



## **1970 Group's Insurance Collateral Funding Solution Brings More Liquidity to Corporate Balance Sheets**

*Innovative financing solution is helping CFOs and risk managers access more capital*

**NEW YORK, April 6, 2022** – [1970 Group](#), a specialized risk financing provider with expertise in insurance and structured credit, has pioneered a financing solution called Insurance Collateral Funding to help release trapped liquidity on corporations' balance sheets. The first-of-its-kind solution enables companies of all sizes to transfer their insurance collateral requirements, which can be up to the tens of millions of dollars, thereby giving companies more capital to deploy to business operations and investment opportunities.

Developed by a group of executives with extensive experience in insurance and finance, 1970 Group began providing Insurance Collateral Funding to corporations in 2020. 1970 Group works with companies in the US and Canada across all business sectors, with a core focus on workers' compensation, commercial auto, and general liability.

### **The Insurance Collateral Crunch**

Due to insurers' requirements that collateral be set aside to cover deductibles, companies often tie up substantial amounts of capital by putting cash in escrow or more typically by signing letters of credit directly with banks, which reduces the amount available under their credit facility to run and grow their business. Many companies lack easy access to alternative funding solutions, and the Insurance Collateral Funding offering is designed to fill this gap in the market. This financing need can range from hundreds of thousands to hundreds of millions of dollars, depending on the size and nature of the business.

"After years of increases, commercial insurance prices are only continuing to climb in 2022, driving more companies to adopt high deductible plans and insurance providers to require more collateral," said Stephen Roseman, Chairman and Chief Executive Officer of 1970 Group. "We often hear from industry-leading brokers that their clients need help in addressing this insurance collateral pain point. Our Insurance Collateral Funding solution provides an opportunity for CFOs and risk managers to unlock more of their balance sheet. It also gives an opportunity for brokers to add value in their relationships with these companies by offering a balance sheet and liquidity management solution alongside their risk management products."

### **Insurance Collateral Funding: How It Works**

1970 Group has established a sophisticated capital structure backed by partnerships with leading banks, investors, and distribution partners. We work with a network of partner banks to issue letters of credit on a company's behalf in order to satisfy insurer requirements. The collateral requirement is then transferred from the company's balance sheet, freeing up the insured's credit facility, providing them access to liquidity, and expanding their leverage capacity. An important additional benefit is the insured's accounting choice to structure our solution as an on-balance sheet or off-balance sheet financing.

For more information, please visit [www.1970group.com](http://www.1970group.com).

### **About 1970 Group**

1970 Group is a specialized risk financing provider with expertise in structured financing, credit support and risk management. The company pioneered the concept of the Insurance Collateral Funding solution, which enables companies to transfer their insurance collateral requirements giving them more capital to deploy to business operations and investment opportunities. The 1970 Group leadership team is comprised of insurance, investment and legal veterans with decades of experiences led by Stephen Roseman, CFA, Chairman & CEO and Ron Friedman, Esq., President & General Counsel. Visit [www.1970group.com](http://www.1970group.com) for more information.

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