



# ARKANSAS INSURANCE DEPARTMENT

A Division of the Arkansas Department of Commerce

Allen Kerr, Commissioner

## NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

**September 3, 2019**

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## Over 100 New Companies Since 2015

*Kerr approves handful of companies to push past milestone; now at 103*

**LITTLE ROCK** – Arkansas Insurance Commissioner Allen Kerr today released the following statement announcing he has granted authority to a series of companies to do business in Arkansas—pushing past the 100-new company milestone since he became Commissioner in January 2015:

“Going past this milestone has been a goal during my tenure at the Insurance Department as it realizes Governor Hutchinson’s vision of Arkansas being open for business. Having 103 new companies in Arkansas shows how our equitable and efficient regulatory environment is friendly to new business while also fulfilling our primary mission of protecting consumers.”

With these Certificates of Authority, Kerr has approved 103 new insurance companies since becoming Insurance Commissioner in January 2015. During that time, total premium volume in Arkansas has increase by \$2.93 billion to \$15.2 billion while individual licensure of producers and adjusters has increased 59% to 138,970.

Kerr issued a Certificate of Authority to Hartford Insurance Company of the Southeast (HICSE) to sell Property, Casualty (Including Workers Compensation), Surety and Marine products in Arkansas. HICSE was formed as a stock insurer in December 1979 in Hartford, Connecticut, and is a wholly-owned subsidiary of Hartford Fire Ins Co, which is 100% owned by Hartford Financial Services Group (NYSE: HIG). The Hartford Financial Services Group held total assets of \$62.3 billion and stockholder equity of \$13.1 billion at the end of 2018. HICSE participates in the Hartford Insurance Group Reinsurance and Pooling agreement. The pool offers personal and commercial insurance through 14 affiliated U.S. property and casualty insurers. HICSE is currently licensed in 15 states and holds an A.M. Best Rating of A-(excellent)(pooled).

Digital Advantage Insurance Company (DAIC) has been granted Property, Casualty (Excluding Workers Compensation), Surety and Marine authority in Arkansas. DAIC is domiciled in Warwick, Rhode Island, and has administrative offices in Burlington, Vermont. DAIC was acquired in 2018 by MR Digital Partners US Holding Corporation (MRDP US HC), which is a wholly-owned subsidiary of Munich American Holding Corporation, which is 100% owned by Munchener Ruckversicherungs-Gesellschaft Aktiengesellschaft. DAIC is currently licensed in 24 states and has 14 affiliates already licensed and operating in Arkansas. The primary US subsidiaries in the reinsurance group are Munich Re America (A.M.

Best rated A+), Hartford Steam Boiler (A.M. Best rated A++) and the American Modern Insurance Group (A.M. Best rated A+).

Arch Property Casualty Insurance Company (Arch PC) has also been granted the authority to sell Property, Casualty (Including Workers Compensation), Surety, Marine and Accident and Health products in Arkansas. Arch PC is a subsidiary of Arch Insurance Company, a wholly-owned subsidiary of Arch Reinsurance Company, which is 100% owned by Arch Capital Group Limited, a publicly traded company on the NASDAQ. Arch PC was formerly licensed in Missouri as a domestic surplus lines insurer, Arch Excess & Surplus Insurance Company (AESI). In 2019, the Missouri Department of Insurance approved a conversion of AESI to Arch PC, a property and casualty insurance company. Arch PC currently has 10 Arch group affiliates licensed and operating in Arkansas. Arch PC maintains an A.M. Best Rating of A+ (superior) and Standard & Poor's A+ group rating.

Kerr also granted authority to Next Insurance US Company (Next-US) to sell Property, Casualty (Excluding Workers Compensation), Surety and Marine authority in Arkansas. Originally formed in Delaware in 2017 as a property and casualty carrier, Next-US began operating in 2018 and intends to specialize in the small commercial lines marketplace while utilizing an online platform to reduce transaction time and making insurance more affordable. Next-US is a wholly-owned subsidiary of Next INS Holdings, Inc., which is 100% owned by Next Insurance, Inc. (NII) , a Managing General Agency. Munich Re, through an affiliate, holds 6.3% ownership in NII. Next-US is currently licensed to conduct business in 17 states, and writes business through an affiliate, Next First Insurance Agency, Inc.

Finally, Kerr granted Rock Ridge Insurance Company (RRIC) the authority to sell Property, Casualty (Including Workers Compensation), Surety, Marine and Accident and Health products in Arkansas. RRIC, an Indiana domestic property and casualty insurance company, was acquired in July 2018 as a wholly-owned subsidiary of Clear Blue Specialty Ins Co, which is owned by Clear Blue Financial Holdings, LLC. The Clear Blue Insurance Group (CBIG) is a property and casualty group providing insurance programs in partnership with managing general agencies, program administrators and reinsurers to produce commercial and personal lines coverages nationwide. CBIG consists of three property and casualty insurance companies, two of which are assigned A.M. Best Ratings of A - (Excellent): Clear Blue Insurance Company and Clear Blue Specialty Insurance Company. Through RRIC, the Clear Blue Insurance Group will be able to offer differentiated products, as well as tiered and alternative coverages in different markets nationwide.

#### **About the Arkansas Insurance Department**

The Arkansas Insurance Department, a division of the Arkansas Department of Commerce, was created on March 7, 1917, by an Act of the Arkansas General Assembly. For more information on the Arkansas Insurance Department, please visit <http://insurance.arkansas.gov>, follow us on Twitter at <http://twitter.com/ARInsuranceDept> and Facebook at <http://www.facebook.com/ARInsuranceDept>.