

09 May 2017

HPS and MDP to create the UK's leading independent diversified insurance Group¹ and intermediary with global reach

- Collectively expected to generate in the region of £2.8bn gross written premium
 - Annual income of c.£0.5bn
 - Over 5,000 people will be employed across the group/portfolio
 - Exploring options to consolidate and optimise the capital structure

HPS Investment Partners (“HPS”), and Madison Dearborn Partners (“MDP”) today announce that they are planning to bring together their UK regional network of businesses, harnessing leading positions spanning the breadth of the UK general insurance industry. This will comprise the majority of their existing general insurance investments together with two recently announced acquisitions;

- **Autonet²**– The leading independent van insurance broker in the UK. Distribution is primarily online through price comparison websites, its own website and call centres. Gross written premiums in 2016 were c.£130m. Autonet is based in Stoke-on-Trent and employs over 550 people.
- **Chase Templeton⁴** – a Darwen-based leading UK private medical insurance (PMI) brokerage services provider with c.£157m of gross written premiums as at 31 December 2016.
- **Ryan Direct Group⁴** – an innovative provider of insurance solutions to the UK general insurance industry based in Doncaster providing underwriting, claims management and policy administration services. With long standing trading relationships built over 25 years, Ryan Direct Group (“RDG”) employs over 540 people with particular expertise in the specialist and niche personal lines sector across all of its products and services.
- **Towergate Group** – the UK’s leading independent insurance broking platform employing c.4,000 people providing insurance products to small and medium sized enterprises (SMEs), corporate clients and specialist personal cover; with an advisory business distributing primarily SME commercial advised insurance and retail distributing both SME and personal insurance via online, phone and mortgage brokers; a London broking and underwriting platform, which writes risks, administers policies and handles claims with capacity provided by blue-chip general insurers.

These companies will continue to operate independently and under their existing leadership.

Furthermore, HPS and MDP also announce that joining this Group is Price Forbes, the international specialty business with offices in London, Bermuda, South Africa, Malaysia and Dubai offering world class, non-conflicted, specialist and reinsurance advice across the globe;

Price Forbes² – established in 1893, Price Forbes is an independent, specialist international wholesale insurance broker headquartered in London employing over 300 staff and placing over £950m gross written premium. It is a world class international Lloyd’s broker with ten successive years of growth, placing non-standard risks for large multi-national companies.

Price Forbes will continue to operate independently and under its existing leadership.

HPS and MDP believe that the coming together of all of the above businesses under a single holding company KIRS³, to be renamed in Q3 2017, will drive significant benefit for customers, the Group’s market position and cost efficiency.

Today HPS and MDP also announce three appointments⁵: John Tiner as Chairman of the newly enlarged Group, David Ross as Group Chief Executive Officer and Mike Donegan⁶, the leader of the International Specialty business, as Executive Director. Further appointments will be announced in due course.

John Tiner commented today:

“Today’s announcement demonstrates the tremendous confidence our major shareholders have in the businesses we are bringing together and the opportunities for further expansion. I am very much looking forward to working with HPS, MDP, David and Mike and the Board in creating the UK’s leading diversified insurance platform and intermediary with global reach.”

David Ross added:

“The coming together of these companies under a single holding company is a major milestone for the HPS and MDP insurance platform. The Group will be a diversified business of scale with an unparalleled footprint and distribution presence comprising companies that are independent market leaders in their respective lines of business.”

Mike Donegan, CEO of Price Forbes said:

“I am delighted to be joining the board of the new Group⁶. This structure provides the Price Forbes board, my experienced international and UK teams and importantly our worldwide client base, all the benefits of global independence on one hand and deep access to capital from very strong shareholders on the other. Our strategic intentions remain unchanged and can only be strengthened by this announcement.”

In addition, Ian Donaldson, CEO of Autonet said today:

“Everyone at Autonet is excited by today’s announcement. Being a key part of this new group and its future plans just emphasises the potential for Autonet to continue with its growth agenda and exercise some of the many synergies within the group. I am personally looking forward to working even closer with such a focussed and talented management team.”

Warren Dickson CEO of Chase Templeton also commented:

“The team at Chase Templeton are delighted by today’s announcement. We are excited about being part of a wider group and playing a key part within its core plans whilst at the same time looking for continued growth. We very much look forward to working closely with the wider management team.”

Derek Coles, CEO Ryan Direct Group added:

“RDG has established a strong performance track record with a large number of insurance capacity, broker and affinity clients and will play a key role in supporting this portfolio of businesses, while maintaining its market independence. I am positive that our leadership team will successfully lead Direct Group, as it will be called, to its next stage of development and advance its considerable potential with the backing from our new investors.”

In connection with today’s announcements, HPS and MDP intend to explore options to consolidate and optimise the Group’s capital structure in the loan and bond markets, including the refinancing of existing debt of their assets subject to market conditions. HPS and MDP are being advised by Bank of America Merrill Lynch.⁷

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¹ HPS’ and MDP’s investments in the sector are currently owned via two holding companies – KIRS and Nevada which will be brought together into a single group holding company (the “Group”)

² Majority interest owned in Autonet and Price Forbes

³ References to KIRS are to TIG Topco Limited (a company incorporated in Jersey with registered number 117710) and which is in the process of changing its registered name to KIRS Group Limited and which remains subject to Jersey regulatory clearance

⁴ Subject to the usual regulatory approvals and other customary conditions to completion

⁵ Subject to the usual regulatory approvals and completion of the formation of the Group

⁶ Subject to the usual regulatory approvals, shareholder approval and completion of the formation of the Group.

⁷ Any capital markets activity will be subject to market conditions and may not occur. Additional information is available at www.kirsgroup.co.uk

Notes to Editors

About KIRS

KIRS is the holding company name for the company that will be created by the bringing together of Autonet, Chase Templeton, Direct Group, Towergate and Price Forbes. The enlarged group will harness market leading positions spanning the breadth of UK general insurance and have a global reach. The brand name of the enlarged group will be announced in due course.

www.kirsgroup.co.uk