



Carlson BCM

Carlson BCM for Insurance Investors

Before capital is committed, know whether the operation can do what the investment thesis assumes.

Financial diligence tells an investor what an insurer earns. It does not show what the insurer is able to do: which abilities carry the earnings, which are held together by people and workarounds, and what it will cost to change them. Carlson BCM answers that question with a governed model of the enterprise's abilities, built from the target's own operation and tied to the products, roles, applications and costs that carry each one. The investor sees the operation the way the thesis depends on it, before the price is set.

Across the life of the investment

I Pre-transaction diligence A capability baseline of the target. Which abilities are assets worth paying for and which are liabilities to remediate, with each area of technology rated rebuild, refactor, salvage or carry forward. Assets the deal has not priced are surfaced.	II Carve-out and stand-alone Every ability assigned to the new company, the seller, a transitional service or a third party, phase by phase. The stand-alone operating model, its cost and the path out of transitional services are set before signing.
III Value creation The thesis resolved to the abilities that must change, with cost, risk and AI placed capability by capability. Programs reuse what the business already owns instead of rebuilding it, so the plan is funded against real scope.	IV Portfolio and exit One architecture across the holdings, so shared platforms and duplicated spend are visible and integration follows the abilities, not the org chart. At exit, the book is legible and separable, which is what a buyer pays for.

3,000+

INSURANCE CAPABILITIES
AUTHORED

30+

YEARS OF APPLIED
PRACTICE

\$1.4B

SUBSEQUENT SALE OF THE
TRANSFORMED BOOK

40

COUNTRIES ON ONE MODEL

Where it has been applied

TRANSACTIONS

Applied directly to an acquisition, a separation and a subsequent sale.

8I

ABILITIES, FOUR
OWNERS, THREE PHASES

U.S. PRIVATE EQUITY SPONSOR · WORKERS' COMPENSATION TPA CARVE-OUT

A carve-out became an operating plan

The sponsor was buying the risk management services business of a national insurer's subsidiary to build an independent third-party administrator. Every product, function and system was held as an ability and assigned to the new company, the seller, its parent or a third party across start-up, intermediate and growth phases, built live in working sessions with the seller's management. The review found the vendor's implementation estimate covered roughly half the effort. The partner leading the deal adopted the method as the firm's diligence standard.

19

APPLICATIONS MAPPED
TO THE ABILITIES THEY
CARRIED

PRIVATE EQUITY HEALTHCARE INVESTOR · CATASTROPHIC CARE ACQUISITION

The asset that mattered had not been priced

Working alongside the principals on the financial side, the operation was modeled function by function and every application mapped to the capability it enabled, showing where an ability ran on a purpose-built asset, an office tool or nothing. Each area was rated rebuild, refactor, salvage or asset. The review surfaced the target's historical catastrophic claims experience, its most valuable asset, which the transaction had left out.

Under 1 week

SUBMISSION TO BIND,
FROM ABOUT 45 DAYS

GLOBAL COMMERCIAL AND SPECIALTY INSURER · U.S. MIDDLE MARKET

An unsellable book became separable

A four-year, EUR 130M underwriting transformation on one governed model of 854 abilities. Submission to bind fell from about 45 days to under one week, and more than \$70M of annual legacy run rate was retired. The book became legible and was later acquired by another carrier in a transaction of roughly \$1.4B, with the buyer's investor presentation crediting the transformation program and its middle market platform.

VALUE CREATION IN OPERATING ENTERPRISES

The same discipline applied to major insurance transformations outside private equity: scope reduced before capital was committed, and fragmented operations consolidated onto one model.

\$70M

PROGRAM ESTIMATE,
DOWN FROM \$120M,
SAME SCOPE

LEADING U.S. PERSONAL LINES INSURER · PROGRAM RECOVERY

A twice-failed program became executable

A third attempt at a core sales and assignment system was failing. Restating the specification as 1,034 governed abilities exposed the same capability written over and over. Effort fell from 1.4 million hours to 400,000 and a single release became four, with no change in scope.

1,102

ABILITIES OVER 2,000
LEGACY APPLICATIONS

GLOBAL LIFE AND BENEFITS INSURER · PLATFORM CONSOLIDATION

One platform across 40 countries

Two failing global programs reset onto a single model, overlaying more than 300 policy and 400 claims systems, and delivered as one platform across 40 countries and 30 product lines.

The scale is in the model

Every engagement is directed by Raymond Carlson, the author of the discipline. The model behind it is already built: more than 3,000 insurance capabilities, applied to the target from the first day rather than authored from nothing. Findings are delivered in full; the method is applied under engagement, or licensed to firms by agreement.

ray@carlsonbcm.com