A custom reinsurance model increased profit in new ways and enabled a dealership to expand to multiple locations.

Explore how PRO Consulting Team leveraged its expertise to help a dealership create additional revenue opportunities.

Overview:

A multi-franchise dealership had a very basic reinsurance position and could only reinsure one product--service contracts. It was limited and not very profitable because the insurance administrator controlled it. PRO team identified a flexible administrator to help the dealer customize products that would build a unique value proposition and increase profit. Our expertise helped create additional profit opportunities by offering more products for the consumers. As a result, the dealership was able to access a substantial amount of insurance reserves and expand the organization and purchase additional franchises.

The Challenge:

- The dealer wanted to find a way to expand the reinsurance portfolio and reinsure that into a company to realize the underwriting profits.
- Additionally, the dealer wanted to have reasonable access to the funds for further investment and growth.

The Solution:

We leveraged our industry experience and diligently evaluated various insurance administrators and product offerings to help the dealer find a suitable insurance administrator. The new administrator allowed reasonable customization of products and create a bundle of reinsurance products.

The Result:

PRO team's expertise helped the dealer get a customized reinsurance program. As a result, the dealer could offer multiple products for sale to the consumer. That created a unique value proposition and additional profit opportunities at the point of purchase.

Each of those products had insurance reserves available that the insurance company could cede into the reinsurance company. Furthermore, the dealership gained access to funds to procure more dealerships.

Additional Benefits:

Due to the accessibility to reinsurance reserve funds, the dealership attained infrastructure growth and expanded it to new locations in multiple states.