



Investors get together to start insurance broker

By Anthony Hughes
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High-profile investors Guinness Peat Group, Washington H Soul Pattinson and Babcock & Brown have joined forces to bankroll a new insurance broking business that will take on multinational giants such as Marsh and Aon.

The investors have put in \$5 million to start InterRISK, which will be run by former Marsh executive Kevin Heerdegen. It will 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 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 it was too early to tell where the market was headed.

"Within the next few years we will become a significant player because of the segment of the business we are going after," Mr Heerdegen said.

There were signs of premium falls in some classes, but others such as professional indemnity remained problem areas.

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

"We just felt we weren't getting not so much the service but we were not looked after like we used to be," Mr Millner said.

"It was not only higher premiums but there's also less players in the market."

He said Soul Pattinson companies would use InterRISK as long as its services were competitive with its existing brokers.