



K2 CAT

What We Do ...

What We Can Do For You

May 2023

Confidential

# K2 Insurance Services

## Overview



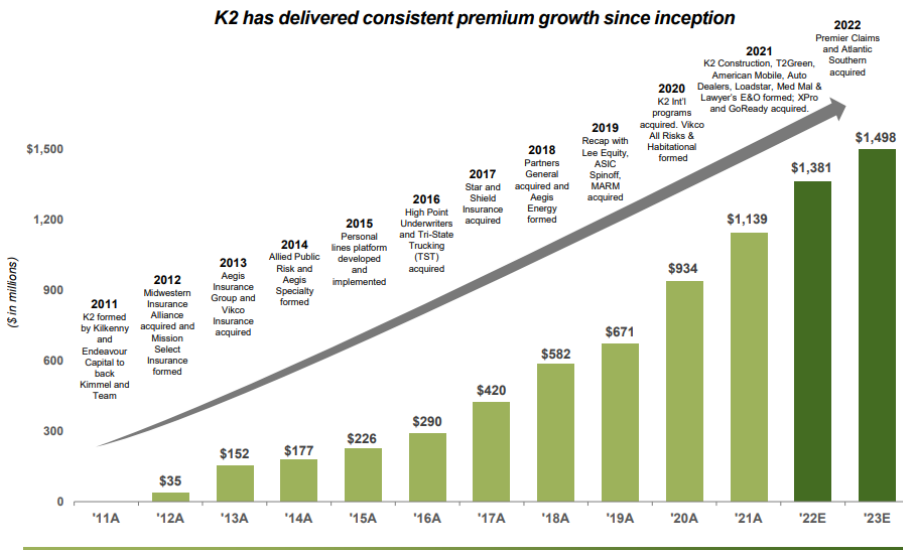
K2 Insurance Services, LLC was formed in 2011 by industry veterans Pat Kilkenny and CEO Bob Kimmel to create a leading specialty insurance services company through select acquisitions that generates diverse earnings streams and improves distribution economics.

In April 2020 K2 completed its first overseas acquisition, establishing **K2 International** (comprising K2 CAT, K2 Financial and K2 Property D&F).

In May 2023, Warburg Pincus, a New York based global private equity firm, acquired a majority interest in K2 Insurance Services. The investment will support K2's continued growth strategy, including M&A and de-novo incubation, and its commitment to offering best-in-class services to clients.

K2 has 25 MGAs writing approx. USD 1.5bn premium in 2023, supported by a growing and diverse panel of high-quality capacity providers.

Select Meaningful Carrier Partners				
Carrier	2023E DPW (\$MM)	LOB Support	AMB Rating	Relationship Tenure (Yrs)
HOMESTATE UNDERWRITING MANAGERS	\$286	DIC & Homeowners	A-	10+
	112	Workers' Comp Occ. Acc & Habitational	A	25+
	80	Public Entity & Construction	A	15+
	68	General Liability	A+	10+
	65	Energy	A-	10+
Insurance Company of America	64	Workers' Comp, DIC & Homeowners	A	5+
	56	Worker's Comp & Property	A+	5+
	53	General Liability & Excess	A+	5+
	45	General Liability & Excess	A-	5+



# K2 International ~ Our Values



## Partnership

We value long-lasting, collaborative partnerships with our capacity providers, clients, brokers and colleagues.

## Enterprise

We value all ideas that lead to effective ways of building, improving and transforming our products, systems and processes.

## Integrity

We value doing the right thing across all our relationships and conducting our business honestly and transparently.

## Strength

We value our people and are committed to fostering an inclusive environment where everyone is treated with dignity, respect, and empowered to contribute to our success as a team.

## What We Provide

- Underwriting
- Distribution
- Lead Market
- Portfolio Design & Management
- Modelling
- Claims
- Data Warehouse
- Experience
- Profit

## Underwriting with a view

We are “the underwriters’ MGA”, focused on producing outstanding results for our carriers

Located in the heart of the London market with superior access & distribution

One of the “go-to” lead markets for pricing; responsive ~ we do not underwrite by “committee”

Have built, and can build, bespoke portfolios tailored to a carrier’s specific risk appetite

All risks modelled in RMS pre-bind and analysed in TigerEye

Settled quickly - an essential component of our “promise to pay” (3 day turn-around)

Recognised best in class MI

60+ years underwriting within K2 CAT

Historically, profitable



### Products offered:

- Cat XL
- ILW
- Pro Rata
- Risk XL



## Underwriting Philosophy & Facility Mechanics

- K2 CAT celebrates its 10<sup>th</sup> anniversary in September 2023
- We have written property treaty business o.b.o. our carriers since 2014, deliberately focusing our efforts on a small number of territories that we know well, binding > USD 700m of premium and committing nearly USD 8bn of limit
- K2 CAT is an established member of the London Market; a leader ... with an opinion; and has a reputation for a strong underwriting culture, backed by efficient service and robust capital backing
- We do not underwrite an index of any market; judicious client selection is at the heart of our business
- All our facilities are separate with single carriers
- We are motivated by creating profitable, durable portfolios
- Capital is accessed either via a balance sheet; or using a fronting company; or via a segregated cell structure with a collateralised QS (also using a fronting company)
- Minimum required gross premium per facility: USD 5m
- Negotiable over-rider payable to K2 CAT on all premiums bound under the facility (this covers **underwriting, production, actuarial, loss modelling / exposure management; MI; premium / claim processing etc.**) plus PC (after negotiable carrier expenses)
- Original brokerage payable plus local taxes (e.g. FET, if applicable) or fronting-fee
- All claims are agreed by the carrier (based on recommendation from K2 CAT) within a pre-agreed timeline
- Quarterly modelled RMS portfolio roll-up (can be provided via TigerEye, if requested)
- Monthly premium / claim bordereaux



## What We Look For

- Financially robust clients
- With ... strong underwriting, management & claims cultures
- Who ... out-perform their markets when large losses occur and to whom reinsurance is a valued component of their risk management
- We ... do NOT look to write an index of any market - the number of clients we have in any particular region is dependent on the size of the respective market - clearly, there must be a realistic expectation of profit over time
- We ... are not afraid to walk away from clients who fail to demonstrate this
- We ... encourage frequent broker & client liaison, both in London and abroad

## What We Need

- First class security (minimum AM Best A- rating or collateralised)
- Flexibility ... automatic underwriting capacity
- Multi-year commitment (minimum 3 years)
- Supportive, forward-thinking backers

## What You Will Get

- Complete transparency
- Years of profitable underwriting experience
- A portfolio of top quality clients, diversified by geography & peril
- Exposure to precisely fit your risk appetite
- K2 CAT as a relentless advocate for your business

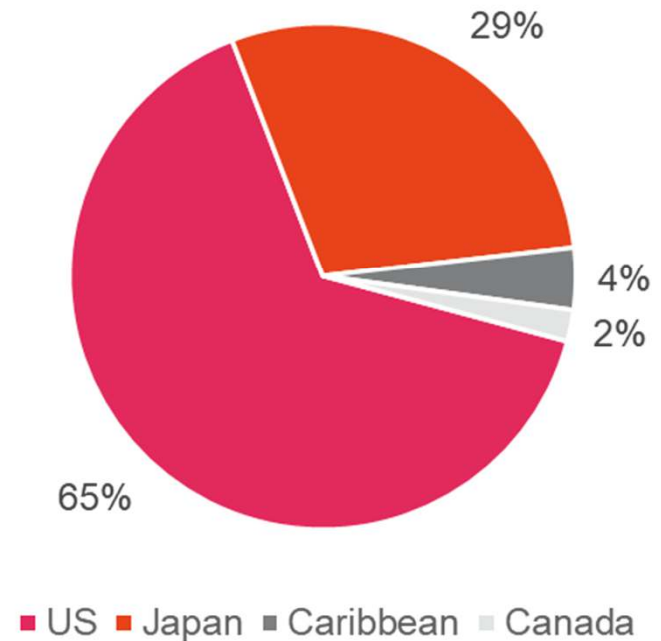


## Where We Write

- All facilities are carrier-specific and territory specific
- K2 CAT deliberately concentrates on property treaty business emanating from:
  - US
  - Canada
  - Caribbean
  - Japan
- For 2024, we plan to start writing business from Latin America using a local representative to source the portfolio
- K2 CAT's USP is the ability to build totally bespoke portfolios tailored to a carrier's specific risk appetite

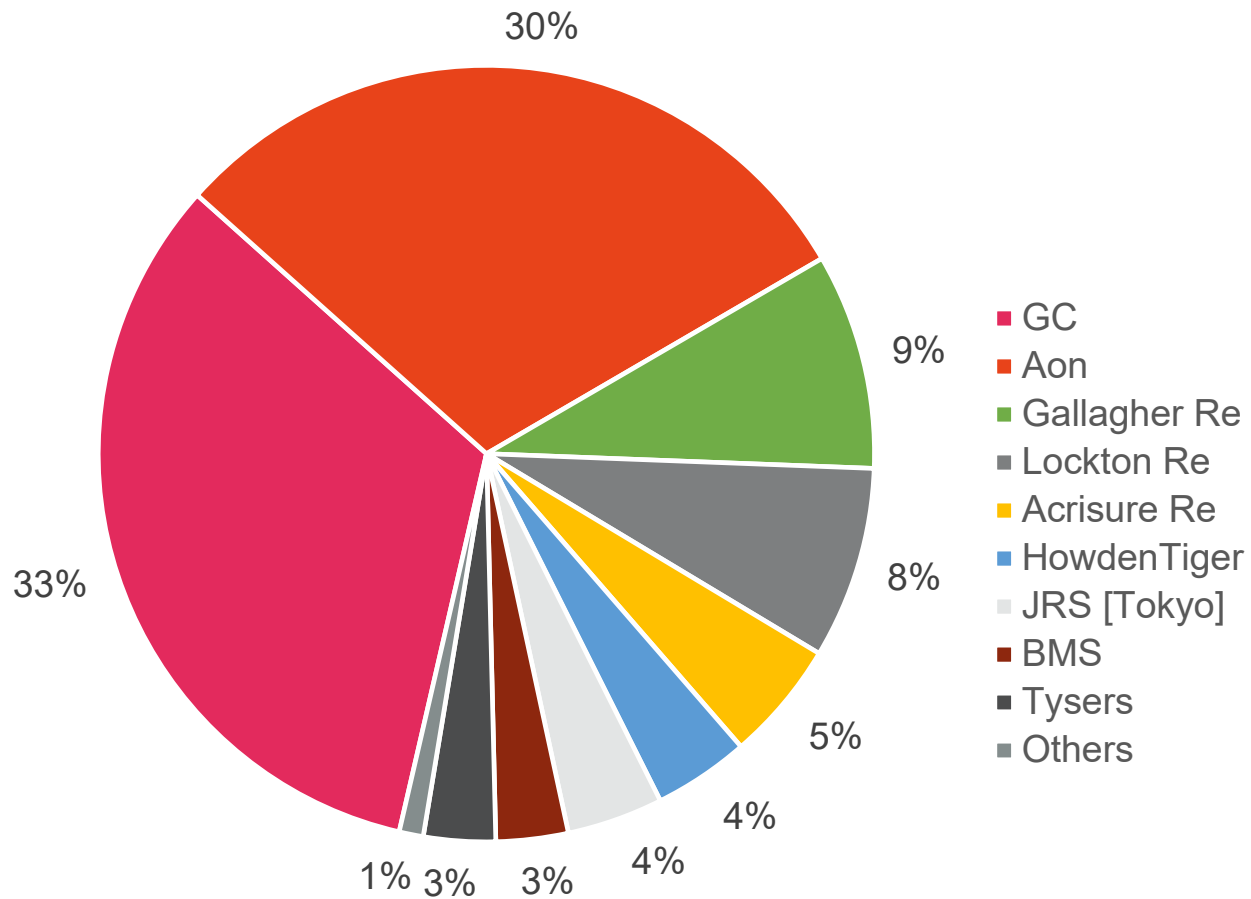
We have reinsured most of our clients for > 15 years and, in some cases, 30+ years

Split (by premium)



## Distribution

## Located in the heart of the London market



- Efficient, agile & flexible ~ prompt, responsive underwriting; automatic capacity allows optimum portfolio management; considerable dialogue with capacity providers, brokers & clients
- Low Cost ~ fully functioning underwriting team utilising sophisticated rating & modelling; with actuarial, claims and MI support
- Proactive ~ leveraging past relationships and developing new ones
- Lead market
- Alignment of interests
- Relentless advocate of our capacity



## Our Clients

Across our underwriting facilities K2 CAT's carriers reinsure more than 125 companies, offering a full suite of property treaty products.

We look for financially robust regional specialists with superior underwriting & claims management. Here is a selection of some of them.



## Underwriting Team



**DAVID CARSON**

### Head Underwriter

36 years' experience in the reinsurance industry, as both a broker and underwriter, specialising principally in property treaty business. David was previously Head Underwriter of Pioneer CAT (which he founded in 2013) and has held senior underwriting and management roles in Lloyd's at Hardy, DP Mann / Faraday and RA Edwards. He started his reinsurance career at Greig Fester in 1987. David is a graduate of the University of Exeter and is ACII / Chartered Insurer designated



**JAMES SHARPINGTON**

### Senior Underwriter

Sharpy joined the team in July 2018. He has a strong track record in the property cat market in both broking and account management, latterly as a Senior Broker for BMS, having started his career at Benfield in 2007. He was promoted to Senior Underwriter in April 2021. James is a graduate of Durham University and is ACII / Chartered Insurer designated



**OLIVIA NASH**

### Underwriting Assistant

Liv joined the team in December 2018 and is responsible for supporting the underwriters, with a particular focus on administration, including credit control

The team is supported by the in-house **catastrophe modelling** and **exposure management team**, together with **actuarial, compliance, management information** and **claims** resources



## CONTACT US

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