

Ironshore top line surges to \$1.2bn

Bermudian Ironshore has trebled its size in the last two years to book gross written premiums of \$1.2bn in 2010, *The Insurance Insider* can reveal.

The insurer, launched by the late Bob Clements at the end of 2006 with \$1bn of start-up capital, wrote \$385mn of business in 2008.

But with significant expansion following the arrival of Kevin Kelley as CEO from Lexington Insurance in December 2008, gross written premiums more than doubled to around \$850mn in 2009 and grew a further 40 percent last year.

Privately owned Ironshore does not publicly report its financials, but is thought to have booked 2010 net written premiums in the region of \$900mn, generating a loss ratio in the low 60s percent during a year of significant catastrophe loss activity.

The top-line growth is founded on rapid expansion of the insurer's underwriting platform as it became a multi-line operator in Bermuda, the US, London and Dublin.

When Kelley left as CEO of American International Group subsidiary Lexington Insurance to join Ironshore the Bermudian was a property focused player with a book of business largely built by former chief underwriting officer Les Rock.

It had, however, already laid the foundations for diversification by launching its IronPro professional liability division and construction unit IronBuilt in 2007, followed by US subsidiaries Ironshore Indemnity and Ironshore Specialty Insurance Company in 2008.

Meanwhile, five months before Kelley's arrival Ironshore made its entry to Lloyd's with the acquisition of Pembroke Syndicate 4000.

Since Kelley arrived there has been a significant surge in the build-out.

An entry into US marine was followed by the launch of an environmental platform, an excess liability facility, and aviation, energy and life sciences divisions.

Lloyd's insurer Jubilee up for sale

Ryan Specialty Group and acquisitive Lloyd's (re)insurer Canopus are among the companies involved in an auction process that will decide the future ownership of independent Lloyd's insurer Jubilee Group, *The Insurance Insider* understands.

It is understood that a number of firms have expressed an interest to Jardine Lloyd Thompson (JLT), which is running the auction, offering further evidence of the M&A winds currently sweeping through Lime Street.

Jubilee's syndicates 779, 1231 and 5820 have a combined 2011 capacity of £127mn after a significant 40 percent year-on-year de-emption.

Capacity providers include Caribbean insurance group Guardian, French reinsurer Scor and Lloyd's Names.

It writes across lines including property, personal lines and life insurance. It withdrew from UK motor last year after selling its renewal rights to Chartis subsidiary Ascot.

Jubilee's senior management has undergone a number of changes in recent months.

CFO Kate Lewis resigned in July and has since taken her former employer to a tribunal over complaints including breach of contract and sex discrimination.

Clive Buesnel stepped down as CEO the following month after just four months in the role, prompting the board to invite back former CEO Andreas Loucaides.

It also overhauled the board, with Guardian Holdings board member Tony Lancaster appointed as the new non-executive chairman for Jubilee Managing Agency, while Rupert Lowe – the former chairman of Southampton Football Club – took over as its new non-executive chairman.

The Insurance Insider revealed in September that Jubilee was in takeover talks with Israeli insurer and Broadgate backer Clal.

However, the talks were fruitless and Clal withdrew last year.

But Jubilee's attractiveness may have improved in recent months after Tom Bolt and the Lloyd's Franchise Board took a tougher stance over new entrants.

There is now a widespread perception in the market that the doors are effectively barred against new entrants because of the

competitive soft market conditions.

As such, the conventional wisdom is that those that want to get into Lloyd's in the short term will need to buy an existing insurer.

Wholesale broker and managing general agency Ryan Specialty Group was widely thought to be sizing up a tilt at Lloyd's last year, but like other broker aspirants no visible progress has been apparent.

However, the presence of former Beazley CUO Johnny Rowell at the head of Ryan's European operations is a clear statement of future intent.

And Pat Ryan told *The Insurance Insider's* London 100 meeting last week: "We want to own a Lloyd's syndicate. It is really important to us."

Ryan deprecated what he referred to as the "no-new-entrants decree", but said that his company had not given up on finding a way into Lloyd's.

Private equity-backed Canopus, meanwhile, has shown itself to be a willing acquirer in the last 12 months.

Firstly, in July the Michael Watson-led carrier took out another small Lloyd's independent insurer in KGM.

The firm then demonstrated the scale of its ambitions by making a move on quoted insurer Omega, with the outcome yet to be determined.

Advising Jubilee in the sale process is Alasdair Rodgers, a partner within JLT's corporate advisory arm, JLT Advisory.

Influential Jubilee shareholder Lord Marland, the former Conservative Party treasurer, used to be a senior JLT reinsurance broker.

Jubilee is the latest Lloyd's insurer to be engaged in M&A talks.

Private equity consortium Apollo and CVC are in the final throes of completing a £880mn public-to-private buy-out of Brit Insurance.

Canopus – which is also backed by private equity, in its case Bregal Capital – is in talks regarding a takeover of Lloyd's insurer Omega for a price thought to be between 120p and 130p per share.

And last week it was confirmed that Chaucer plc is in talks with Guy Hands' Guernsey-based fund Terra Firma.

A spokesperson for Jubilee confirmed that it had appointed JLT as a financial adviser to the business. Jubilee declined to comment further.