



## **SCM Insurance Services Announces Strategic Investment from Warburg Pincus**

31<sup>st</sup> August 2017

SCM Insurance Services (“SCM” or the “Company”), Canada’s largest independent, privately owned insurance services provider, today announced that it has received a majority investment from funds affiliated with Warburg Pincus, a global private equity firm focused on growth investing. This major investment, along with the continued investment in SCM by TorQuest Partners, will provide SCM with access to important capital and strategic resources to continue to invest in and significantly grow its business in Canada and its recent entry into the United States. The terms of the transaction are not being disclosed.

SCM’s portfolio of companies delivers world-class service and innovative business solutions to its clients and is a market leader. Previous growth and acquisitions have significantly increased the range of products and services SCM delivers to its clients, representing a breadth of insurance solutions unparalleled in Canada. SCM’s ambitious growth plans will see it become an even larger, more diverse company, with a significantly expanded presence to better serve its clients and their customers, supporting their ever-changing needs and challenges.

“Along with our teams of experienced professionals, our market-leading technology, and our extensive data intelligence, this important investment from Warburg Pincus will help SCM implement the next phase of our successful growth strategy and allow us to serve our clients in even more ways and in more places,” said Bob Fitzgerald, CEO of SCM Insurance Services. “Warburg Pincus is not only the right partner at the right time for SCM, it is also the right fit culturally and strategically.”

“SCM has established itself as the leading provider of outsourced claims management and tech-enabled insurance services in Canada, and has positioned itself well for further expansion in the U.S.,” said Jeffrey Stein, Principal, Warburg Pincus. “Through its wide range of market-leading services, the Company has already become an attractive one-stop shop for the P&C industry and we see meaningful opportunity to continue investing in and expanding its service lines.”

Chandler Reedy, Managing Director, Warburg Pincus, added, “We look forward to partnering with Bob and his team and TorQuest to support SCM’s ongoing growth in Canada and further expansion in the U.S. market.”

“Under TorQuest’s ownership, in partnership with founder Larry Shumka and SCM’s management, the Company’s revenue has grown by three times through a commitment to market leadership and excellence in the Canadian insurance market,” said TorQuest Partner Alan Lever.

“We are excited about the future prospects for SCM as it moves to its next phase of growth in partnership with Warburg Pincus,” Eric Berke, Managing Partner at TorQuest, added. “SCM is another great example of TorQuest partnering with an exceptional founder and management team to support the growth of an industry-leading business.”



In May 2017, SCM made its initial entry into the United States by acquiring Nixon & Company, Inc., providing it with a platform from which to continue building out its service offerings both domestically and into the Lloyd's of London marketplace. This U.S. expansion is consistent with SCM's commitment to expand geographically in line with the needs of its clients who are seeking market-leading offerings in third-party administration and innovative adjusting solutions.

"We are also excited for the opportunities that this investment will bring for our staff across North America," said Bob Fitzgerald. "It will allow us to continue to invest in the right technologies, training and development that makes SCM a great place to work and grow your career."

Morgan Stanley & Co. LLC acted as financial advisor to SCM in connection with this transaction.

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**About SCM Insurance Services**

SCM Insurance Services has been servicing the insurance and risk management community for the past 31 years with over 200 locations and 2,900 employees. As a privately owned provider of claims adjusting, third-party adjusting (TPA), risk management, investigative, surveillance, risk mitigation, medical services, forensic engineering services, and risk intelligence, SCM has distinguished itself through innovative technology, expert staff and solid customer service. The SCM Insurance Services Group of Companies includes ClaimsPro, International Programs Group (IPG), Xpera Risk Mitigation & Investigation, Cira Health Solutions, Pario Engineering & Environmental Sciences, SCM Risk Management Services (RMS), Opta Information Intelligence, and Nixon & Company, Inc. For more information, please visit [www.scm.ca](http://www.scm.ca).



### **About Warburg Pincus LLC**

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than US\$44 billion in private equity assets under management. The firm's active portfolio of more than 140 companies is highly diversified by stage, sector, and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 16 private equity funds which have invested more than US\$60 billion in over 780 companies in more than 40 countries.

The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. For more information, please visit [www.warburgpincus.com](http://www.warburgpincus.com).

### **About TorQuest Partners**

Founded in 2002, TorQuest Partners is a Canadian-based manager of private equity funds. With more than C\$2 billion of equity capital under management, TorQuest is currently investing from TorQuest Partners Fund IV, a C\$925 million fund that closed in June 2016. TorQuest invests in middle market companies, and works in close partnership with management to build value. To learn more about TorQuest Partners, please visit [www.torquest.com](http://www.torquest.com).