

Randall & Quilter Investment Holdings Ltd.

Corporate Restructuring for R&Q's growing Program Business Initiative

7 September 2018

R&Q Investment Holdings Ltd "R&Q" is pleased to announce a corporate restructuring to create a newly named division, Accredited, which comprises its fast growing US and European program management businesses.

Accompanying this initiative is a renaming of R&Q's Malta domiciled insurance platform, R&Q Insurance (Malta) Limited, to Accredited Insurance (Europe) Limited. This change is effective immediately.

Accredited will be jointly run by Todd Campbell, as CEO of its US business, and Colin Johnson, as CEO of its European division. Both individuals report to Alan Quilter, co-founder of R&Q and Group CFO.

Accredited is one of two core businesses of R&Q - the other being legacy acquisitions and the claims management of discontinued business - and its strategic aim is to provide high quality and fully licenced capacity for MGAs and other counter-parties on both sides of the Atlantic.

The name change is designed to reflect the importance of this core business to the Group and also to provide a simplified, single brand that provides the same level of service and client understanding to its customers on both sides of the Atlantic.

Both Accredited Surety and Casualty Company, Inc. the Group's wholly owned US platform, and its European equivalent, Accredited Insurance (Europe) Limited enjoy an A- (Excellent) financial strength rating from AM Best. Accredited Surety & Casualty Inc. also had its rating affirmed this year by AM Best while being upgraded to group VII under its classifications, reflecting its larger capital base.

Both platforms are enjoying high demand for their services at a time of significant market turmoil in the sector which includes the partial or complete withdrawal of other program capacity providers in 2017-18 (both in the US and Europe), continuing uncertainty over "Brexit", the emergence of disruptive fintech initiatives challenging the status quo and the desire for entrepreneurs to launch new Insurance businesses but require a program partner to provide licenced paper and infrastructure that acts as a conduit between them, their policyholders and their reinsurance capital providers.

A total of 7 new program underwriting partnerships have been entered into this year by the Group. Since R&Q's program initiative began last year, the Group has entered into partnerships that are the equivalent to circa \$200mn in annualised GWPs and it expects this number to at least double by year-end.

Domiciled in Florida, Accredited Surety & Casualty Inc. is licenced in all fifty states to write admitted business for all P&C classes.

After Brexit takes place - as it is currently scheduled to do in March 2019 - Accredited Insurance (Europe) Limited will remain fully licenced to write every P&C class across all remaining 27 EU member states. In addition, a UK branch office will enable it to write business on behalf of UK MGAs, ensuring R&Q has a "gold-plated" Brexit solution for all its program partners.

Colin Johnson, CEO of UK and European Program Management, commented: "R&Q is, of course, well known for legacy acquisitions and for providing first class innovative exit solutions to owners of discontinued business.

"Since 2017, we have brought this same level of professional, client-focussed attention to MGAs in the US and in Europe who require a program underwriting partner who can act as the conduit between them and their reinsurers".

Todd Campbell, President and CEO of Accredited Surety & Casualty Inc., added: “There is a growing demand for program partnerships and Accredited is determined to be the market’s go-to choice on both sides of the Atlantic”.

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About R&Q

The overall mission of the Bermuda based Group is to:

- Generate profits and capital extractions from expert management of legacy non-life insurance acquisitions/reinsurances, including in Lloyd’s; and
- Grow commission income from its licensed (and rated) carriers in the US and EU/UK, writing niche and profitable program business, largely on behalf of highly rated reinsurers.

Our aim is to continue to grow sustainable profit streams to support our business model and increase book value and cash distributions to shareholders.

The Group was founded by Ken Randall and Alan Quilter in 1991.

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