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Randall & Quilter Investment Holdings Ltd.

R&Q increases interest in Tradesman

18 March 2021

Randall & Quilter Investment Holdings Ltd. (“R&Q”), the leading non-life global specialty insurance company focusing on Program Management and Legacy Insurance businesses, today announces that it has reached agreement to increase its stake in Tradesman Program Managers, LLC (“Tradesman”), the New York-based Managing General Agent, from 35% to 40%.

As part of the transaction, R&Q will divest its 35% interest in Roosevelt Road Re, Ltd. (“RRRe”), formerly known as Sandell Re Ltd) to Roosevelt Road Capital Partners (“RRCP”), Tradesman’s majority shareholder. RRRe participates as part of a broad reinsurance panel on the business underwritten by Tradesman. R&Q’s divestiture is in line with its limited appetite for live underwriting exposure and is subject to regulatory approval by the Bermuda Monetary Authority.

R&Q acquired its interest in Tradesman when it merged RRRe into Tradesman on 1 September 2020. Following completion of today’s agreement R&Q will own 40% of Tradesman with RRCP owning 60% of Tradesman and 100% of RRRe.

Tradesman underwrites Contractors’ General Liability, Worker’s Compensation and Habitational General Liability insurance through insurance policies which are issued by R&Q’s US program manager, Accredited Surety and Casualty Company, Inc. (“Accredited”). Accredited is rated A- IX by A.M. Best.

In the year to 31 December 2020, Tradesman reported earnings before interest, tax depreciation and amortisation of \$13.0m, an increase of 61% on 2019, which itself was an increase of 99% from 2018.

William Spiegel, Executive Deputy Chairman at R&Q said: “We are delighted to have increased our interest in Tradesman, which is a dynamic and fast-growing MGA offering a strong and expanding product range to its clients. In addition to our two core business lines, Program Management and Legacy Insurance, we believe selective MGA investments allows us to access capital light fee income, in addition to strengthening relationships with our program partners. Through our Accredited platform, we have supported Tradesman’s continued success since its creation in 2017, and generated \$6.7m of commissions on premium written by Tradesman in 2020. We look forward to the continuation of that partnership through our increased interest.”

Daniel Hickey, Jr., the CEO of Tradesman and RRRe, said: “We’re excited to have R&Q as an engaged partner in the continued growth of Tradesman’s programs and this transaction gives R&Q an increased interest in Tradesman, while allowing RRCP to further develop RRRe into a significant reinsurance entity. The increased stake in Tradesman by R&Q further aligns our partnership with Accredited, our program partner, while our ownership of RRRe allows us to increase our risk-taking positions and further grow the Tradesman business.”

Ends

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Notes to Editors:

About R&Q

R&Q is a non-life global specialty insurance company operating two core, highly complementary, businesses: Program Management and Legacy Insurance. Both these businesses are leaders in markets with high barriers to entry and significant secular growth opportunities.

Legacy Insurance generates profits and capital extractions from expert management of legacy non-life insurance portfolios. Program Management generates commission income from its licensed (and rated) carriers in the US, EU and the UK, writing niche and profitable program business, largely on behalf of highly rated reinsurers.

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Website: www.rqih.com