



AIG Agrees to Acquire Hamilton USA, Partner with Two Sigma, Grow Insurtech Attune

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American International Group Inc. will acquire Hamilton USA as part of a memorandum of understanding with Hamilton Insurance Group and Two Sigma Insurance Quantified that is designed to further their investment in the technology platform Attune and to advance data-driven underwriting.

According to deal documents, AIG will acquire all of the outstanding shares of Hamilton U.S. Holdings for a purchase price equal to HUSA's book value at closing plus \$30 million, or approximately \$110 million.

The sale announcement was made in conjunction with AIG naming Brian Duperreault, founder and CEO of Hamilton, as its new CEO and Hamilton Insurance Group replacing Duperreault by naming William C. Freda as chairman and David A. Brown as interim CEO.

AIG, Hamilton and TSIQ said the MOU underscores their commitment to transforming commercial insurance through data science and technology. It follows the three companies' investment in Attune, the data-enabled technology platform launched in September 2016 to serve the U.S. small to medium-sized commercial insurance market.

Under the terms of the MOU:

Attune's target market will be expanded to include companies with annual revenues of up to \$35 million, a target market segment of up to \$150 billion in annual gross written premiums. Hamilton will retain its one-third ownership of Attune.

AIG as agreed in principle it will acquire Hamilton USA, the U.S. platform of Hamilton Insurance Group, to continue accelerating its application of data science and analytics to transform underwriting.

AIG and TSIQ will enter into a partnership to leverage TSIQ's insurance-focused data science and technology expertise for a broad spectrum of commercial insurance underwritten globally by AIG.

Hamilton Re and AIG will enter into a reinsurance strategic partnership in which Hamilton Re will be provided with the opportunity to participate on market terms in an increased volume of AIG's ceded reinsurance. The relationship could result in material premium growth for Hamilton Re and provides AIG an alternative source of reinsurance capital.

Hamilton USA will become a stand-alone unit of AIG that will be used to develop a technology platform applying data science and analytics to transform underwriting. During the transition period Seraina Macia continues as CEO, according to the announcement.

"Putting data science and technology to work in our industry has been on my agenda for some time," said Duperreault. "It was the genesis of Hamilton Insurance Group's formation and will be a primary agenda item at AIG

"Through Attune, I've learned that cross-industry partnerships – what's now called insurtech – are the way to go. I can't think of better partners to have than Hamilton and Two Sigma as we work together to transform our industry."

"Insurance is intrinsic to economic growth," said David Siegel, co-founder and co-chairman of Two Sigma Investments. "Data science and technology open a world of opportunity for this industry, from more practical protection and smarter processes to a better understanding of risk. This can be done while also lowering costs and more efficiently utilizing resources. We are excited that TSIQ will be working with both AIG and Hamilton to further capitalize on these benefits."

Completion of the proposed transactions among AIG, Hamilton and TSIQ is subject to definitive agreements and regulatory approvals.

Reprinted from Insurance Journal