

Case Study: Insurance Company – FAS 157 Valuation Services

Description

- **Valuations for “fair value” accounting purposes of a portfolio of debt and equity securities on a quarterly basis**
- **Client is a leading publicly-traded multi line insurance company**

Insurance Company

FAS 157 Valuation Services for **Insurance Company's** portfolio companies

Situation

- Client required Lincoln to value its portfolio of debt and equity securities as per FAS No.157
- Valuations for a variety of debt and equity securities, including a company undergoing restructuring, a real estate investment and a closed-end investment fund
- “Marking-to-market” required quarterly, reflecting changes to underlying credit and equity market conditions

Lincoln Approach

- Lincoln used complex, proprietary valuation models it has developed for such assignments, including shadow bond rating techniques, comparable public company and transaction analysis and efficient reporting processes with real time data links to third party data providers to update analyses for changes in yield curves and equity market pricing
- Produce quarterly, comprehensive written reports on each company under analysis

Results

- **Assignment currently includes numerous investments in many companies**
- **Lincoln's has added value through its transactional knowledge of both the m&a and leveraged loan markets**