

RISING STAR: Pine Brook's Spiegel Proves That Nice Guys Can Finish First

Laura Kreutzer
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William Spiegel learned the importance of hard work early in his life.

"My dad [would say]: 'If you ever find yourself in a situation with your job that you have completed your task and you have nothing more to do, go find a broom and sweep,' " said the 50-year-old managing director at Pine Brook, a New York-based firm focused on midmarket investments in financial services and energy.

That work ethic, combined with an affability he attributes partly to his Canadian heritage, often helped Mr. Spiegel win over not only his own colleagues to his investment ideas but also management teams and other investors.

"He's got an incredible sense of energy and an incredible desire to learn and move things forward," said Howard Newman, the firm's president and chief executive, who jokingly compared Mr. Spiegel to the Energizer Bunny. Mr. Newman adds that those qualities are important to a firm like Pine Brook, which often commits hundreds of millions of dollars to create a company from scratch.

Back in early 2007, for example, Mr. Spiegel was presented with an investment opportunity in an insurance business within **Lloyds of London**. Although two of the three business lines up for sale didn't appeal to Pine Brook, Mr. Spiegel saw promise in the third, which bought insurance companies or syndicates that were no longer underwriting new policies. Ultimately, however, he needed to convince Lloyds to give the company a license to create an independent runoff business within Lloyds, something that the London financial giant had never done before. After months of back and forth, Syndicate Holding Corp. was launched in May 2007 and, over the past four years, the business has averaged a more than 30% annual return on equity.

"William saw an opportunity that was not readymade," said Mr. Newman. "It wasn't even Play-Doh; it was the stuff before Play-Doh."

Mr. Spiegel's persuasive powers also proved useful in the establishment of mortgage insurer Essent Guaranty Ltd. In late 2007, Mr. Spiegel saw an opportunity to create a new mortgage insurance business, as many veteran insurers reeled from losses stemming from the collapse of the subprime market. He recruited Mark Casale, a former president of mortgage insurer **Radian Guaranty**, to help with diligence. Although Mr. Casale admits he was skeptical at first, Mr. Spiegel ultimately convinced him of the potential payoff in creating a new market entrant with a clean, well-capitalized balance sheet. In 2008, they launched Essent with \$500 million in capital and installed Mr. Casale as chief executive.

Mr. Spiegel's affable nature and sense of vision not only helped the company attract other investors besides Pine Brook, but also helped smooth things over when disagreements arose, according to Mr. Casale. For example, in 2009, not long after Essent launched, the company was presented with a deal that would have brought in revenue, but Essent's management team didn't believe it would serve the company's long-term interest. Although some of Essent's other investors wanted the company to do the

deal, Mr. Spiegel persuaded them to back off.

Ultimately, the original vision paid off, according to Mr. Casale, who said that since it wrote its first policy in 2010, Essent has grown to \$10 billion of insurance in force, a common metric for measuring mortgage insurers. He also estimates that it makes up about 10% of the mortgage insurance market.

"[William] helped preach patience with other investors and even with the management team," said Mr. Casale. "When you're a manager building an organization with as large a scale as ours, the last thing you need is pressure from investors."



William Spiegel
William Spiegel

Career Path

William Spiegel helped launch Pine Brook in 2006 after President and Chief Executive Howard Newman tried unsuccessfully to recruit him to head the financial services group at Warburg Pincus a few years earlier. Before that, Mr. Spiegel was with Cypress Group, where he managed the firm's investments in financial services and health care from 1994 until 2006.

Education

Mr. Spiegel earned his undergraduate degree in economics from the London School of Economics, a master's in economics from the University of Western Ontario and a master's in business administration from the University of Chicago.

Personal

Although he played hockey in his youth, Mr. Spiegel currently prefers tennis, downhill skiing and jogging.

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