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Three Holdings accelerates investment in underwriting to provide specialty capabilities to brokers

Three Holdings Inc., a privately held insurance services group, purchased South Western Insurance Group (SWG) in May 2018. The deal brought about both a reunion of two insurance leaders and an expansion of Three Holdings' footprint in the Canadian insurance market. Now, with Three Holdings' access to both MedThree and SWG's broker network, insurance professionals have greater access to specialty expertise and offerings.

Neil McRuer and John A. Barclay had worked together at Marsh Canada for a decade before meeting again in 2010 at Simmlands Insurance Services. Today, they stand at the helm of Three Holdings as its Executive Directors. Each leader presides over a company under the Three Holdings umbrella. McRuer is President and CEO of MedThree Insurance Group, an MGA focused on the healthcare and life sciences industries. Barclay is President and CEO of SWG, an MGA that offers insurance solutions for specialty, niche, program and hard-to-place business, since 1961. Three Holdings also includes Optisure, an inland marine and property MGA.

McRuer and Barclay recently told Insurance Business how the deal that brought them back together will benefit brokers.

To succeed, MGAs must perform across all, not just a few, of the increasingly strict requirements of compliance and performance management expectations. Three Holdings has taken on a strategy that focuses on strong underwriting, with the goal to create long-term value through building portfolios of risk that stable and profitable underwritten premium.

"Brokers are looking for technical expertise in a crowded marketplace," explained McRuer. "Being a 'house of brands' with specialized products rather than a 'branded house' allows us to zero in on the key producers that hold portfolios of our target classes".

Barclay further explained how Three Holdings' shared services solutions help its companies stand up to the rigorous scrutiny of insurance markets.

“South Western Group has a number of specialty or industry-focused offerings, products, and programs,” said Barclay. “Each of those specialties can fit the model that MedThree provides to the marketplace, which is really knowledgeable underwriting with focused products. At the same time, SWG had strong compliance, finance, reporting, and analytics that supports the group’s operational efficiency. The deal killed a couple of birds with one stone by providing a scalable back office and a readymade cluster of tailored offerings to accelerate the Three Holdings plan.”

The combined advantages of each company allow Three Holdings to reach a much larger distribution network with focused messaging on what the companies are able to offer them. According to McRuer, this spells out tremendous value for brokers. “Brokers are dealing with a market that can help them understand their client’s issues,” he said. “The broker gets a specialty product with technical knowledge, and it helps them win and retain accounts; whereas a generalist off-the-shelf type solution probably isn’t the right one for each of the risks in their client portfolio.”

Looking forward to 2019, Three Holdings will continue to keep its eyes on investing in and standing up new specialty offerings in the Canadian insurance market.

“From a Three Holdings perspective, beyond the normal organic work with marketing and business development, we’ll be acquiring and investing in other businesses and will also be hiring underwriting talent within specialty segments to complement what we already do – in other words, do it better, do it deeper, and do it broader,” said Barclay.

Three Holdings is an exciting entrant in the MGA space looking to invest in underwriting management and provide specialty products to the broker channel to help the broker channel grow. With MedThree, South Western Group and Optisure now inside the holding, it’s going to be able to accelerate that offering to what is a very broad Canadian distribution channel.

Learn more about Three Holdings and its MGAs

Three Holdings

Portfolios of Risk

www.threeholdings.com

MedThree Insurance Group

A Healthcare and Life Sciences MGA

medthreeinsurance.com

South Western Insurance Group

An MGA for specialty, niche, program and hard-to-place business

swgins.com

Optisure Insurance

An Inland Marine and Property MGA.