting”, and revealed additional ILS experts associated with the firm.**

The former Aspen Capital Markets executive said he saw opportunities to grow the risk transfer market with an offering centred on enhanced operational processes and systems, which would take out cost and ease deal-making for funds and reinsurers.

The fronting segment will be an area of focus, with Tucci seeing this as an opportunity for reinsurers that want to take steps to managing more ILS capital and earning fee income.

He believes it would be an economic first step to more ILS involvement for reinsurers that have lagged in this area, without having to invest in setting up an ILS management team.

Meanwhile, Jireh has appointed Brent Slade as a board member, following his departure from Markel's now-shuttered Bermuda retro fund, Lodgepine.

Tucci said that Slade had "hands-on ILS experience in front-office activities such as structuring and selling product, as well as having back-office experience as the former COO of Horseshoe Group".

On the firm's ambitions to work with fronting carriers, Jireh is talking to "a number of reinsurers" with a view to leveraging their balance sheets, Tucci said.

"We can build a platform to allow reinsurers to connect with capital markets investors. We can bridge that gap, so that reinsurers can operate those units with a much smaller team. We will expand the market, by bringing down frictional cost."

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He noted that ILS funds have different requirements from fronting providers, with some investors looking for leverage and others more drawn to the operational advantages.

Additionally, he noted demand for fronting of an increasing range of risks meaning that more variety in the fronting market would be an advantage.

"ILS is not just property cat anymore. It's taking off in casualty, cyber, and life. There is so much more we can, and should, provide to the market to accelerate growth prospects."

### **ILS fund enabler**

On the ILS fund side, Tucci's thinking is that Jireh's primary role will be that of a service provider and risk transformer, and it has already registered Jireh Re (SAC), an unrestricted special purpose insurer.

He suggested that in striving for efficiency some service providers end up taking a "check box attitude" towards their services.

"As a transformer, we can't facilitate transactions or be a broker, but we can do a more proper and thorough job of contract review," Tucci said.

"We can take a view on whether collateral release terms are on or off market, or whether override commissions are on or off market. You can have an active, value-add, enhanced service – but it's going to take experienced people who have actively been in the market."

This vision may also mean that Jireh will take shape in part by partnering with a service provider that can supply the basic "blocking and tackling" services, while Tucci applies himself to "advanced services for ILS funds".

He continued: "Back-office systems are challenging and there is a tendency across the market to outsource the service side or to throw people at it. At Jireh we want to challenge the business norms of a service provider and not be seen as just a commodity to partners."

He continued that both reinsurers and ILS funds "often struggle with off-the-shelf technology, and/ or try to build their own customised systems". He added: "We can build right-sized, practical solutions for funds, and consult on these, and free up funds to do what they do best."

## **Partnerships**

Tucci has also been in talks with Neville Ching, who is continuing to build out his new technology-enabled, Bermuda-based broking house Reflex Solutions, about a partnership on the risk sourcing front.

Tucci said: "Nev's innovative and refreshing approach to the reinsurance brokerage market is very aligned with the approach of Jireh. Our corporate culture and personal ethos are also very much aligned which makes it an overall exciting partnership prospect for Jireh."

Tucci's move into the service space follows his resignation as COO at Aspen Capital Partners last summer, on the strength of a "God calling".

The firm's name comes from the name Jehovah Jireh, deriving from the story of Abraham in the Book of Genesis, and means "the Lord will provide".

Tucci said: "Talking about religion can make people a bit uneasy, but it's healthy to provoke discussion. I felt compelled that this was the right decision, and the company ethos will be based on what is the right thing to do."

The executive has received offers of capital backing from various sources as well as companies expressing interest in partnership opportunities.

Tucci said the interest from both individuals and corporates was “both encouraging and humbling”.

“Initially my objective was to start with a narrow focus and grow organically over time. However, after only three weeks of hearing the needs in the market, it has become clear to me that the opportunity will likely warrant a bigger team much sooner. We are actively exploring partnerships that will help us meet that market demand.”

Tucci is a graduate of The College of Insurance in New York, later part of St John's University, and joined Aspen in Bermuda in the late noughties.

He moved to work for an ILW fund joint venture of Aspen and Cartesian Capital Group (which ultimately became Neuberger Berman's ILS business), then in 2012 returned to Aspen, along with \$35mn of capital also transferring back, with a brief to build out the group's own inhouse capital markets platform, Aspen Capital Markets.

Much of the work in establishing that unit, which structured risk transfer deals from across the group's portfolio, involved building out smooth-running, day-to-day operations technology for deal structuring and investor reporting.

Tucci claimed to have reduced the time it takes to produce quarterly investor reporting from three weeks to a cool 54 minutes.

Putting in place such an efficient operations system frees up talent to spend time focusing on the business, he said, and at Aspen, this had enabled the build-out of a sizeable capital markets operation off the back of a small team, which had more than \$1bn of assets under management by 2022.

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**Liz Bury**

DEPUTY EDITOR

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