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Ryan Specialty Group Holdings, Inc.

(RYAN)

Keefe, Bruyette & Woods Insurance Conference

CORPORATE PARTICIPANTS

Timothy W. Turner

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Jeremiah R. Bickham

Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

OTHER PARTICIPANTS

Meyer Shields

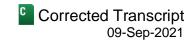
Analyst, Keefe, Bruyette & Woods, Inc.

MANAGEMENT DISCUSSION SECTION

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Good afternoon, everyone. It's Meyer Shields, KBW. Our next session is with Ryan Specialty Group. And we are thrilled we've got Tim Turner, who's the President; and Jeremiah Bickham, who is the CFO.



QUESTION AND ANSWER SECTION

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

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And it's been sort of a very exciting period of time with Ryan Specialty. So, I'm going to start off with a very, very basic question for Tim and Jeremiah, could you take us through maybe a brief history of Ryan, getting us to where we are now as a very well performing public company over the past few weeks?

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.



Thanks, Meyer. It's a pleasure to be here. We started the company in 2010. We began with Pat Ryan and myself and we quickly expanded thereafter. We were aligned culturally, principally, Pat with his history at Aon and owning Swett & Crawford for a period of time, really understood the specialty business as well as anyone I've ever met. And so, from there, we made a lot of acquisitions. We expanded our platform with his vision that I certainly bought into and adopted. And it was broad-based, highly specialized broking and delegated underwriting authority platform and a commitment to never be in conflict with our retail broker clients, i.e., we vowed to each other we would never be owned by a retail broker and compete with our clients, very important fundamental part of our foundation.

But from there, we went on to make 40-plus acquisitions in 9 or 10 years. We attracted some of the most talented brokers and underwriters in the country. And we made a commitment to be a leader in the distribution of surplus lines broking and underwriting solutions. And it's worked out very well. We are growing about \$1 billion a year in premium for the first six or seven years, and then it turned into \$2 billion or \$3 billion a year in terms of our accelerated growth patterns. So, we've been very fortunate. We've had 97 of the top 100 retailers support us and give us a preferred status. So, we continue to make inroads at that level. But frankly, our platform is built to do as well with tier 2 and tier 3 retail brokers, 15,000 retail brokers around the country, and that's all gone very well there. Thank you.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.



Yeah. Fantastic. So, let me ask this, and I don't mean – it's a simple question, but I don't mean it to be a glib. What does the next decade imply? What does that have in store for Ryan?

Timothy W. Turner

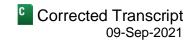
President & Director, Ryan Specialty Group Holdings, Inc.



Much of the same. Lots of opportunities out there, lots of consolidation yet to be done and panelists work to be done in the retail community. They're committed to the consolidation of the use of intermediaries, whether it'd be in brokering or delegated underwriting authority business. As we know, over 40% of the non-admitted business in the channel is some form of delegated underwriting authority and that's very fragmented. So, long runway of opportunities in that space, but much more work to be done in brokerage.

As we all know, the world and the US is getting more complicated and riskier, and so that creates more opportunities for developing new products and solutions. So, innovation is something we think about and discuss and execute on every day. We have to create products and solutions as these risks continue to emerge in North America.

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Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Fantastic. And you touched on this, I want to dig a little bit deeper if I can. Because you mentioned that you had had an internal commitment and you've expressed this very publicly, very consistently to not have retail brokerage. Clearly not a legal issue. There are competitors out there that do both. Can you talk about what led to this meeting of the minds on not participating in the retail channel and how you see that impacting your clients?

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

Well, we — Pat and I agreed on this from day one. With my experience of CRC, I believe that retailers, especially global, national and regional brokers, were very sensitive to wholesalers who were owned by competitors. So, if you're owned by a retail and you compete at every day against your customer base, it created a lot of friction and tension in the channel. And so, I really believe that being independent without these conflicts and distribution friction were the way to go and to really keep your distribution lines clean.

And Pat had a similar experience. At one time when he was the Chairman of Aon, they owned Swett & Crawford, and at one time, the largest wholesaler in the US. And he would tell you that they would come to him all the time and want to buy themselves out. They didn't like the conflict. They knew it costs them a lot of opportunities. Retail brokers didn't want to share their data and they're sensitive analytics on individual accounts with a competitor. And that thought process is prevalent especially in the top 100. It's not to say that you can't be somewhat successful being a captive wholesaler or being owned by a retail broker. It happens, and there's reasons for that. And we're not judging them. It's just we believe that having a conflict-free distribution model is just much more fluid, it's much more effective and our customers have rewarded us for that quite frankly.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

No, I think that's fair and I take your point. You've got a lot of very solid competitors. Not all of them were edging towards 30% organic growth in the second quarter. So, I think it's fair to say that we do see some of that in the results and the numbers are phenomenally impressive.

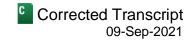
Tim, one point you mentioned earlier is that there's a very fragmented binding authority marketplace. And I was hoping you could talk a little bit about the steps you're taking so that Ryan is positioned to benefit from the presumed ultimate consolidation of binding authority.

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

That part of the industry, which is roughly 41% of all the premiums that flow into the non-admitted surplus lines channel is tied up in some form of delegated underwriting authority whether it'd be MGUs and MGAs at the highest level, program business in the middle, it's kind of how we define it, and then binding authority business, which is really small non-admitted commercial. And that business remains very, very fragmented. And part of that reason is the distribution [ph] and admitted (00:07:59). Companies who gave out binding authority contracts really did it on a state-by-state basis. For decades, they would give an underwriting platform a binding authority the authority in their state of domicile and maybe give them the contiguous states, and they'd move on to the next binding authority specialist. And it created thousands of binding authorities all over the country. And for retail brokers, that became extremely inefficient to buy from that model, very expensive and regulatory compliance in E&O areas in particular.

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And so, in this era of data and analytics, lots of studies have been done on the specific inefficiency costs. So, retailers moved very quickly, as we saw, and continue to see in the consolidation of brokerage business with intermediaries. Most top 100 retailers, for instance, have consolidated their panels down to 3, 4, 5 from 300 or 400 in many cases. And that platform and that problem and inefficiency continues to this day in delegated underwriting authority.

The industry was just – it's more difficult to consolidate that part of the business because there are three distinct layers, as we talked about. And the industry itself, big brokers and binding authority specialists like ourselves [indiscernible] (00:09:32), it takes years to develop a large enough platform in delegated underwriting authority to be effective in 50 states. And carriers were slow to give out 50-state authority in binding authorities. But that's all caught up now. And there's a few of us that are in a very strong position to consolidate the use of intermediaries [ph] whether it'd be (00:09:55) a deeper provider in this delegated underwriting authority space. So, we see that as a tremendous opportunity for us, and we think the industry will, in fact, consolidate. So, an exciting time in history.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Excellent. So, Tim, if I understand it correctly, you've got the infrastructure now and it's just a matter of finding the MGA/MGUs and maybe the program writers and then putting them on this infrastructure going forward. So, most of the hard work – I'm asking this – I'm stating it, but I'm asking the question, it sounds like the infrastructure is there and now it's just a matter of adding more scale.

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

That's correct, Meyer. Our infrastructure and our foundation is rock solid. We have the personnel. We have the expertise. We have all three layers of delegated underwriting authority firmly in place. Now, it's just doing what we do every day, continuing to recruit talents, top docile underwriters, continuing to train and develop young professionals coming into the business, manufacturing talent, minting talent to shore up those ventures. It will take quite a bit of depth and breadth in the delegated underwriting authority space to be able to absorb this business that many of us anticipate will be migrating. It will be moving and consolidating. To capture it, you need a pretty big army.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

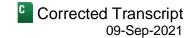
Okay. Can you talk a little bit, just as a follow-up of that, the Ryan capabilities for training talent, especially new talent? In other words, recruiting people is just a matter of saying, okay, here are our systems. When you're developing new talent, you almost have to start from scratch. What are Ryan's capabilities there?

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

Well, from day one, Pat and I, it was just another one of these critical areas that we were really perfectly aligned in. His whole career, he was a champion of recruiting and developing talent at Aon and other companies that that was affiliated with. And my whole career, it was just about training and developing and recruiting always, constant, part of everyday work, if you will. And that's a big part of our culture. But we've taken it to another level. We've created a university now, RSG University, where it's much more sophisticated and we can run 100 candidates through that university at a time with interrelated parts to it around the company. So, we're committed

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to it. It's a daily activity. We're recruiting from universities, insurance and risk management universities, but it's more than that.

It's really looking for what we call A players, talented individuals from all walks of life creating as much diversity as we can, bringing talent and innovative people, hardworking people, into the business, and really giving them an accelerated learning experience. That's the key, finding ways to accelerate that process and allowing these young people oftentimes to maximize their career opportunities and accelerate their learning curve making them accretive as fast as you possibly can and guiding them through their careers. Our retention levels are highest in the industry. We're doing a very good job of training, developing and retaining very talented new professionals in the industry.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Excellent. If I join RSG University, how long am I there?

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

It's a short internship program that we're – we ran during the summer, but now we've moved it twice a year. It's a six to eight-month – or a six to eight-week program in the classroom, and then it moves into the technical stage where they're actually assigned to a team and then that broker system or underwriting assistant program takes over. So, it's really a classroom activity with lots of field experience, and then we move them out into the field, we transfer them to offices and teams that need them and then we move them around depending on their needs and our needs for talent around the country.

Mever Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Okay. Excellent. That's very helpful. You mentioned earlier on a cultural focus on innovation and, obviously, you don't want to tell everyone all of the secrets that you've got. But I was hoping if you could take us through maybe some of the products that Ryan has developed on its own and maybe taking a step back, the timeline for product development, how long does it take from the time you have an idea until you have a product out in the marketplace?

Timothy W. Turner

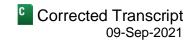
President & Director, Ryan Specialty Group Holdings, Inc.

Happy to, Meyer. It's something that's built into our culture and what we do every day and it starts with emergent risks. In the United States, every day there's a new emerging problem, if you will, that oftentimes comes from global warming or social inflation, but during micro difficult situations, woven into that big picture, and maybe a couple examples for you. One would be New York construction and construction defect and the labor law, a very acute, specific problem with casualty placements that drove all the admitted standard carriers out of that segment in the five boroughs.

So, several years ago, we weren't the only ones. We've designed a practice group vertical that did nothing but broker those risks, accelerating the learning curve and the aptitude and the execution of those brokers.

But real innovation comes from bringing new product in there, creating a product, a risk-bearing platform, a delegated underwriting authority program to weave into the marketing exercise so that we bring our own product and an extension of our marketing exercise into those situations.

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Cyber would be another example of that where we have a broking team that's a leader in the US in cyber placement today. And we create binding authorities in that space and then go out and create an MGU that complements that. We create product in those channels. That's the real challenge in innovating in the broking world, but connecting that to the underwriting world and bringing in proprietary product, exclusive products that further separate you from competitors when you can do that.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Should we think about the timeframe of that in months, in quarters, in years in terms of -1 know it's all over the place, it's a hard question to answer?

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

It is a hard question to answer because it varies wildly. You can create – get lucky and create a solution very quickly in a month or two in some cases and others could take years to develop them. The bigger and the more challenging and the more loss-driven, these areas that are leaders and loss leaders in the reinsurance world, those are the most difficult. There's not a lot of capacity lined up to get on the most difficult risks in the US. So, it takes a lot of ingenuity, a commitment and talent, underwriting talent is really a very challenging approach to the business today for companies and intermediaries like ourselves.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

I want to talk about talent a little bit because it's a critical issue. One of my theories is that the ratio of talent to the companies, to underwriters, to brokers, to binding authorities is lower than it needs to be. So, we talked a little bit about the training programs you have. But I want to get a sense in terms of when you're competing for talent that might be focused elsewhere, when you've got personnel shortages that we've all been reading about, how Ryan responds to that in terms of recruiting or building talent when you're competing with a massive market out there?

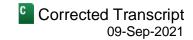
Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

It's one of the ultimate challenges of any insurance platform today, Meyer. And we're committed to recruiting, training, and developing talent, but that's not good enough. To be a leader in your segments, it's about top-docile talent, it's about superstar talent and about getting A players into these specialty areas whether you're underwriting or you're broking, and they're very hard to come by. As I'm sure it's the case in most industries, the great ones don't move around much. So, it's difficult to recruit them. It's very challenging. The companies are known to let people down. And when they do, you need to be there when that happens. And certain things can happen in M&A that create a conflict for a very talented underwriter or broker that causes them to consider moving.

And – but our industry, one of the main constraints that we're all dealing with today is that training and developing talent, our commitment to that is very expensive. And when things get tough and lean, it's one of the first things that gets cut out of the budget, especially on the company's side. These large stock companies historically have done very well in training and developing underwriting talent, but then they stop and people move on and it creates a shortage. Today, this shortage of underwriting talent is a very well-known obstacle in our industry. There's a lot of capital – underwriting capital available, but there's a very big noticeable shortage of underwriting talent.

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And so, we see as a result the demand for it has gone up, the wages have gone up, the compensation has gone up and so people are moving around. It's hard to keep underwriting talent now and we see that across the full spectrum of underwriting. And so, for our delegated underwriting authority business, it's a challenge. And so, we're not alone in that challenge. So, again, training and developing your own directly tied to organic growth becomes a real key to your success.

Broking talent, it's not – it's challenging, but not quite as challenging. We've developed our own homegrown training program with these big teams that are now the norm in wholesale broking and tier 1. Larger teams are much more effective. Retailers gravitate to them. They're faster, they're smarter. They execute at a higher level and there are built-in training mechanisms for younger people.

And so, we're doing quite well with that. But I would say it's really more on the underwriting side where we see that strain.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

What's the process for getting the word out? In other words, if you want to establish, I don't know, a new cyber MGA, what's the process for making sure that you're getting people that have that capability and then importantly that are culturally compatible with the rest of the group?

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

Well, it's a – in a relative way, Meyer, it's a small business. 17% of the commercial market is not admitted. We all know each other. We all attend the same conferences. We all deal with the same underwriters on the brokerage side and a lot of the same retailers. So we're all immersed in this pool of talent. And so, you know, who the A players are and you're always taking chances on folks that maybe aren't as well known and really trying to have an eye for talent. Some people are just better at it than others and some folks are great brokers, great underwriters, but they're not great recruiters of talent.

So lots of opportunity to help people build their teams and build their offices and their companies and divisions, but it's a daily commitment. It really has to be a cultural approach to the business where everyone understands that you're only as good as the A players on your team. If there was such a thing as a [ph] Super Bowl VNS (00:23:04) you're not going to win it unless you have all the great players in all the right positions on the field and it's competitive. Our competitors have a lot of talented brokers and underwriters and we go head-to-head with the very best of the best every day.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

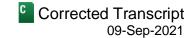
Great. Thank you. So we're just about a year past the All Risks closed date. I was hoping you could update us on the integration, what needed to happen? What has happened so far and what, if anything is left in terms of getting everything harmonized between legacy Ryan and legacy All Risks?

Jeremiah R. Bickham

Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

I'm happy to take that one, Tim. So, yes, Meyer, thanks for the reminder for those playing the home game. We closed at 9/1 of last year, so we are a full year on. It was our largest acquisition to-date. And I'm really happy to

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report that all the major milestones of integration at this point are now really in the rearview mirror. There are a few physical offices that we still want to combine, we haven't been able to just as a function of the pandemic, but merging teams, all that, the important stuff we're there, and I'm even more happy to report that from a cultural fit standpoint which is, of course, one of the key areas of our vetting and due diligence process, whether it's just a hire or entire business. The result of that, the fit there is even better than anticipated. Really, since close, the teams have been working together. They've gelled incredibly well, and they're still finding new ways to work together in the field, so that's incredibly exciting to see play out.

And just as a reminder, too, All Risks was historically very strong in both their programs, so the underwriting management side and binding authority which were two areas that have been key investment focused is for us over the last several years for many of the reasons, Tim, talked about a moment ago. And, really, sort of just looking back there, it really was – despite the pandemic, which was a little bit odd to do a transformative deal, it really was the perfect point in our lifecycle to make a transformative acquisition like this because, now, with 40 deals behind us and so much continuity in all of the key teams in management, our whole organization was really – had the reps and was up to the challenge. And I would say from, you know, the time we signed the LOI, all the way through integration, it's really been textbook. And the investment thesis, getting together with this incredible team has really been validated from our perspective and all the quantitative and qualitative factors.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

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Fantastic. So you'd mentioned the complexity or fairly potential complexity of doing a major deal over the course of COVID. Three months ago, we were kind of hopeful that COVID was over as a topic, and I guess it's not. Whether we talk about the Delta variant or any other aspect of it, is that manifesting itself in any way in terms of insurance demand or in terms of how your clients are behaving? Is it precluding new business formation? Can you talk us through that?

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

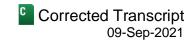


Sure. I'd be happy to, Meyer. We've been fortunate that throughout the pandemic, we've been at a very firm marketplace. And so the volume coming through the channel is historically high. And so one of the unintended consequences of working remotely is that we didn't have as many distractions in the form of whether it be breakfasts, lunches, and dinners, for instance or industry events, and traveling around quite frankly was – took up a lot of time for all of us. We were able to concentrate on our book of business, the flow coming in. And our industry was so advanced that these submission opportunities are all electronic now. So they're piling in at an all-time high rate. And we have all the time in the world to convert them and to market them extensively and to win and place these accounts. And so our conversion rates are off the charts.

We've been able to capture more business with this unintended consequence of very little distraction. But eventually, there's a missing factor here very obvious to most of us and that interaction and doing what wholesale brokers and underwriters do is creating relationships, building relationships, traveling, visiting their clients and underwriters and an absence of that in a real-short – real cutback on all that is going to have some fallout. I think it'll be minor in the big picture because most of us were established. And so, it didn't really affect us that much.

Again, we could focus on our customers and our books of business. But for young people in particular, that's really hard to measure what you lost by not having them in the office, going to breakfasts, lunches and dinners with their team leaders, hearing brokers broke, watching how we deal with underwriters. The visual absorbing of that is part of this acceleration that we talk about. It's all about accelerating the learning curve, getting these kids

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accretive faster than your competitors and manufacturing talent, that – that's going to get slowed down a little bit. How much? We don't know.

But as soon as we can get them back together, which we are, vaccination rates are obviously helping us. Those people are traveling and getting to see the clients and underwriters. And, we're getting back. The Delta variant, it's a little bit of a hiccup. Hopefully, we can get back on that the acceleration back into the offices and back into the conference rooms and visiting our clients and underwriters. So, we believe ultimately that the impact will be very minimal.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Excellent. I certainly hope so. Can you take us through – I know you mentioned, and you've done 40 deals, All Risks certainly the biggest, can you take us through the update, like, the current environment for M&A and not names, obviously, but the sorts of properties that Ryan is looking at, whether it's the specialties that they're engaged in or regional gaps? What is driving the current M&A process at Ryan?

Jeremiah R. Bickham

Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

Happy to. And we did put some of this in the prospectus, and for those of you that listened to the earnings call last week, Pat did make – mention of the – what I would describe as well as a very robust pipeline right now. So, as we've talked about on the road and Pat last week, we're very active, very interested in building out a wholesale Employee Benefit Specialty. And fortunately, a lot of the opportunities that we've seen, and even that we're looking at the moment are in that space. And then, in terms of the other specialties, M&A is pretty dynamic so it give me the escape hatch that winds can change quickly, but by volume, I would say binding authority and underwriting management, we've seen quite a bit of those recently, too and then followed last by wholesale.

And I would add too, Meyer, that we're seeing interesting opportunities across not only the spectrum of specialties of delegated authority but also in – across the spectrum of size. So, as a reminder, we don't do deals just for scale. We're not interested in just paying for our growth. We're growing organically such that we don't need to do that, but the criteria for our M&A program is it's got to be accretive and strategic, and that can be a deal that's \$5 million of revenue or \$100-plus million of revenue. And right now, the opportunities that we're looking at really are across the spectrum.

But anytime we talk about M&A, I'd be remiss if I didn't plug this, too. So, whether it's the employee benefits opportunity which we're excited about getting into or sort of our traditional P&C M&A program, we are committed to being disciplined and really only doing deals that meets those two criteria.

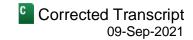
And, Meyer, it's – that's really the reason that we probably will never give guidance on M&A is because we don't ever want to create an incentive for us to do a deal just to do one or to hit some artificial target. And it's really because just being so selective and so disciplined has worked so well for us thus far. We're really confident that that's the right path forward. And I'm hopeful that one of these will get far enough along, one or more will get far enough along in the not too distant future so that we can discuss with you and the investors in more detail.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

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Fantastic. I want to follow-up with maybe the last step in M&A. Right now, there's a restructuring program that's ongoing. How you think about the need for restructuring programs and the program that's important right now? How it's proceeding relative to expectations?

Jeremiah R. Bickham

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Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

Yeah. No, great question. So, the goals here, Meyer, were multiple prongs to it. So, we wanted to reduce costs, obviously, increased efficiencies, streamline management and reporting structures and then centralize as many functions especially like shared service, corporate functions as we could across the company. We started it about a year ago in conjunction with All Risks. It wasn't it triggered specifically by All Risks. It was more a function of, hey, we're 10 years in, we've done a lot of deals, there's some overlap and there's some opportunities to streamline. And it was yet another reason that All Risks came at the perfect time, right? So, a very comprehensive program.

I'm pleased to report that nearly all of the actions required for us to eventually realize the \$25 million of run rate savings have been initiated. So, we're a little bit ahead of schedule. We – the program was supposed to last until 6/30 of next year and it might. But right now, we're ahead of schedule and we're way more than 70 – we're more than 75% of the way there. Since we're talking about this, Meyer, I want to point out that I expect some investors maybe expect or are conditioned to seeing sort of an evergreen, a never-ending, I guess I should say, restructuring effort. That's not what we envision for ourselves, right? Rather, we think of it more on call it as a three- to five-year pace. Because we're such frequent acquirers, it will make sense to take a step back and do a thoughtful review, take a holistic look at the organization and see if there's redundancies or opportunities, but it's not going to be a perpetual thing for us.

Meyer Shields

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Analyst, Keefe, Bruyette & Woods, Inc.

Okay. Fantastic and it sounds like you will have the opportunity to do the – or the opportunity to do these again in that three- to five-year timeframe. I think that's a good way of thinking about it. I want to shift gears a little bit and talk about the Connector. And I'm asking this question primarily out of my own ignorance because as I understand it the Connector is sort of an automated underwriting platform for specialty risks. And if it can be automated, I guess the question is why is it specialty? Or what keeps it in the specialty market? The business takes place through the Connector.

Jeremiah R. Bickham

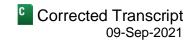
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Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

Yeah. Let me start this one because I love talking about the Connector because it's an opportunity to give an overview of our philosophy on technology, a little bit of insurtech. And then, Tim, if you want to add any color or say something wrong, please jump in. But again, as a reminder, for those who don't know, the Connector is a digital marketplace that we built in-house where our clients, the retail brokers and agents can hop online and receive quotes and bind policies right there. So it's neat because it actually spits out multiple bindable quotes, sourced from multiple high-quality E&S carriers across several risk classes in just minutes. They only have to answer like 10 to 12 questions. So that's really neat.

And I guess if the Connector was owned by someone else you might call it insurtech. We think of it a little bit differently, right? It's a tool for us. From our perspective, Meyer, what makes the Connector so valuable is not that we've got this great code. It's the fact that it sits within our distribution and our underwriting ecosystem, right? So more broadly, RSG offers retailers this continuum of entry points across the delegated authority spectrum, right,

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wholesale brokerage, binding programs, and MGUs, and the Connector fills an important space in that continuum. And what's critical about that is if something comes in to the Connector and it doesn't meet the criteria of that black box, which it often doesn't, right? Not everything in the E&S world will fit that underwriting criteria. When it falls out it lands in the lap of an underwriter with binding authority or it can be taken to a wholesale broker that can do a full marketing exercise.

So no matter what like that risk is going to get addressed and that's really what we're after. We're not after a code or a widget or a machine to certainly disintermediate us or replace the timeless value of expert advocacy, it's to just really give as many options and as much certainty to retailers that what they bring to us we can handle. And the Connector is just one way that that gets done efficiently.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

Fantastic. So let me take one step further with that and say, okay. You refer – you used the insurtech word, what are the primary technological investment priorities right now for Ryan?

Jeremiah R. Bickham

Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

So, Meyer, I would say that we're always – we've got pretty low CapEx, like so if you look at our financials, you can see some representative levels of CapEx that you'd expect from a business like ours. The investments like Connector certainly do require some ongoing investment. But the bulk of that, fortunately, the ramp up for that effort is largely behind us. We don't see a lot of opportunities in, like, our core systems as huge competitive advantages, more so a lot of competitive necessities. And if you have clean systems, you've got the ability to harness data and turn those into insights.

Clean systems also helps you – me selfishly with financial reporting, which I'm very much interested in, but also keeps you out of trouble with regulators and keeps you out of hot water from an E&O perspective because, you know, we're a highly regulated environment. So we're constantly investing in both people and systems to be mindful of all that. But – we're not ready to forecast a huge game-changing technological advancement or some material CapEx investment because right now we're pretty steady state on both.

Mever Shields

Analyst, Keefe, Bruyette & Woods, Inc.

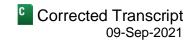
Okay. Fantastic. I intentionally left this question towards the end because I think there's an awful lot of the Ryan story that I want to make sure is getting out there that will go beyond the current cycle. But I was hoping that, Tim or Jeremiah, you could take a minute or two and update us of — I'm sorry, update us on what you're seeing in terms of current market conditions, whether that's insurance cycle, whether that's the broader economy.

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

I'm happy to take that one. Sorry, I was having a little difficulty with my new button. We see the market in general continuing to get firmer and they get tougher. There's this talk about deceleration – rate deceleration, but I just don't – we just don't see that. We see the market getting firmer, tougher, more E&S business coming into the market. So, we're continuing to build our business, continuing to grow and really don't see anything slowing that down at the moment, Meyer.

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Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

That's fantastic. And I'm getting a flag telling me that we're just about out of time. So, I want to say this was a fantastic session. I like to put it as a really good story, told really well. So, thank you very much for taking the time to participate in our conference, and I look forward to speaking with you and hearing from you again soon.

Jeremiah R. Bickham

Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

You're too gracious, Meyer. Thank you. We enjoyed it.

Timothy W. Turner

President & Director, Ryan Specialty Group Holdings, Inc.

Thank you, Meyer.

Meyer Shields

Analyst, Keefe, Bruyette & Woods, Inc.

All right. Excellent. Thank you.

Jeremiah R. Bickham

Chief Financial Officer & Executive Vice President, Ryan Specialty Group Holdings, Inc.

Bye.

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