



Pine Brook Backs Launch of Clear Blue Insurance Business

By Laura Cooper December 15 2015

Clear Blue Financial Holdings LLC announced Tuesday it launched with two insurance fronting carriers backed by Pine Brook Partners.

Clear Blue was formed through the merger of RLI Indemnity Co ., of Peoria, Ill., and Maiden Specialty Insurance Co ., of Raleigh, N.C. The two businesses were combined under the Clear Blue name and will serve as the company's licensed admitted carrier, according to a news release. Terms of the deal weren't disclosed.

Pine Brook Managing Director William Spiegel said in an interview that the formation of Clear Blue was 15 months in the making. He added Pine Brook generally provides lines of equity of between \$50 million and \$200 million.

When the firm decides to invest in a company it looks for "dislocations," said Mr. Spiegel , adding the business was attractive because the insurance market has an excess amount of capital, a fair bit of pricing pressure and falling returns.

"It's a good time to create a fronting company," he said. Mr. Spiegel said the firm will continue to provide equity to the company as it expands.

Puerto Rican holding company Clear Blue was founded by a management team led by President and Chief Executive Jerome Breslin, who previously built Bank of America Corp .'s commercial insurance division.

Mr. Spiegel said a number of offshore reinsurance companies-often in Bermuda or London-don't have marketing arms in the U.S. and as a result look to fronting carriers such as Clear Blue to help facilitate new insurance clients.

Pine Brook, with offices in New York and Houston, manages more than \$6 billion of partner commitments and invests in energy and financial services.