

Personal Lines Success: To Grow, Specialize or Retreat?

September 24th, 2026

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Executive Summary

Executive Summary

Commentary

- ▶ Personal Lines can still generate attractive returns, but successful carriers must either scale or focus on areas where specialized underwriting creates an advantage
- ▶ Many large insurers have steadily reduced their concentration in Personal Lines, with fewer carriers maintaining highly concentrated Personal Lines books
- ▶ Geographic strategy has also shifted recently, with carriers ranging from focused regional writers to national platforms, and fewer U.S. insurers writing in ten or fewer states
- ▶ Scale works best where products can be standardized, supported by large experience histories, segmentation, national branding, direct distribution, and efficient servicing
- ▶ Specialization remains a viable alternative to scale, particularly in coastal property, non-standard Auto, VHNW Homeowners and difficult regulatory or judicial markets
- ▶ Public market performance reinforces the split, with coastal specialists and large-cap Personal Lines insurers outperforming medium-cap peers over the last five years
- ▶ Carriers without sufficient scale or a defensible specialty may be better served reducing or exiting Personal Lines and reallocating capital elsewhere
- ▶ Outside the U.S., successful personal lines strategies are highly market specific, with scale, distribution, and niche specialization driving different outcomes across regions

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Recent Developments



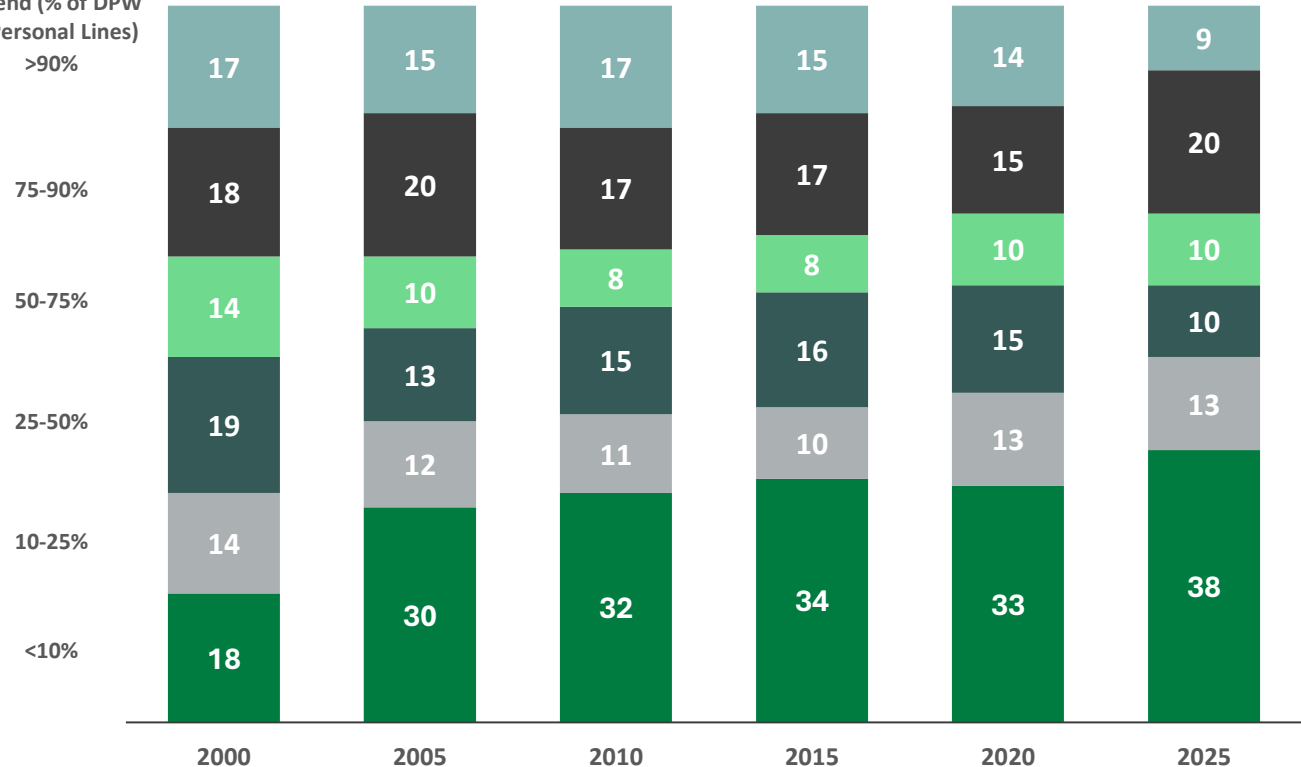
U.S. Personal Lines Concentration Among Top Insurers Has Declined

Commentary

- ▶ The number of large insurers concentrating on Personal Lines has decreased
- ▶ Most insurers reallocate their capital towards segments that produce higher returns
- ▶ Many insurers are favoring more specialized product offerings via increasingly Commercial business mixes
- ▶ This has caused a general retreat from Personal Lines in the market by many insurers
- ▶ In some cases, insurers have completely or substantially exited the Personal Lines sector

Top 100 Insurers by Personal Lines Share of DPW

Legend (% of DPW
in Personal Lines)

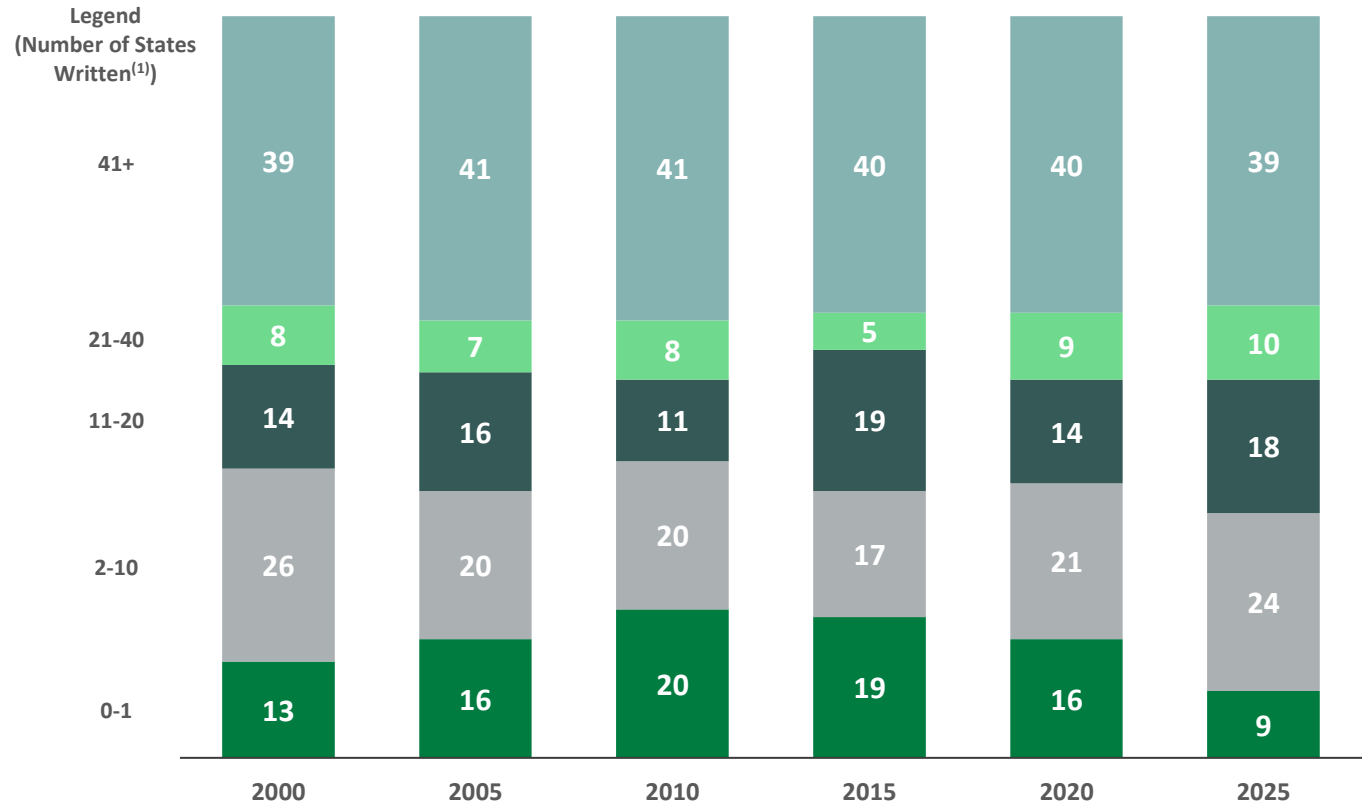


U.S. Personal Lines Insurers Geographic Presence

Commentary

- ▶ Personal Lines insurers employ a spectrum of geographic approaches, but have generally shifted away from highly concentrated footprints toward writing across a broader number of states
- ▶ The number of one or a very few state writers has declined, as carriers expand beyond their core geographies
- ▶ Those expanding their geographic presence can diversify across markets to better spread catastrophe exposure

Top 100 Personal Lines Insurer by Number of States Written



Note:

(1) Including Washington, D.C.

Success in Personal Lines

Personal Lines can generate attractive returns, but success requires carriers with scale-driven abilities or differentiated underwriting expertise

Scale and Technology Driven

- ▶ Best suited for homogenous products where scale, national branding, direct to consumer marketing, large datasets and operating leverage matter most
- ▶ Success in this model is driven by:
 - Personal Auto and more standardized Homeowners
 - Large proprietary datasets and sophisticated pricing or segmentation
 - Automation across underwriting, servicing, and claims
 - Expansion across geographies where the platform can achieve meaningful scale
 - Ability to replicate a proven operating model across attractive new geographies
- ▶ Market examples:
 - Progressive and GEICO show how scale, segmentation, and direct distribution can improve customer acquisition, underwriting, and servicing in Personal Auto
 - State Farm demonstrates how large experience histories and broad underwriting datasets can support pricing and risk selection in Homeowners

Specialized and Underwriting Led

- ▶ Best suited for niches where risk selection, underwriting judgement, and specialized distribution can create differentiation
- ▶ Attractive opportunities include:
 - Higher risk coastal and CAT exposed property
 - Non-standard and specialty auto
 - VHNW homes, hobby farms, and difficult to protect properties
 - Challenging regulatory or judicial environments, such as Massachusetts Auto and NYC liability
- ▶ Success in these markets depends on:
 - Deep experience and focus in harder to underwrite risks
 - Knowledgeable, strongly aligned distribution partners with expertise in the target market
 - Underwriting depth in markets where broad scale is less relevant
- ▶ Market examples:
 - ▶ Chubb demonstrates the value of underwriting depth, service and risk engineering in VHNW Homeowners
 - ▶ Heritage illustrates how disciplined property underwriting and CAT management can support profitable specialization



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Market Overview

U.S. Personal Lines Overview

The shift toward fewer, dominant, Personal Lines focused carriers

Drivers of Change

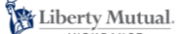
- ▶ Personal Lines profitability has recovered following several years of aggressive rate and underwriting actions
- ▶ Rate increases are moderating as adequacy improves, particularly in personal auto, increasing competition for attractive risks
- ▶ The Personal Lines composite declined 2.0% ⁽¹⁾ year-to-date 2026, compared to a 9.1%⁽¹⁾ gain for the Commercial Lines composite over the same period
- ▶ Swiss Re expects U.S. P&C premium growth of only ~3% in 2026, with ROE declining toward ~11%, as the industry moves past its cyclical earnings peak
- ▶ The homeowners market remains challenged by CAT volatility, replacement costs, and geographic concentration, requiring further underwriting discipline
- ▶ Improved reinsurance capacity is supporting the market, but carriers remain selective in CAT-exposed geographies
- ▶ More specialized niches, including coastal property, non-standard auto and VHNW homes, remain less dependent on scale and more reliant on underwriting expertise
- ▶ Carriers are increasingly reducing geographic and product concentrations rather than pursuing Personal Lines growth across all markets
- ▶ The trend favors scaled, geographically diversified platforms, pressuring Personal Lines carriers to either diversify their portfolios or exit entirely
- ▶ Overall, the Personal Lines market is healthier, but requires more focus and dedication for companies to write premiums and profit

Note:

(1) Custom indices are calculated using market capitalization-weighted YTD stock price performance as of September 23, 2026

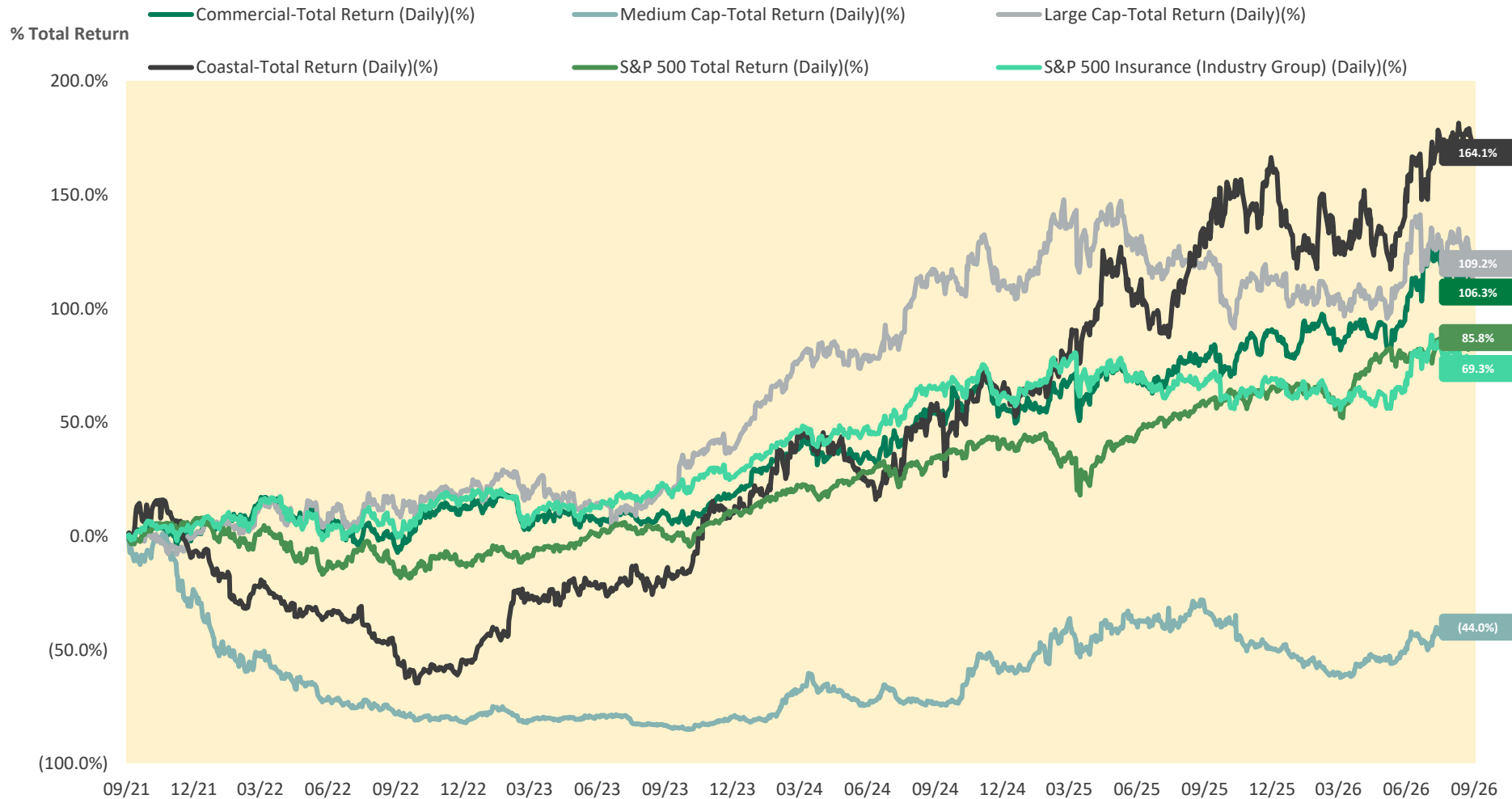
(2) YoY DPW Growth 2024-2025

U.S. 2025 Personal Lines Market

Company	Market Share	DPW (\$000s)	DPW Growth % ⁽²⁾	Personal Lines % of DPW
 State Farm	18.5%	\$104,870,069	5.7%	91.1%
 PROGRESSIVE	12.7%	72,342,134	11.0%	85.9%
 Allstate	9.8%	55,484,525	6.5%	93.3%
 GEICO	7.6%	43,182,332	2.0%	66.9%
 USAA	6.4%	36,212,442	6.7%	94.0%
 FARMERS INSURANCE	4.1%	23,554,596	4.6%	79.6%
 Liberty Mutual INSURANCE	3.7%	21,203,757	(4.1%)	50.1%
 TRAVELERS	2.8%	16,082,902	3.0%	37.2%
 AMERICAN FAMILY INSURANCE	2.8%	15,665,790	1.9%	87.3%
 Auto-Owners INSURANCE	1.6%	9,096,537	7.1%	54.6%
Top 10 Total	70.0%	\$397,695,084	5.7%	77.7%
Grand Total	100.0%	\$567,737,066	5.3%	51.0%

U.S. Personal Lines – Five-Year Stock Performance

Personal Lines insurers outperformed Commercial focused; among Personal, Coastal specialists and high-scale large cap issuers outperformed other strategies



Note: Custom indices are weighted by market capitalization
Personal Lines – Large Cap: PGR, ALL, KMPR, MCY, HMN, LMND
Personal Lines – Medium Cap: DGIC.A, PRCH, NODK, HIPO, ROOT
Personal Lines – Coastal Insurers: HCI, UVE, ACIC, HRTG, KINS
Commercial Lines – TRV, HIG, CINF, CNA, ORI, THG, SIGI, UFCS

Analysis of Publicly Traded U.S. Personal Lines Insurers

Data as of September 23, 2026						2026E Forward Estimates			Valuation Metrics		
Company		Price Per Share	Mkt. Cap (\$M)	% of 52 Week High	Div. Yield	Net Comb. Ratio	EPS	ROE	Price Tang. BV	Price / Earnings	
										06/30 LTM	'26E
 PROGRESSIVE	("PGR")	\$203.13	\$118,094.0	81.9%	0.2%	89.1%	\$18.09	32.4%	3.44x	10.2x	11.2x
 Allstate	("ALL")	225.66	57,059.9	81.4%	1.9%	86.8%	35.26	29.5%	2.01x	4.5x	6.4x
 MERCURY GENERAL CORPORATION	("MCY")	97.84	5,419.2	86.5%	1.3%	n.a.	13.50	n.a.	1.94x	5.8x	7.2x
 Lemonade	("LMND")	44.36	3,433.3	44.4%	0.0%	123.9%	(1.87)	(26.7%)	7.26x	n.m.	n.a.
 Porch Group	("HMN")	16.61	1,885.6	89.0%	0.0%	n.a.	0.08	n.a.	n.m.	n.m.	207.6x
 Horace Mann	("PRCH")	46.54	1,884.9	83.8%	3.1%	n.a.	4.82	11.6%	1.43x	10.9x	9.7x
 KEMPER	("KMPR")	25.85	1,523.2	49.5%	5.0%	103.7%	2.05	5.8%	1.08x	n.m.	12.6x
 Safety Insurance AUTO • HOME • BUSINESS	("SAFT")	103.51	1,519.6	99.6%	3.6%	n.a.	n.a.	n.a.	1.78x	22.2x	n.a.
 Hippo	("HIPO")	29.71	784.0	76.7%	0.0%	100.2%	0.92	5.0%	1.91x	6.5x	32.4x
 Root Insurance	("ROOT")	46.76	724.5	47.1%	0.0%	98.6%	4.40	26.0%	2.21x	13.1x	10.6x
 DONEGAL GROUP INC.	("DGIC.A")	18.13	680.1	86.1%	4.2%	97.1%	1.80	9.8%	1.02x	9.5x	10.1x
Mean				75.1%	2.8%	99.9%		11.7%	2.41x	10.3x	34.2x
Median				81.9%	3.1%	98.6%		10.7%	1.93x	9.9x	10.6x

Analysis of Publicly Traded U.S. Coastal Insurers

Data as of September 23, 2026					2026E Forward Estimates				Valuation Metrics		
Company		Price Per Share	Mkt. Cap (\$M)	% of 52 Week High	Div. Yield	Net Comb. Ratio	EPS	ROE	Price Tang. BV	Price / Earnings	
										06/30 LTM	'26E
 Slide	("SLDE")	\$22.96	\$2,682.0	85.8%	1.2%	64.5%	\$3.78	38.9%	2.23x	5.6x	6.1x
 HCI	("HCI")	176.12	2,190.7	83.7%	0.9%	68.0%	19.65	27.7%	2.04x	7.6x	9.0x
 UNIVERSAL INSURANCE HOLDINGS	("UVE")	42.47	1,182.0	94.1%	1.5%	97.2%	5.20	23.8%	1.85x	5.6x	8.2x
 HERITAGE INSURANCE	("HRTG")	33.07	954.7	90.6%	0.0%	78.5%	5.18	31.2%	1.77x	4.7x	6.4x
 AMERICAN INTEGRITY INSURANCE GROUP	("AII")	24.97	489.2	92.5%	0.0%	81.5%	3.78	19.8%	1.32x	5.5x	6.6x
 AmCoastal	("ACIC")	9.11	425.1	69.8%	0.0%	83.1%	0.96	14.4%	1.52x	4.5x	9.5x
Mean				86.1%	1.2%	78.8%		26.0%	1.79x	5.6x	7.6x
Median				88.2%	1.2%	80.0%		25.8%	1.81x	5.5x	7.4x

Analysis of Publicly Traded U.S. Standard P&C Insurers

Data as of September 23, 2026					2026E Forward Estimates				Valuation Metrics		
Company		Price Per Share	Mkt. Cap (\$M)	% of 52 Week High	Div. Yield	Net Comb. Ratio	EPS	ROE	Price Tang. BV	Price / Earnings	
										06/30 LTM	'26E
 TRAVELERS	("TRV")	\$360.39	\$75,168.4	90.4%	1.4%	87.8%	\$34.06	21.5%	2.62x	9.7x	10.6x
 THE HARTFORD	("HIG")	126.59	34,289.7	86.7%	1.9%	92.4%	12.76	17.4%	2.01x	8.2x	9.9x
 CINCINNATI INSURANCE COMPANIES	("CINF")	162.57	24,950.9	83.5%	2.3%	95.7%	8.44	7.9%	1.50x	7.7x	19.3x
 CNA	("CNA")	47.11	12,748.0	84.6%	4.1%	n.a.	4.30	10.1%	1.15x	10.4x	11.0x
 OLD REPUBLIC	("ORI")	38.26	9,159.7	81.8%	3.3%	96.5%	2.94	11.9%	1.51x	8.4x	13.0x
 The Hanover Insurance Group®	("THG")	217.57	7,575.8	92.2%	1.7%	92.5%	20.39	19.6%	2.17x	10.4x	10.7x
 SELECTIVE BE UNIQUELY INSURED®	("SIGI")	86.33	5,142.6	86.0%	2.0%	97.7%	8.15	13.7%	1.49x	10.7x	10.6x
 ufg INSURANCE	("UFCS")	53.59	1,377.6	94.4%	1.5%	95.3%	4.99	13.0%	1.41x	9.9x	10.7x
Mean				87.4%	2.3%	94.0%		14.4%	1.73x	9.4x	12.0x
Median				86.3%	1.9%	95.3%		13.3%	1.50x	9.8x	10.7x

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Examples of Retreat Strategy



\$1B Upper Midwest Mutual Personal Lines Exit

26-month, state-by-state runoff of an approximately \$225M Personal Lines book

Pre-exit (FY2023): \$1.1B premium · ~550 agencies · 13 states · 67% Commercial / 20% Personal / 13% Farm

1) 2019–2021 · Platform Built

- ▶ Commercial and Specialty had grown to 57% of premium by 2019
- ▶ Commercial Lines grew 7% as Specialty set a DPW growth & profitability record
- ▶ Farm and Agribusiness added scale outside home and auto
- ▶ Approximately \$50M invested in core systems and analytics
 - ▶ Majesco (~\$35M) and Guidewire (~\$15M)

2) 2022 · Personal Lines Losses

- ▶ Poor results in Personal Lines persisted, despite investment in data analytics
- ▶ Severe storms drove ~2x normal claims volume
- ▶ Personal Lines combined ratio reached ~148%
- ▶ Group combined ratio 111.6%, worst in 25+ years
- ▶ New President and CEO appointed in April 2022

3) Oct 2023 · Exit Announced

- ▶ Exit announced October 20, 2023
- ▶ Caused by storm losses, reinsurance cost spikes and rates set too low
- ▶ Risk concentrated: 68% of writings in Wisconsin and Minnesota
- ▶ 26-month state-by-state runoff

4) Nov 2023 · New Business Ceased

- ▶ New home and auto writings ceased November 1, 2023
- ▶ Existing policies nonrenewed per state rules; 60 days' notice
- ▶ Independent agents placed replacement coverage

5) 2024 · Runoff Underway

- ▶ Premium declined to ~\$999M; combined ratio improved to 101%
- ▶ Commercial Lines set a new business record
- ▶ Surplus ~\$708M, plus \$125M of surplus notes

6) Dec 2025 · Exit Completed

- ▶ Final policies nonrenewed by December 31, 2025
- ▶ Completed on schedule, 26 months from announcement
- ▶ No portfolio sale; agent model retained

Comparative Analysis – FY2023 vs FY2025

Premium

2023: \$1.1B
2025: \$1.0B+

Combined ratio

2023: 111.3%
2025: 97.4%

Surplus

2023: \$578M
2025: \$773M

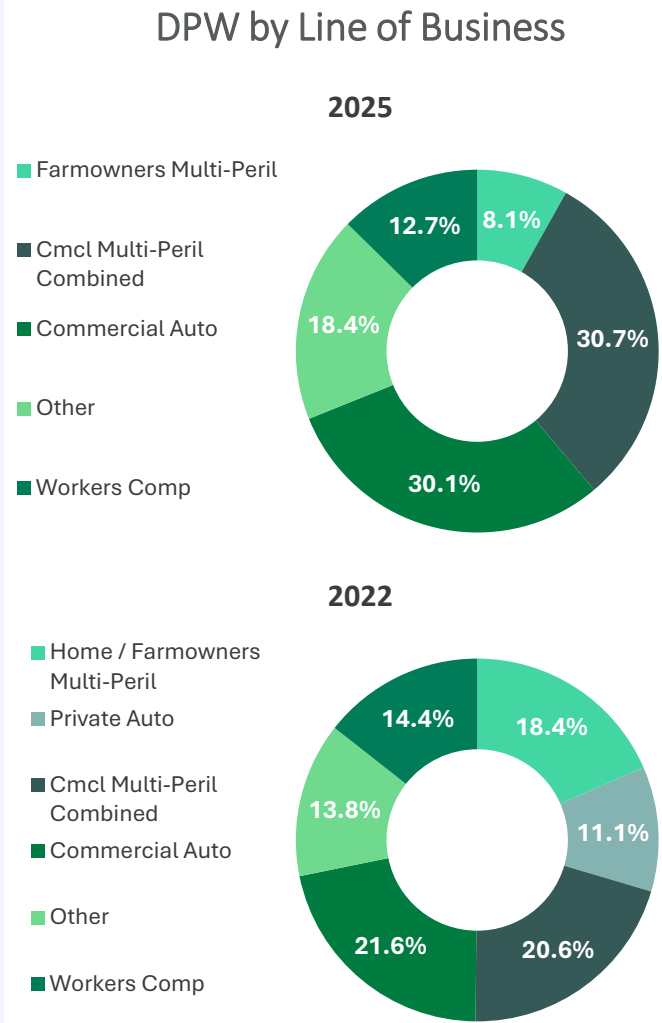
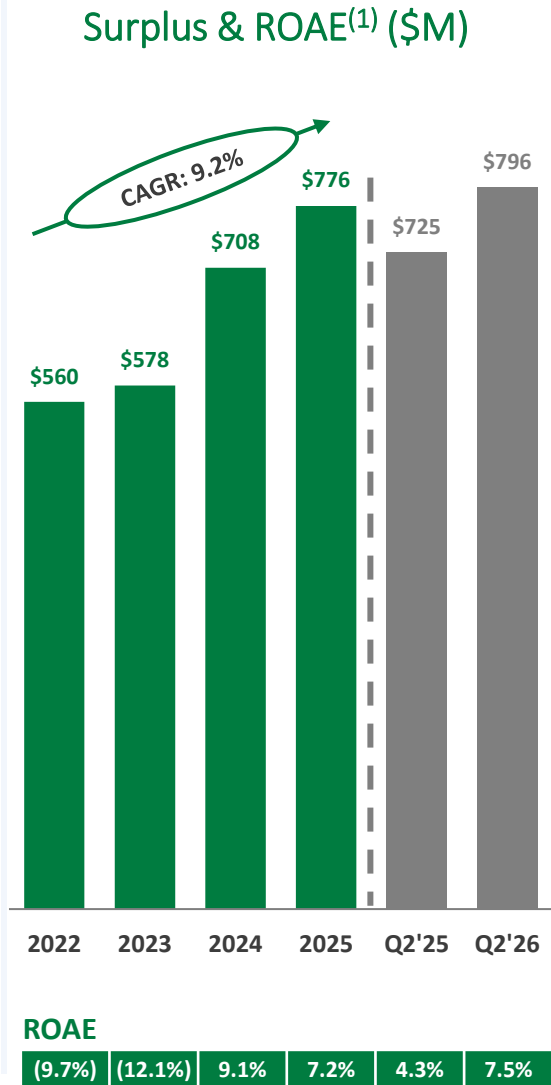
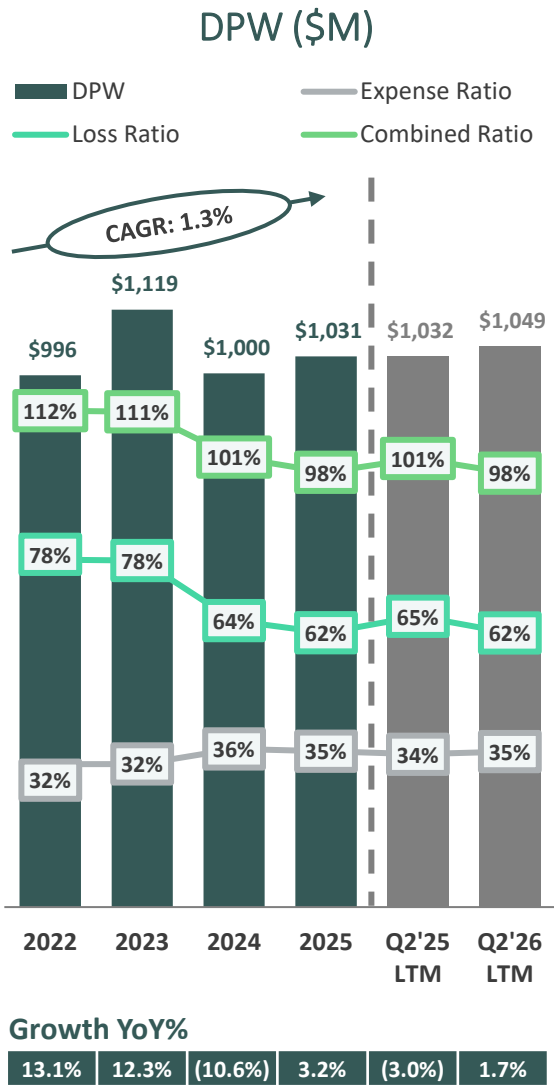
New business

2023: \$141M
2025: \$157M

Personal Lines

2023: 20% of book
2025: 0% of book

\$1B Upper Midwest Mutual Financial Overviews



United Fire Group Personal Lines Exit

Strategic exit of Personal Lines through a renewal rights agreement with Nationwide

Pre-exit (FY2019): \$1.1B premium · Independent Agency Model · 46 states · 93% Commercial / ~7% Personal

1) 2019 · Commercial Led Business

- ▶ Commercial accounted for \$999M of NPW whilst Personal Lines made up only \$73M
- ▶ The Personal Lines book made up of \$40M of fire/allied lines, \$31M of auto, and \$1.2M in other Personal Lines business
- ▶ Group combined ratio of 109.1%
- ▶ UFG management pursued strategic opportunities to increase profitability

2) Early 2020 · Strategic Focus

- ▶ Commercial lines increased to 94% of premiums written
- ▶ Personal Lines were quickly becoming a marginal part of UFG's business
- ▶ UFG makes the long-term, strategic decision to focus on its core business of commercial lines
- ▶ Exit of Personal Lines not due to complications of COVID

3) May 2020 · Exit Announced

- ▶ NPW decreased slightly to \$1B
- ▶ Exit announced May 4, 2020
- ▶ UFG agreed to exit the Personal Lines space through a renewal rights agreement with Nationwide
- ▶ Agents offered the opportunity to transfer Personal Lines policies nationally (minus FL/LA)
- ▶ Target transfer start date of Q3 2020

4) Q3 2020-2021 · Policies Transferred

- ▶ NPW decreased to \$941M
- ▶ LA nonrenewals began in January of 2021
- ▶ Majority of the transfer completed by the end of 2021

5) 2022-2024 · Exit Mostly Complete

- ▶ NPW increased to \$984M
- ▶ Transfer effectively complete by the end of 2022
- ▶ NJ only remaining state with Personal Lines policies still in force
- ▶ Remaining NJ policies scheduled for a gradual runoff

6) Dec 2025 · Exit Completed

- ▶ NPW increased to \$1.3B by year end 2025
- ▶ Combined ratio decreased to 94.8%
- ▶ Business now almost exclusively commercially focused
- ▶ No exposure to direct Personal Lines remains in UFG's line of business

Comparative Analysis – FY2019 vs FY2025

Premium

2019: \$1.1B

2025: \$1.3B

Combined ratio

2019: 109%

2025: 94.8%

Surplus

2019: \$708M

2025: \$860M

Commercial Lines

2019: 93% of book

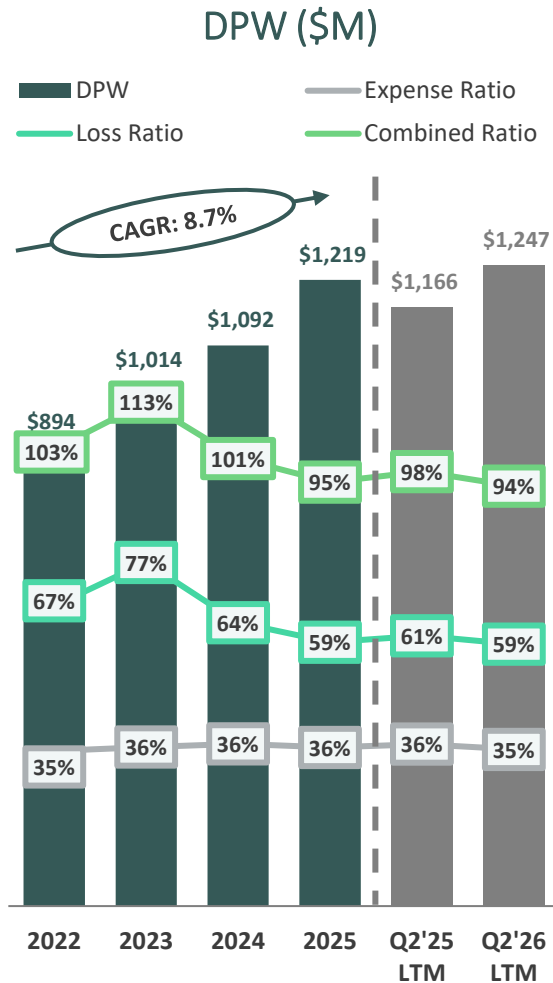
2025: 99% of book

Personal Lines

2019: 7% of book

2025: 1% of book

United Fire Group Financial Overviews



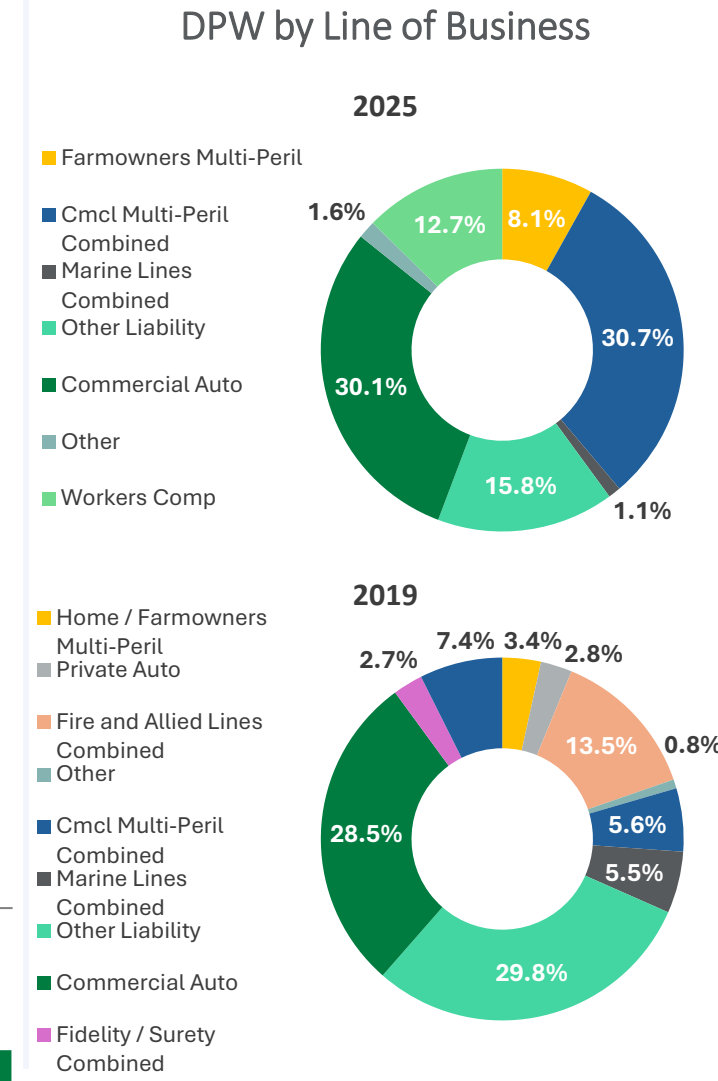
Growth YoY%

(1.9%)	13.5%	7.6%	11.7%	15.1%	7.0%
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ROAE

5.9%	(2.0%)	7.3%	13.4%	9.6%	15.6%
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CNA Insurance Personal Lines Exit

Full sale of an ~\$1.7B Personal Lines book to Allstate

Pre-exit (FY1998): \$1.7B premium · ~3,800 Independent Agents · 43 states · 71% Commercial / 16% Personal

1) Pre-1999 · Personal Lines at Scale

- ▶ CNA has a strong presence in the Personal Lines space, with \$1.7B in Personal Lines revenue
- ▶ Personal Lines book primarily focused on personal auto and homeowners
- ▶ Utilized thousands of Independent Agents Nationwide
- ▶ Despite this, the Personal Lines book was not part of CNA's core strategic focus for the future

2) 1999 · Repositioning

- ▶ CNA elects to shift away from its Personal Lines business entirely
- ▶ The exit comprised of a sale of the book for \$1.2B to Allstate, as well as a transfer of agents and policies between companies
- ▶ Allstate saw the opportunity to rapidly scale an independent agent distribution model

3) Jun 1999 · Exit Announced

- ▶ Sale to Allstate announced on June 9, 1999
- ▶ Of the \$1.2B value on the transaction, Allstate paid \$140M upfront
- ▶ Six-year CNA brand royalty included as part of the deal
- ▶ This allowed CNA to refocus its strategy into its core, commercial focused book

4) Oct 1999 · Transaction Completed

- ▶ Acquisition closed on October 1, 1999, CNA completed a full transfer of its Personal Lines book to Allstate
- ▶ ~2,000 CNA employees associated with the Personal Lines operation transferred to Allstate

5) 2000-2004 · PL Winds Down

- ▶ Despite the sale, Personal Lines remained ~17% of premiums written in 2000
- ▶ CNA adopted a gradual wind down of its Personal Lines book
- ▶ By 2004, only ~9% of premiums written were Personal Lines

6) 2005 · Exit Completed

- ▶ Personal Lines reduced to 0.2% of DPW
- ▶ Overall DPW had decreased due to the loss of the Personal Lines book
- ▶ However, overall firm performance improved, showcased by the slight drop in combined ratio from 1999-2005

Comparative Analysis – FY1998 vs FY2025

Premium

1998 \$10.0B
2025: \$14.5B+

Combined ratio

1998: 115.08%
2025: 108.0%

DPW Growth

1998: 0.82%
2025: 0.94%

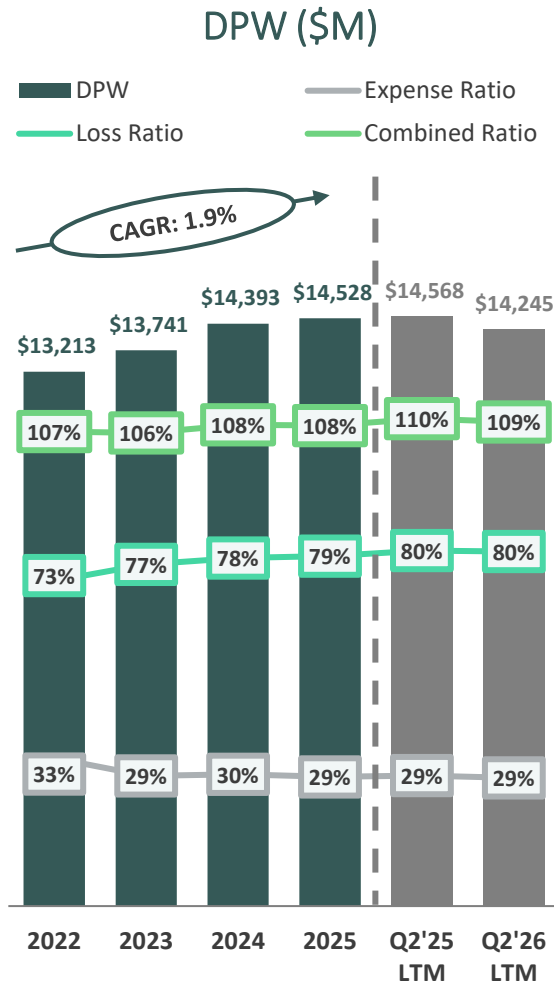
Commercial Lines

1998: 71% of book
2025: 97% of book

Personal Lines

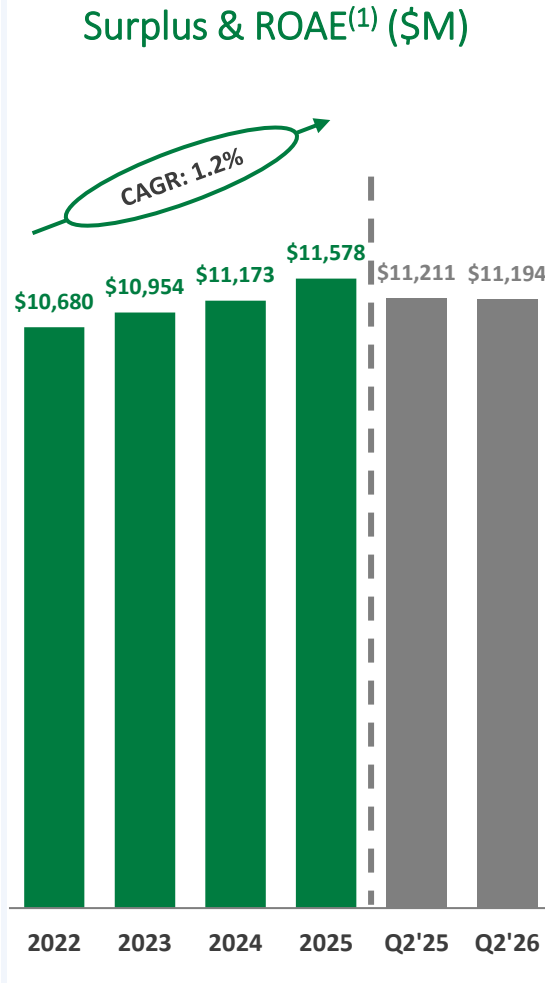
1998: 17% of book
2025: 0% of book

CNA Insurance Financial Overviews



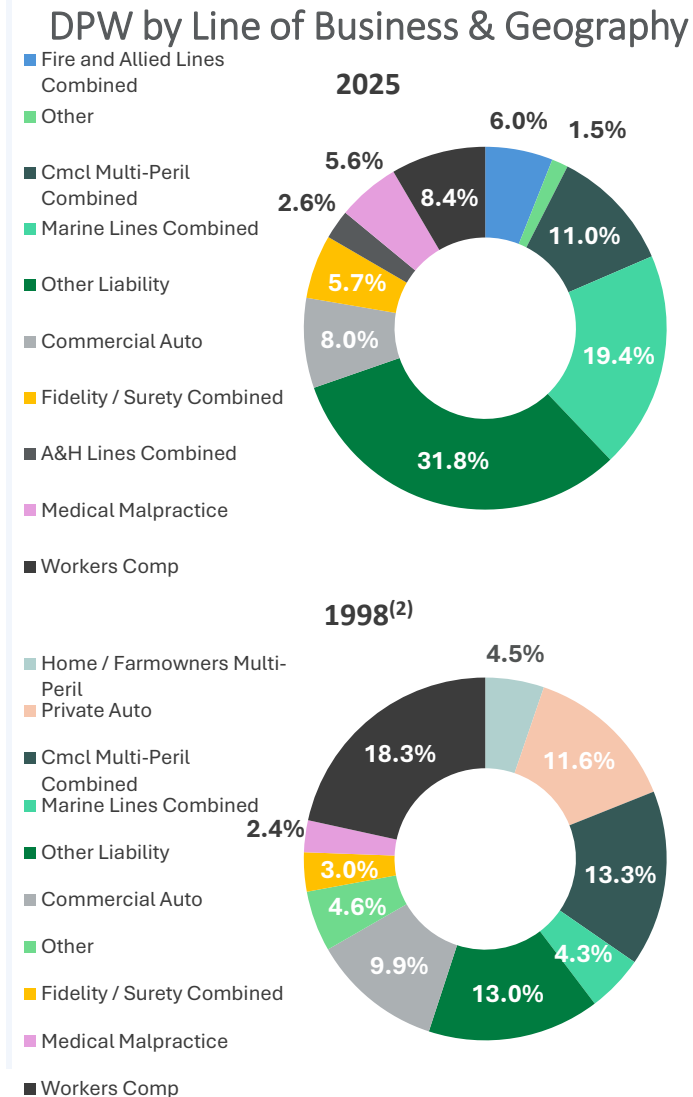
Growth YoY%

4.9%	4.0%	4.7%	0.9%	4.1%	(2.2%)
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ROAE

9.4%	10.2%	6.5%	11.1%	6.0%	10.7%
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Other Players With Decreases in Personal Lines

Several carriers have had meaningful decreases in Personal Lines exposure in recent years

Top 50 Regional Mutual

- ▶ The Top 50 Regional Mutual has gradually dropped in Personal Lines percentage of DPW from 2018 to 2022 ~10 points
- ▶ The slight increase in recent years is likely due to market pricing and higher insured values, offsetting their exposure and intended actions in Personal Lines
- ▶ Over the last eight years, their Personal Lines coverage is still down ~5 points as a whole
- ▶ In that time, total DPW has more than doubled, going from \$1.5B to \$3.4B, showing the benefits of focusing on core business lines

Oregon Mutual

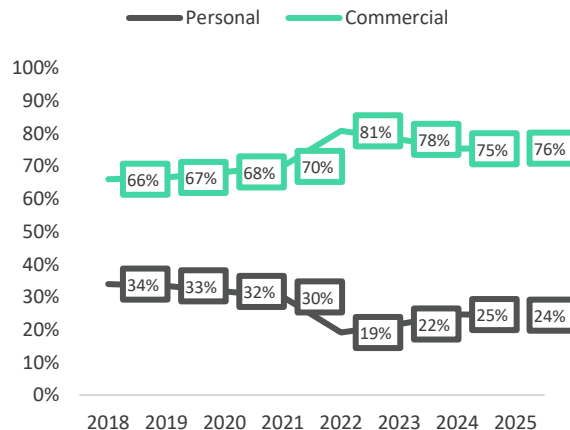
- ▶ Oregon Mutual began expanding Commercial Lines after 2016, shifting the business mix without initially reducing Personal Lines exposure
- ▶ By 2022, that expansion made Commercial Lines the larger share of the portfolio
- ▶ They announced their Personal Lines exit in 2022 and began the runoff in 2023, with limited exposure retained in California and Idaho due to regulatory constraints

A Central States Reciprocal

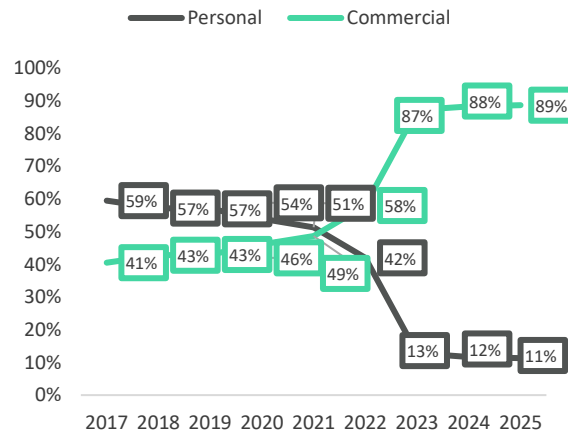
- ▶ The Central States Reciprocal has also seen a large gradual shift in Personal Lines strategy in the last eight years
- ▶ The last two years specifically have seen a dramatic change in policy, with a drop in Personal Lines exposure of 15 points
- ▶ Like Oregon Mutual, they have significantly changed their strategy in the last few years to being a commercial-centric carrier

Comparative Analysis – Personal vs Commercial as a Percentage of DPW

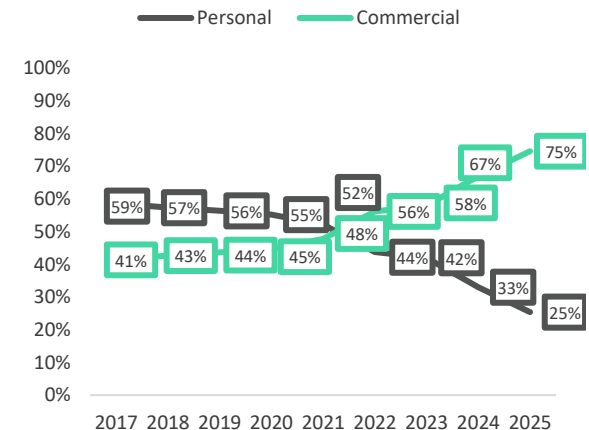
Top 50 Regional Mutual



Oregon Mutual



A Central States Reciprocal



STONYBROOK

International Perspective



Personal Lines Strategies Outside of the U.S.

Personal Lines strategy sits at an inflection point across various international markets

United Kingdom

- ▶ UK Personal Lines has consolidated sharply since 2023, with larger carriers building scale through M&A while others target niches or retreat strategically
- ▶ Aviva acquired Direct Line Group for approximately GBP 3.7B in July 2025, creating a motor and home leader with roughly 25% UK motor share across direct, broker, and comparison channels
- ▶ Ageas built a top three UK Personal Lines platform through Saga's underwriting arm and eSure, targeting GBP 3.25B of Personal Lines GWP by 2028
- ▶ RSA fully exited UK Personal Lines between March 2023 and Q1 2024, selling its direct home and pet book to Admiral and shifting capital to commercial and specialty
- ▶ Zurich withdrew from mass market broker home and motor in 2023, focusing on high-net-worth, MGA, and partnership channels
- ▶ Sabre focuses on nonstandard and higher risk motor and van, trades at roughly 9.5x trailing P/E with a 7% to 9% dividend yield, and grew EPS 99% in 2024
- ▶ Many large UK Personal Lines insurers also operate in Ireland, competing with Continental carriers such as Allianz and AXA

Recent U.K. Transactions

Date	Transaction	Outcome
Mar 2023 to Q1 2024	RSA (Intact) exits UK personal lines, sells home and pet book to Admiral	Capital and management redirected to commercial and specialty
Jul 2023	Zurich UK exits mass market broker home and motor	Refocused on high net worth and MGA channels
Dec 2024 / Jul 2025	Aviva acquires Direct Line Group for GBP 3.7B	Roughly 20 to 25% UK motor share, GBP 12.7B GWP
Dec 2024 / Jul 2025	Ageas UK acquires Saga's underwriting arm, Acromas	Step one toward a top 3 UK personal lines platform
Apr 2025 / Sep 2025	Ageas acquires eSure from Bain Capital for GBP 1.3B	3rd largest UK personal lines platform, targets GBP 3.25B GWP by 2028

Canada

- ▶ Canada's Personal Lines market remains pressured by personal auto profitability and higher CAT reinsurance costs in homeowners
- ▶ The auto market is run by Government monopolies in several provinces, limiting private participation
- ▶ The remaining provinces are heavily concentrated within the private sector, with Quebec heavily supported by French-speaking carriers
- ▶ Intact is the only truly national brand and, unlike most U.S. peers, maintains a balanced mix of personal and commercial business
- ▶ Personal auto profitability weakened through 2025 as repair costs, vehicle values, and claims costs remained elevated
- ▶ Auto insurance expenses stayed near 2024 highs despite a more moderate CAT year, indicating pressure beyond weather-related losses

Personal Lines Strategies Outside of the U.S.

Personal Lines strategy sits at an inflection point across various international markets

European Union

- ▶ Bancassurance and tied agents still dominate Continental Personal Lines, limiting the price comparison driven consolidation seen in the UK and keeping distribution more relationship driven
- ▶ **France:** Covéa leads motor and home through MAAF, MMA and GMF, insuring roughly one in five households and 11.1 million customers, with AXA France, Groupama, Aema, and Allianz also holding significant positions
- ▶ **Germany:** Allianz is the largest insurer overall, while HUK-Coburg leads motor with over 12 million vehicles, and tied agents still account for roughly 46% of distribution versus around 27% for direct and comparison channels
- ▶ **Italy:** Generali and Unipol dominate alongside Allianz Italia and AXA, with motor representing close to half of nonlife premium and high telematics adoption giving larger underwriters a meaningful data advantage
- ▶ **Spain:** VidaCaixa, Mapfre, and Mutua Madrileña account for roughly half of total premium, while Mapfre and Mutua lead motor and home and Línea Directa continues to gain share through a focused direct model

Gibraltar

- ▶ Home to only 40,000 people, but approximately 45 regulated insurers, led by Admiral Insurance (Gibraltar) Ltd, Markerstudy, Advantage, and Acromas
- ▶ Gibraltar remains Europe's most distinctive Personal Lines specialization story
- ▶ A purpose-built motor underwriting hub since 2001, Gibraltar domiciled insurers are estimated to underwrite roughly a fifth to a quarter of UK motor premium and have historically posted materially better net loss ratios than UK domiciled peers
- ▶ Several players focus on particular niches, such as taxis, motorcycles, and heavy trucks
- ▶ A UK territory, Gibraltar also lost the EU passport in 2019 following Brexit, which now limits Gibaltans to the UK, the local market, and in some cases, Spain

STONYBROOK

Firm Update

Stonybrook's Recent News

Adam Fox Joins Stonybrook as CEO of International



Adam Fox

CEO of Stonybrook International

Stonybrook Capital & Risk Management (“Stonybrook”) is pleased to announce the appointment of Adam Fox as CEO of International. Fox, based in London, will lead efforts to grow Stonybrook’s international platform and support the firm’s U.S. business, especially its trading relationships with the Lloyd’s of London marketplace.

Fox brings more than 25 years of global insurance, reinsurance and capital markets experience to Stonybrook. Throughout his career, he has advised insurers, reinsurers, financial institutions and investors on M&A, structured finance, growth capital, transaction risk and capital optimization.

Most recently, Fox served as Senior Advisor, Global Specialty & Commercial Insurance at Alvarez & Marsal. He was also a Managing Director of Grenville Fox Holdings and a Co-Founder of Envelop Risk. Earlier in his career, Fox held senior leadership and advisory positions at Lehman Brothers and Guy Carpenter.

Stonybrook Capital & Risk Management is on the Move!

Stonybrook Capital & Risk Management has officially relocated to our new space at 100 Park Avenue, Suite 2810.

It’s a great new home base for our team, and we’d love to show you around. Next time you’re in Midtown or passing through New York City, reach out and come visit us—the coffee is on us!



Stonybrook Team

Insurance-Focused Team Bringing Both Big and Boutique Bank Experience and Strategies



Joseph Scheerer

Founder, CEO, and
Chairman of the Board

- ▶ Joe founded Stonybrook Capital with over 20 years of experience including Oppenheimer and Willis Re's Investment Banking Operation. Joe built Stonybrook into a global firm aimed at providing services to middle market insurance and InsurTech companies
- ▶ Graduate of the University of Pennsylvania
- ▶ 27+ years of experience



Ian Winchester

Former Chairman of the
Board

- ▶ Ian has served on the board of directors of several companies such as Endurance Specialty, (now Somp), Montpelier Reinsurance, and more
- ▶ He was a Managing Partner of BHC Winton Funds, a fund providing capital to Lloyd's Syndicates
- ▶ Founded Winchester Bowring, a Lloyd's broker
- ▶ 50+ years of experience



Peter McGuire

Partner & Board Member

- ▶ Joined Stonybrook's Board in August 2025; widely respected (re)insurance leader with decades of global experience
- ▶ Founded Xchange Group, sold to Ambac for \$101M; previously led QBE's \$950M North American operations and founded Starr Global Accident & Health
- ▶ Sits on the Path to Peace Foundation Board
- ▶ 34+ years of experience



Paul Kneuer

Partner & Board Member

- ▶ Previously Paul worked at Everest Re and Holborn Corporation. His distinguished career includes board roles, and a significant tenure as a senior casualty underwriter and pricing actuary at Continental Insurance, now known as CNA
- ▶ Graduate of University of Notre Dame and has an MBA from Columbia University
- ▶ Fellow of the Casualty Actuarial Society
- ▶ 40+ years of experience



Matthew Mosher

Partner & Board Member

- ▶ Matt became a Strategic Advisor for Stonybrook Capital in 2025
- ▶ Previously, he was the President and Chief Executive Officer for AM Best Rating Services, Inc
- ▶ During that time, Matt was responsible for the development and maintenance of most of the non-life rating models, including Best's Capital Adequacy Model (BCAR)
- ▶ 39+ years of experience



Adam Clay

Partner

- ▶ Adam originates and executes transactions across the platform and works with a variety of traditional insurance carriers and Insurtech clients on capital raising, M&A, and advisory assignments
- ▶ Previously Adam worked at Deloitte and Societe Generale covering Financial Services
- ▶ Graduate of NYU Stern
- ▶ 13+ years of experience



Paul Dzielinski

Partner

- ▶ Previously Paul worked at Guy Carpenter, US RE Corp. and Beach Re Ltd as a broker
- ▶ At Stonybrook, Paul leads Stonybrook Risk Management to create solutions between the reinsurance and capital markets
- ▶ Graduate of St. Bonaventure University
- ▶ 40+ years of experience



Stonybrook Team (Cont'd)

Insurance-Focused Team Bringing Both Big and Boutique Bank Experience and Strategies



Chris Harman

Partner

- ▶ Chris joined Stonybrook as Partner after 45+ years of working in Lloyd's
- ▶ Prior to Stonybrook Chris was managing director and deputy chairman of Harman Wicks & Swayne Group before it was sold to JLT in 2008
- ▶ Was a working member on Lloyd's Council
- ▶ 45+ years of experience



Alex Fox

Partner

- ▶ Alex is a reinsurance executive with expertise in structuring and placing both traditional and alternative reinsurance transactions
- ▶ He co-founded and key contributor to the successful launch of ReSource Intermediaries in 2004, before founding Advocate Reinsurance Partners in 2010, which was acquired by BMS Re in 2016
- ▶ 25+ years of experience



Dan Hughes

Partner

- ▶ Dan began working at Stonybrook Capital in 2022
- ▶ Graduate of Indiana University, with a major in Finance & Business Analytics
- ▶ 4+ years of experience



Kendel Bell

Chief Operating Officer

- ▶ Kendel is COO of Stonybrook Capital, overseeing operations and strategic growth since 2019
- ▶ She was previously Head of Investor Relations at Latigo Partners, leading client relations and capital raising
- ▶ Earlier, she worked at Jefferies & Company in marketing and business development
- ▶ 15+ years of experience



Adam Fox

CEO of Stonybrook International

- ▶ Adam began working at Stonybrook Capital in 2026
- ▶ Former Board Member of Guy Carpenter (UK) Ltd, where he served as Head of Global Specialty
- ▶ Led origination at Lehman Brothers' Libero Ventures, structuring capital solutions for insurers and investors
- ▶ Later worked alongside UBS and Citi to develop financing solutions for the insurance industry



Patrick McFall

Managing Director

- ▶ Patrick is an M&A and strategy professional with experience in financial due diligence and post-merger integration
- ▶ Previously at PwC, Capco, and Deloitte advising clients on transactions and operational transformation
- ▶ U.S. Army veteran with leadership and financial advisory experience
- ▶ 17+ years of experience



Daniel Butzbaugh

Global Head of Parametric

- ▶ Dan became a Senior Vice President for Stonybrook Capital in 2025
- ▶ Previously, he worked in reinsurance, insurance-linked investment and risk management roles at various firms including New Paradigm Underwriters and at reinsurance broker Willis Re, where he launched his career
- ▶ 20+ years of experience

Guy Carpenter



bms.re



STONYBROOK CAPITAL
MERCHANT BANKERS TO THE INSURANCE INDUSTRY

LATIGO | PARTNERS

Jefferies

Guy Carpenter



pwc
Deloitte.



NEW PARADIGM
UNDERWRITERS

WillisTowersWatson

Stonybrook Team (Cont'd)

Insurance-Focused Team Bringing Both Big and Boutique Bank Experience and Strategies



Fallon Oeser

Assistant Vice President

- ▶ Fallon began working at Stonybrook Risk Management in 2025
- ▶ 7+ years managing client relationships and brokering partnerships, with a focus on negotiating complex agreements and leading stakeholder communication across multiple industries
- ▶ Graduate of Wellesley College with a degree in Classics

STONYBROOK CAPITAL
MERCHANT BANKERS TO THE INSURANCE INDUSTRY



John Crane

Associate

- ▶ John began working at Stonybrook Capital in 2023
- ▶ Graduate of Binghamton University with a major in Finance
- ▶ 2+ years of experience

STONYBROOK CAPITAL
MERCHANT BANKERS TO THE INSURANCE INDUSTRY



Rishabh Bajaj

Analyst

- ▶ Rishabh began working at Stonybrook Capital in 2025
- ▶ Graduate of Boston University, with a major in Finance
- ▶ 1 year of experience

STONYBROOK CAPITAL
MERCHANT BANKERS TO THE INSURANCE INDUSTRY



Hamish Martin

Analyst

- ▶ Hamish began working at Stonybrook Capital in 2025
- ▶ Graduate of City St George's University, with a major in Mathematics with Finance and Economics.
- ▶ 1 year of experience

STONYBROOK CAPITAL
MERCHANT BANKERS TO THE INSURANCE INDUSTRY



Jackson Morash

Analyst

- ▶ Jackson began working at Stonybrook Capital in 2025
- ▶ Graduate of Lehigh University, with a major in Finance and Economics
- ▶ 1 year of experience

STONYBROOK CAPITAL
MERCHANT BANKERS TO THE INSURANCE INDUSTRY



Daniel Loughney

Analyst

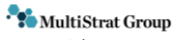
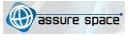
- ▶ Daniel began working at Stonybrook Capital in 2026
- ▶ Graduate of Bucknell University with a major in International Business
- ▶ 1 year of experience

STONYBROOK CAPITAL
MERCHANT BANKERS TO THE INSURANCE INDUSTRY

Representative Transactions

No firm is more active in our space than Stonybrook

Selected M&A Transactions

 HDVI INSURANCE Acquired by FEDERATED INSURANCE Exclusive Sell-Side Financial Advisor	 OBSIDIAN Acquired by Protective Exclusive Sell-Side Financial Advisor	 Conifer Insurance Company Acquired by BISHOP STREET INSURANCE Exclusive Sell-Side Financial Advisor	 Illinois Casualty Company Acquired by Mutual Capital GROUP Exclusive Sell-Side Financial Advisor	 WRC AGENCY Acquired by Insural INSURANCE Exclusive Sell-Side Financial Advisor	 Conifer Insurance Company Security & Alarm Business Acquired By CORE SPECIALTY Exclusive Sell-Side Financial Advisor	 MyHealthMath Merged with Sherpa Financial Advisor	 AmeriTrust Acquired by AF Group Exclusive Buy-Side Financial Advisor	 CSE INSURANCE GROUP Acquired by Porch Exclusive Advisor to CSE's Management
 OYRESS Investment by MILESTONE OWNERS Exclusive Sell-Side Financial Advisor	 XG Exchange Group LLC Acquired by Ambac Exclusive Transaction Advisor to Xchange	 Assurity Acquired breeze. Exclusive Buy-Side Financial Advisor	 MultiStrat Group Sale to canopus Exclusive Sell-Side Financial Advisor	 GRANITE RE, INC. Acquired by FEDERATED INSURANCE Exclusive Buy-Side Financial Advisor	 Marble Sale to zebra Exclusive Sell-Side Financial Advisor	 AUI Acquired by COVERMANT Exclusive Buy-Side Financial Advisor	 FUMIC Sale to Farmers Union INSURANCE Exclusive Sell-Side Financial Advisor	 assure space Sale to AmTrust Exclusive Sell-Side Financial Advisor

Selected Capital Raising Transactions

 MMG INSURANCE \$35,000,000 Capital Raise	 SYCAMORE SPECIALTY UNDERWRITERS Undisclosed Amount	 ufg INSURANCE \$30,000,000 Follow-On	 Frontier Risk (Undisclosed Amount) Equity Capital Raise	 ASIC Senior Secured Term Loan Facility \$20,000,000 Capital Raise	 ufg INSURANCE \$70,000,000 Capital Raise	 PROTECDIV Growth Equity Financing Financial Advisor	 HERITAGE INSURANCE Common Stock Offering \$25,000,000 Capital Raise	 BB Bees360 The Future of Property Inspections Series A Financing
 FLORIDA PENINSULA Insurance Company \$20,000,000 Capital Raise	 OYRESS \$45,000,000 Capital Raise	 FLORIDA PENINSULA Insurance Company \$30,000,000 Capital Raise	 HERITAGE INSURANCE \$125,000,000 Capital Raise	 Conifer Holdings Inc. \$30,000,000 Capital Raise	 MUTUAL OF ENUMCRAW INSURANCE \$20,000,000 Capital Raise	 Brotherhood Mutual Insurance Company \$28,000,000 Capital Raise	 \$20,000,000 Capital Raise	 GUIDEONE INSURANCE \$50,000,000 Capital Raise

Selected Legacy Transactions

 OYRESS Artisan Contractors Book LPT  MAIDEN HOLDINGS LTD	 SANDCELL RE Sale to R&Q	 THE MAIN STREET AMERICA GROUP Sale of Great Lakes Casualty ENSTAR
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Selected Market Finding Assignments

 NEC SPECIALTY Program Placed  CLEAR BLUE INSURANCE GROUP Exclusive Advisor to NEC Specialty	 INTER INSURANCE AGENCY Placed Program  UNITED CASUALTY & SURETY INSURANCE COMPANY Exclusive Advisor to Inter Insurance Agency	 energi Placed Program  Exclusive Advisor to Energi	 fsim Placed Program  AccidentFund Insurance Company of America Exclusive Advisor to FSIM	 CORE SPECIALTY Non-Controlling Investment in G GRAMERCY Financial Advisor	 KNIGHT MANAGEMENT INSURANCE SERVICES, LLC Fronting Arrangement  Exclusive Advisor to Triangle Surety
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Stonybrook Capital Valuation History

Diverse expertise in valuation work, with a history of repeat clients

Selected Valuation Analysis Assignments



Valuation Analysis
Completed in 2026 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2025 by

STONYBROOK CAPITAL

Arrow Head
Capital Group

Valuation Analysis
Completed in 2025 by

STONYBROOK CAPITAL

HILDENE

Valuation Analysis
Completed in 2025 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2025 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2025 by

STONYBROOK CAPITAL

HILDENE

Valuation Analysis
Completed in 2024 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2024 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2024 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2024 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2023 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2023 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2023 by

STONYBROOK CAPITAL

Pillar

Valuation Analysis
Completed in 2023 by

STONYBROOK CAPITAL

Slide

Valuation Analysis
Completed in 2022 by

STONYBROOK CAPITAL

HILDENE

Valuation Analysis
Completed in 2022 by

STONYBROOK CAPITAL

Pillar

Valuation Analysis
Completed in 2022 by

STONYBROOK CAPITAL

HILDENE

Valuation Analysis
Completed in 2021 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2021 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2022 by

STONYBROOK CAPITAL

Pillar

Valuation Analysis
Completed in 2021 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2021 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2020 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2020 by

STONYBROOK CAPITAL

HILDENE

Valuation Analysis
Completed in 2019 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2019 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2018 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2017 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2017 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2016 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2015 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2015 by

STONYBROOK CAPITAL



Valuation Analysis
Completed in 2015 by

STONYBROOK CAPITAL