Patriot National eyeing northeastern insurance firms for purchase

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By Josh Chetwynd

Patriot National, a Fort Lauderdale, Florida-based insurance holding company is in the midst of a buying binge with northeastern insurance firms in its crosshairs in terms of both recent and potential future buys.

Last week, the company announced it purchased RCA Insurance Group, a Clifton, New Jersey.-based agency that provides property and liability program administration in the hospitality industry, for an undisclosed sum. It was the third northeastern insurance firm Patriot National has acquired in recent months.

In May, it snapped up Brandywine Insurance Advisors, a Philadelphia-area specialty insurance brokerage focusing on the construction industry, for $4.2 million. One month earlier, Patriot National paid $13.5 million for Hospitality Supportive Systems (HSS), which is a property and liability insurance company based in Springfield, Pennsylvania that focuses on restaurants, bars and taverns.

"Our strategy is to find niches of business that meet our initial internal return on investment requirements and then can also scale up so we can use their services through the 1,700 independent agents we market through across the country," said Paul Halter, who is on Patriot National's executive committee and is CEO of its subsidiary Patriot Underwriters.

While Halter emphasized that the company doesn't have any specific geographical restrictions or requirements, he is bullish on the northeast. Currently, Patriot National is in negotiations to purchase two other undisclosed managing general agencies in the region, he said.

"The Northeast has traditionally been challenging," Halter said. "But our organization has always looked at challenges to go after and dominate a niche. We like parts of the country and products that other carriers might be afraid of or less likely to go after."