



Nexus Acquires U.S. Based Personal Accident Treaty Reinsurance MGA from ZON Re and Launches “Nexus Re”

London, Wednesday 19 July, 2017

Leading independent specialty Managing General Agent (“MGA”) Nexus Group (“Nexus”) today announces that it has completed the acquisition of the Personal Accident (“PA”) Treaty Reinsurance MGA operated by ZON Re, a U.S. based Treaty Reinsurance Managing Underwriter and Lloyd’s Coverholder, via an asset purchase.

Established in 2003, the ZON Re PA Treaty Reinsurance MGA will now trade as “Nexus Re” and will continue to be led post acquisition by ZON Re’s senior management team of W. Brian Harrigan, Kieron Farrelly, Chris Holland and Vern Ismen. All four become shareholders in Nexus, aligning the parties to grow and develop the business.

Trading out of offices in New Jersey, this acquisition is Nexus’ first in the U.S., and adds Treaty Reinsurance and a new class of business to the Group.

Colin Thompson, Founder and Executive Chairman of Nexus, said:

“What we found particularly impressive about ZON Re’s Treaty Reinsurance MGA, is the consistency around the underwriting profitability of the business, with a long, proven, track record of generating significant underwriting profit for its carriers, the by-product of a high calibre management team with a wealth of experience within the PA Treaty Reinsurance market. We look forward to working together with the team, to grow and build the book going forward.

Not only does this mark Nexus’s first foray into the U.S. MGA market, but this adds Treaty Reinsurance as a new product line to Nexus’s Group offering, cementing Nexus’ position as a multi-product, multi-class, multi-geographic ‘virtual’ insurance company.

Following on from the successful conclusion of Nexus’ capital raising process last week, ZON Re’s Treaty Reinsurance MGA fits the model of profitable, proven, niche MGAs, that we plan to target with our “buy and build” strategy, which will deliver significant EBITDA and value to the Nexus group. ZON Re’s Treaty Reinsurance MGA alone will add EBITDA in excess of \$3 million to the Nexus Group in 2017.

This is the third acquisition we have exchanged on or completed in the past month, following the purchase of Equinox Global last week and Vectura Underwriting at the end of June. Combined, these three acquisitions will add GWP of £ 40 million and EBITDA of £4 million to the Nexus Group in 2017, 3 additional countries and 10 new branches to our footprint, not to mention a number of highly profitable product lines.

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Looking forward, our revised financial forecast including all recent acquisitions, will mean that we will have reshaped our business to be one that delivers £160 million of GWP, and actual income of £30 million and actual EBITDA of greater than £11 million in 2017. On a pro-forma basis, our 2017 EBITDA will be £15 million and there will be more acquisitions to follow,” Thompson added.

W. Brian Harrigan, Non Executive Chairman, Nexus Re, commented:

“We are excited to add our PA Treaty Reinsurance MGA to the Nexus global underwriting platform and look forward to maximizing value for all shareholders as part of the Nexus family.”

Kieron Farrelly, Chief Executive Officer, Nexus Re, added:

“We are pleased to be joining Nexus and bring our Treaty underwriting expertise for Personal Accident Reinsurance following a long and successful run under the ZON Re banner. Our core team and support staff remains intact so that we can maintain continuity as we grow the portfolio with our current panel of risk partners.”

Trading out of offices in London, France, Germany, Netherlands, USA, Italy, Hong Kong and Ireland, the Nexus Group employs over 135 people and has become one of the largest and most profitable independent specialty MGAs in the UK.

Whilst ZON Re’s PA Treaty Reinsurance MGA has been acquired by Nexus, ZON Re will continue to operate a nationally licensed insurance agency and fully digital Third Party Administrator (TPA) platform under its current brand.

W.Brian Harrigan is a 41-year veteran of the Insurance and Reinsurance business, a serial entrepreneur and InsurTech visionary. He was formerly President and CEO of United Insurance Companies, Inc. (NYSE:UCI – now HealthMarkets). In addition to continuing operations of ZON Re’s digital TPA, Brian oversees Group Benefit Options LLC and Insur IQ (www.insuriq.com) a leader in “end-to-end” personal lines, insurance transaction processing technology.

Kieron Farrelly entered the insurance business in 1979 and has held senior management and Chief Underwriting positions with Duncason and Holt, Aon Benfield and ZON Re – USA. He is regarded as one of the premiere underwriters in the Personal Accident Reinsurance segment in the U.S.

Notes for Editors - About The Nexus Group

Founded in 2008, the Nexus Group is a specialty MGA on a dynamic growth path, concentrating on niche classes of business and delivering excellent service and cutting edge products. Unlike nearly all other multi-product MGAs, Nexus is truly independent and can justifiably describe itself as a ‘virtual insurance company’.

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The Nexus Group underwrites 15 Specialty products on behalf of 23 underwriting partners who support their product offerings within the following lines of business:

Financial Lines, Trade Credit, Accident & Health, Surety, Travel, Property, Latent Defect, Marine and Cyber.

To access details of the specialty classes of business Nexus underwrites please visit:
<http://www.nexusunderwriting.com/products>

Recent developments have further expanded the group's growth strategy:

June 2017 Nexus acquired Vectura Underwriting, a Lloyd's coverholder, from Aquila Underwriting LLP. Vectura Underwriting is a specialist Marine Cargo Insurer and Reinsurer with a global focus and specialism in the ATA Carnet market.

November 2016 saw the launch of Nexus Claims, allowing Nexus to offer a complete service solution to its underwriting partners. Having a best in class in-house claims function allows Nexus to provide long-term continuity and top-tier service levels to brokers and their clients.

December 2015 Nexus acquired City of London based Millstream Underwriting Limited, an independent managing general agency specialising in travel personal accident and sickness insurance covers, primarily underwritten on a business to business basis.

November 2015 Nexus Underwriting Asia (HK) was launched in Hong Kong to replicate the existing successful portfolio currently underwritten by the Nexus Group in London with other classes of business to be introduced during 2017.

August 2015 the acquisition of EBA Insurance Services in August saw Nexus being able to offer an extended product range to include Surety, Bond, Dommages à l'Ouvrage, Fine Art and Specie Insurance, Life and Event Cancellation.

For more information please visit: www.nexusunderwriting.com

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