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GPG, Soul Patts to back new insurance broker

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High-profile investors Guinness Peat Group, Washington H Soul Pattinson and Babcock & Brown have joined forces to back a new insurance broking business to take on multinationals like Marsh and Aon.

The investors have put in \$5 million to start InterRISK, which will be run by former Marsh executive Kevin Heerdegen and begin by securing various kinds of insurance cover for other businesses owned by its investors.

Mr Heerdegen said yesterday the new company would work for large and medium-sized companies and work with overseas brokers to secure access to global insurance cover from sources such as Lloyd's of London.

He said it was a good time to start the business with extra underwriting capacity coming into the market and consolidation among brokers. But, he said, it was too early to tell where the market was headed.

"Most brokers have had to run so fast in the last couple of years to get coverage [for their clients] in place but some of the more personalised aspects of services have got eroded," Mr Heerdegen said. "Within the next few years we will be a significant player because of the segment of the business we are going after."

There were recent signs of premium falls in some classes but classes such as professional indemnity and directors' and officers' liability remained problem areas.

Soul Pattinsons chairman Robert Millner said the company became a shareholder because it saw there had been a decline in numbers of insurance brokers.