



Core Specialty partners with Lancer on excess transportation program

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Recently rebooted Core Specialty Insurance Holdings has announced a partnership with Lancer Management Company to provide excess liability limits for local, intermediate and long haul trucking accounts and general commercial and public auto companies.

The new excess facility will follow underlying commercial auto, general liability and employer's liability coverage, with the program available nationwide in the US on a non-admitted basis.

Lancer Management Company is a member of the Dave Delaney-run commercial transportation specialist Lancer Insurance Group, which has its own carrier operations rated A- (Excellent) by AM Best.

"We believe that the market for excess commercial auto liability, where rates have been escalating and limits offered by incumbent carriers have been contracting, will benefit from our fresh capacity," said Jeff Consolino, president and CEO of Cincinnati-based Core Specialty.

The specialty insurer was launched through the recapitalisation of StarStone US Holdings with former American Financial Group CFO and Validus co-founder Consolino as president and CEO. Former Validus CEO Ed Noonan is executive chairman.

This recapitalisation included \$610mn of new equity capital from private equity investors SkyKnight Capital, Dragoneer Investment Group and Aquiline Capital Partners. The rollover of Enstar's existing ownership combined with an additional equity purchase of more than \$60mn from Core Specialty's management and other investors increased the capitalisation of the new business to over \$900mn.

The company completed the recapitalisation and the rebrand to Core Specialty at the end of November 2020 and since then has made a series of announcements.

These include replacing Hallmark Financial as the capacity provider on AmWINS Program Underwriters' long-term care facilities program, the hire of former Tokio Marine HCC

executive Jeff Jacobs as head of errors and omissions professional liability, and the filling of several roles within its property division, led by Alison Oliphant.

Lancer has been providing specialty insurance to commercial transportation companies for 35 years. Commenting on the new partnership with Core Specialty, Lancer CEO Delaney said: "I am confident our combined underwriting expertise, capacity and distribution partnerships will respond to a critical void in the marketplace."

Lancer and Delaney were part of a bid to buy up common stock in US commercial auto carrier Protective Insurance Corporation last year.

As this publication reported, investment vehicles owned by VJ Dowling and Delaney along with Lancer in April 2020 entered an agreement with entities representing most of the Shapiro family that founded Protective to buy up their voting Class A common stock. The selling investors signing the agreement accounted for around 35.3 percent of the issued and outstanding Class A shares.

This move was opposed by Protective's board. An amended contingent sale agreement between the Shapiro family and the VJ Dowling-led group of potential buyers revealed the exit of Lancer from the consortium and also opened the door to a third party offer.