

BUYOUTS-Insurance broker targeting Hispanic market does biggest deal

- Buys Affirmative Insurance unit for up to \$120 mln
- Confie Seguros is backed by ABRY Partners
- 17th acquisition since last November

By Steve Gelsi

NEW YORK, Sept 25 (Reuters-BUYOUTS) - Private equity-backed insurance broker Confie Seguros is buying the retail auto insurance unit of Affirmative Insurance Holdings in its largest in a series of acquisitions to build up its business with Hispanic customers around the United States.

Affirmative Insurance Holdings said the deal includes \$100 million in cash and up to \$20 million in additional proceeds. It intends to use the money to pay down debt and focus on its business as an insurance carrier.

Confie Seguros President Mordy Rothberg said the acquisition will add scale and speed growth by expanding the company's reach by nearly 200 offices, including its first major presence in Dallas, a key market.

"It's a tremendous opportunity for us," Rothberg said of the purchase of the unit of the Addison, Texas-based distributor and producer of non-standard personal automobile insurance policies. "It'll accelerate our growth and our footprint."

Confie Seguros, which is owned by Boston-based private equity firm ABRY Partners, will have 550 locations in 16 states, with projected 2013 revenue of \$300 million, when the deal is finalized as expected in the next few days, Rothberg said.

The Affirmative Insurance unit includes two premium finance companies and 500 employees working in 195 offices in Louisiana, Alabama, Texas, Illinois, Indiana, Missouri, Kansas, South Carolina and Wisconsin. The deal was announced on Sept. 16 and was expected to close within 30 days.

The Hispanic market for insurance remains underserved, even though it is a fast-growing demographic in the U.S. population, Rothberg said.

"We're still in the second inning of the Confie Seguros story," Rothberg said. "This deal has been a game changer. With the help of ABRY we've taken the company to the next level."

Signaling more transactions ahead, Rothberg said his company's pipeline for acquisitions "is as robust as ever."

The deal marked Confie Seguros's 17th acquisition since ABRY Partners bought the Huntington Beach, Calif, company from San Francisco-based private equity firm Genstar Capital LLC last November. By the end of this month, that deal tally is expected to rise to 23 under ABRY Partners, Rothberg said. ABRY Partners did not return a phone call and email seeking comment.

Confie Seguros made 38 acquisitions while it was owned by Genstar Capital between 2008 and 2012.

Rothberg co-founded Confie Seguros in 2008 with the company's Chief Executive Officer Joseph Waked. Previously, Rothberg had worked at IDT Corp and Net2Phone.