

Insurance Times: OneBeacon, Liberty Mutual close business transfer

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BOSTON — OneBeacon will be transferring \$1.5 billion of its property casualty business – from 42 states and the District of Columbia – to Liberty Mutual.

Both Boston-based companies announced the tentative deal back in September but reached a “definitive agreement” only at the end of October.

Liberty already started assuming the affected new and renewal business as of Nov. 1 but OneBeacon will continue to handle reinsurance and some service agreements for up to five years.

OneBeacon business in New York, New Jersey, Connecticut, Rhode Island, Massachusetts, New Hampshire, Maine and Vermont are unaffected by the deal.

Ray Barrette, OneBeacon’s managing director and CEO, said in a written statement that both companies have worked well together and that he’s “confident that this opportunity will continue to evolve with positive results for everyone.”

Edmund Kelly, Liberty Mutual’s chairman, president and CEO, said the move reflects Liberty’s continued commitment of being a “a multi channel property and casualty company.”

Focus on Northeast

In an earlier InsuranceTimes interview, OneBeacon spokesperson Carmen Duarte said her company wanted to concentrate on its property casualty and specialty lines business in the Northeast – which accounts for about half of the company’s operations.

OneBeacon’s agribusiness and ocean marine business in the affected states and the District of Columbia will not transfer to Liberty Mutual.

As planned, OneBeacon’s business is being blended into Liberty Mutual Group’s Regional Agency Markets Business Unit and group member Liberty Northwest will manage its Pacific Northwest business.

Most of OneBeacon’s employees in affected areas will be offered jobs with Liberty’s Regional Agency Markets companies.

Liberty has been developing regional property and casualty companies across the country that distribute insurance products just through independent agents, and the deal with OneBeacon helps the company expand its reach.

Liberty’s regional companies are: Peerless Insurance in the Northeast, Indiana Insurance in the Midwest, Colorado Casualty Insurance in the Mountain region, Golden Eagle Insurance Corp. in California, Montgomery Insurance Companies in the South east.

Summit Holdings Southeast and GoAmerica Auto Insurance handle Liberty Mutual’s specialty business.

Liberty Mutual will form two new companies in the wake of its partnership with OneBeacon: America First for the four-state Gulf region and Hawkeye-Security, a OneBeacon legacy brand, to cover the eight Central states.