

IN THE NEWS: Capacity Instability Accelerated the Need for *Gambit Re*

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XPT CEO Tom Ruggieri

Summary

XPT Group CEO Tom Ruggieri has said the group's close relationship with recently launched reinsurance vehicle Gambit Re was born out of frustration with the "fickleness" of traditional capacity and the need for a more stable, expandable capital partner to support its MGA programs.

Launched in August of 2025, Gambit Re is hoping to create a more stable, controllable pool of capital and reinsurance capacity, allowing for greater control over underwriting decisions, capital commitment, and the agility to launch new programs or scale existing ones without relying on external reinsurance market swings.

Currently, Gambit Re is supporting five pre-established and profitable programs with plans to expand.

About *The Insurer*

The Insurer, a Reuters company, is the fastest-growing digital publisher serving the global P&C and specialty (re) insurance industry. The platform delivers breaking news, market analysis, and insights on risk capital flows, enabling industry professionals to make informed business decisions. Known for breaking news first and providing competitive intelligence through written articles and video journalism (The Insurer TV), the publication covers emerging risks, underwriting trends, market dynamics, and reinsurance renewals.

Interview Snapshot

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In switching to Gambit Re, why was this the right solution for supporting programs, and what gaps in the traditional carrier MGA model were you trying to close?

"The thing that interests us with this is the positive return profile of the new class of collateralized re-insurers for casualty on the heels of a 20 year positive return for collateralized re-insurers in the property CAT space.

Many of these new re-insurers are on some of our programs and benefiting from the performance of our portfolios, so we wanted to share that, that's what got our interest going. As we look at the space, it's very interesting, there are different aspects for traditional carriers vs the fronted MGA model.

The problem we have with traditional carriers is that they are typically not stable partners. I say that because they change executives all the time within their firms. Every time they change executives, the new executive comes in and says, "Ah I don't like that class" and here we are stuck and it's a major part of our business and suddenly we have to find another partner. It's also made worse because traditional carriers either don't allow you to have your own reinsurance panel or participate in theirs, so when we have to move it, we're left starting from ground zero, which is just not an attractive place to be. So that volatility is something we really felt we needed to move away from, which is why moved on.

Traditional carriers TYPICALLY NOT STABLE PROGRAM PARTNERS

In the case of fronting companies, it's different, because we neither have the volatility of executive changes nor the lack of reinsurance or involvement in the panel because we have all three: We have stable executives, we are doing the reinsurance panel, and we're involved. The problem they have is because they take such a

small amount of risk, it is often hard to get additional capacity, especially in hard markets when you are charging higher rates and you are using up your capacity faster. So in the middle of a program year or treaty year, you suddenly run out of capacity and now you have a problem on your hands, because if you don't find new capacity, you are shut down again, so it was really for that we were looking to solve, or have an ability to have a little bit more of an accordion capital provider approach within any business that is performing well..."

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On the Producer Acquisition Co you've set up with BP Marsh, what's the strategy behind it, and what specific pain point in producer hiring were you trying to address?

"It's really not pain points in the hiring of producers directly. The pain point is really to hire an unlimited number of producers without affecting our debt providers' collateral position. Also, it provides a method to self-finance future hires, which is why it really gives us an ability to do an unlimited amount of hiring."

Watch the full interview on TheInsurer.com.