

**For Immediate Release**

## **Hanover Insurance Group Inc. sold Professionals Direct Insurance Co. to Watford Specialty Insurance Co.**

**August 11, 2016** – Merger & Acquisition Services Inc. served as advisor to Hanover Insurance Group on selling Professionals Direct Insurance Co., a former writer of lawyers' professional liability coverage, to The Watford Specialty Insurance Co. . Formerly based in Grand Rapids, Mich., as a subsidiary of Hanover Insurance Group Inc., Professionals Direct has re-domiciled to New Jersey.

Professionals Direct held admitted insurance licenses in 50 states and the District of Columbia. With Hanover Insurance Co. reinsuring all of its pre-acquisition liabilities under a 100% quota-share agreement, Watford Specialty will effectively be purchasing the company as a clean shell for an undisclosed amount.

Watford Specialty said in announcing the deal that it furthers the group's strategy of developing its U.S. insurance operations and provides it with the ability to access the admitted market in partnership with the Arch Underwriters Inc. subsidiary of Arch Reinsurance Co. The announcement indicated that Watford Insurance would seek to partner with experienced program managers that seek a long-term relationship with a carrier that can provide highly rated capacity.

Watford Specialty's President and CEO Alexandre Scherer elaborated that the group seeks to use the surplus lines and admitted companies to "write a diversified portfolio of direct P&C business with an emphasis on long-tail business, consistent with Watford Re's overall strategy." He added that the business of the two companies will be managed and administered by Arch Underwriters.

### **ABOUT MERGER & ACQUISITION SERVICES, Inc.**

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