

HIIG appoints Great American veteran to board as repositioning continues

28 April 2020

Amidst the fog created by the Covid-19 crisis, recent developments at Stephen Way's Houston International Insurance Group (HIIG) have gone largely unremarked.



Retired Great American veteran Don Larson joins HIIG board

They include a transaction last month to finally free itself of the burden of its back-years – largely a legacy of some of its predecessor companies when the group was created in 2010 – via a loss portfolio transfer (LPT) [provided by legacy acquisitions company R&Q.](#)

And earlier this month, HIIG completed a \$100mn rights issue to underpin its balance sheet after expanding its top line significantly in 2019 during the hardening market.

Today, ***The Insurer*** can also reveal the firm has appointed the retired, former president and COO Donald Larson of Great American Insurance Company to the board.

Larson, who spent more than forty years at Great American, will become the third independent director on the HIIG Board, in addition to three Westaim representatives and founder Way.

Welcoming Larson's arrival, Way said: "Larson will be a strong, independent Director and with his considerable insurance experience, a welcome addition to our Board".



*HIIG founder Stephen
Way: IPO in 2021?*

Westaim, a Canadian holding company, indirectly owns 44 percent of HIIG equity. Earlier this month, it confirmed it will subscribe for \$44mn of preferred shares, representing its pro rata ownership of HIIG common shares, in the fund raise. The [issue completed](#) last week.

Westaim – which is listed on the Toronto Exchange – added HIIG is continuing to experience improving conditions.

"The property and casualty insurance industry is currently experiencing improving conditions, with both pricing and terms strengthening," explained Cam MacDonald, Westaim president and CEO, during his firm's Q1 earnings.

HIIG grew GWP by 26 percent in 2019 to \$878.3mn, while NWP was up 40 percent to \$421.7mn. Net income after-tax was \$32.3mn in 2019 and the combined ratio for the year was 98.4 percent.

The Insurer Comment:

God, of course, famously laughs at the plans of man. Last year, Way told this publication that [HIIG would consider an IPO in 2020](#) – but with the proviso that only if equity market conditions are favourable.

Self-evidently they're not, but HIIG's recent initiatives all look like they're still preparing the ground for when the weather improves and an IPO is possible. The Larson hire seems another step in that direction while raising equity during the Covid-19 crisis is proof that its shareholders support the business trajectory.

Don't rule out 2021 for an IPO, in other words...