



## **The Baldwin Group Enters Into Agreement to Acquire Homebuilder Distribution Network From Hippo; Baldwin's Westwood and MSI Businesses Enter Into Various Commercial Agreements With Hippo and Its Affiliates to Support Ongoing Growth**

June 12, 2025 at 7:00 AM EDT

- *Hippo's Homebuilder Distribution Network Adds 8 New Homebuilders to Westwood's Client Roster; At Closing, Westwood Will Power the Home Insurance Experience for 20 of the Top 25 Homebuilders Representing Over 35% of Total New Single-Family Homes Built in the U.S. Annually*
- *MSI Enters into Program Administrator Agreement and Claims Administration Agreement with Hippo and its Affiliates to Provide Additional Proprietary Capacity to Westwood's Builder Partners*
- *Hippo and its Affiliates, Including Spinnaker, to Provide Fronting Capacity and Additional Reinsurance Support on MSI Programs*

TAMPA, Fla.--(BUSINESS WIRE)--Jun. 12, 2025-- The Baldwin Group announced today that, Westwood Insurance Agency LLC ("Westwood"), an indirect subsidiary of The Baldwin Group, has entered into an agreement to acquire from Hippo Holdings, Inc. ("Hippo") (NYSE:HIPO) and its affiliates all the outstanding equity interests of the various entities comprising Hippo's homebuilder distribution network. The Partnership, The Baldwin Group's nomenclature for a strategic acquisition, further solidifies Westwood's position as the preeminent insurance agency for the homebuilding industry. Hippo's homebuilder distribution network generated revenues of approximately \$29.2 million in the most recent trailing 12-month period<sup>1</sup> and is expected to deliver approximately \$7 million of adjusted EBITDA over the 12 months following the closing of the Partnership, which is currently anticipated to occur on or around July 1, 2025, subject to certain closing conditions. The Partnership is expected to be neutral to Net Leverage (as defined below) and accretive to 2026 pro forma adjusted Diluted EPS.

Separate from the purchase of Hippo's homebuilder distribution network, Millennial Specialty Insurance, LLC ("MSI"), The Baldwin Group's managing general agency (MGA), has entered into a Program Administrator Agreement and a Claims Administration Agreement with an affiliate of Hippo on a new homebuilder program aimed at providing additional proprietary capacity for Westwood's builder partners. Additionally, Hippo and its affiliates, including Spinnaker Insurance Company, have committed to provide capacity and reinsurance support for existing and potential future MSI programs.

"Through the acquisition of Hippo's homebuilder distribution network, Westwood now provides an embedded insurance solution to 20 of the top 25 homebuilders<sup>2</sup> across the country," said Jim Roche, President, The Baldwin Group and CEO, Underwriting Capacity and Technology Operations. "The addition of Hippo's builder product, along with MSI's own product for new construction homes, gives Westwood even more capacity to support its builder clients in an otherwise challenging insurance market. This collaboration aligns with Westwood's goal to ensure that obtaining insurance is the easiest part of buying a home."

"As we continue to grow and innovate across the insurance value chain, we remain focused on maintaining and building strong relationships with our capacity partners, powering our continued insurance product innovation to support our clients amidst a rapidly evolving risk landscape," said Trevor Baldwin, Chief Executive Officer of The Baldwin Group. "We look forward to our deepening relationship with the Hippo team and are excited about the opportunity to continue our growth trajectory via tech-enabled innovation."

Rick McCathron, President and Chief Executive Officer of Hippo, remarked, "This long-term agreement with The Baldwin Group allows us to focus on what we do best—risk identification and selection, while providing an opportunity to accelerate the growth of our New Home business through Westwood's industry-leading homebuilder network. We [Spinnaker] are also excited to build on our decade-long support of Baldwin's MSI Renters and MSI Homeowners programs, as we provide capacity to a broader range of Baldwin's MGA programs."

<sup>1</sup> Calculated as revenue attributable to acquired business for the most recent trailing twelve-month period prior to acquisition by The Baldwin Group at the time the due diligence was concluded based on a quality of earnings review and not an audit.

<sup>2</sup> Builder Magazine's 2025 "Top 100"

### **ABOUT THE BALDWIN GROUP**

The Baldwin Group, the brand name for The Baldwin Insurance Group, Inc. (NASDAQ: BWIN) ("Baldwin") and its affiliates, is an independent insurance distribution firm providing indispensable expertise and insights that strive to give our clients the confidence to pursue their purpose, passion, and dreams. As a team of dedicated entrepreneurs and insurance professionals, we have come together to help protect the possible for our clients. We do this by delivering bespoke client solutions, services, and innovation through our comprehensive and tailored approach to risk management, insurance, and employee benefits. We support our clients, colleagues, insurance company partners, and communities through the deployment of vanguard resources and capital to drive our organic and inorganic growth. The Baldwin Group proudly represents more than three million clients across the United States and internationally. For more information, please visit [www.baldwin.com](http://www.baldwin.com).

### **ABOUT WESTWOOD INSURANCE AGENCY**

Established in 1952, Westwood Insurance Agency LLC is a leading, full-service personal lines agency specializing in builder-sourced homeowners insurance and an indirect subsidiary of The Baldwin Group, the brand name for The Baldwin Insurance Group, Inc. (NASDAQ: BWIN) and its affiliates. Licensed in all 50 states, Westwood has served more than one million homeowners through relationships with leading U.S. homebuilders and top insurance companies. Westwood's unique platform facilitates seamless home closings by connecting builders, carriers, lenders and homebuyers with

click-to-bind technology. For more information, please visit [www.westwoodinsurance.com](http://www.westwoodinsurance.com).

## **ABOUT MSI**

MSI, the brand name for Millennial Specialty Insurance, LLC, is one of the largest independent managing general agencies (MGAs) in the United States and an indirect subsidiary of The Baldwin Group, the brand name for The Baldwin Insurance Group, Inc. (NASDAQ: BWIN) and its affiliates. Offering more than 20 insurance products and solutions across personal, commercial, and professional lines, MSI thrives on solving challenges, delivering responsive service, and providing an easy insurance experience to its distribution partners and more than 1.5 million customers. Combining deep underwriting expertise with (re)insurer risk capacity, MSI creates specialized insurance solutions that empower our distribution partners to meet customers' unique needs. MSI is committed to delivering exceptional service and rapid resolutions to customers throughout the policy lifecycle and to building insurance better. Founded in 2015, MSI joined The Baldwin Group in 2019. For more information, please visit [www.msimga.com](http://www.msimga.com).

## **ABOUT HIPPO**

Hippo is a technology-enabled insurance group that leverages Spinnaker, its hybrid fronting carrier, to diversify risk across both personal and commercial lines. Through the Hippo Homeowners Insurance Program, the company applies deep industry expertise and strong underwriting capabilities to deliver tailored, proactive coverage for homeowners. With a flexible portfolio and a disciplined risk management approach, Hippo is well-positioned to adapt to changing market conditions and capitalize on market cycles.

Hippo Holdings Inc. subsidiaries include Hippo Insurance Services, Spinnaker Insurance Company, Spinnaker Specialty Insurance Company, and Wingsail Insurance Company. Hippo Insurance Services is a licensed property casualty insurance agent with products underwritten by various affiliated and unaffiliated insurance companies. For more information, please visit <http://www.hippo.com>.

## **NON-GAAP FINANCIAL MEASURES AND NET LEVERAGE**

Adjusted EBITDA, adjusted diluted EPS and adjusted net income are not measures of financial performance under GAAP and should not be considered substitutes for GAAP measures, including net income (loss), diluted earnings (loss) per share or net income (loss) attributable to Baldwin, which we consider to be the most directly comparable GAAP measures. These Non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these non-GAAP financial measures in isolation or as substitutes for net income (loss), diluted earnings (loss) per share, or net income (loss) attributable to Baldwin or any other performance measures derived in accordance with GAAP. Other companies in our industry may define or calculate these non-GAAP financial measures differently than we do, and accordingly, these measures may not be comparable to similarly titled measures used by other companies.

Reconciliations of guidance regarding adjusted EBITDA and pro forma adjusted diluted EPS to the most directly comparable GAAP measures are not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the consolidated income statement data prepared in accordance with GAAP. The Baldwin Group is currently unable to predict with a reasonable degree of certainty the type and extent of items that would be expected to impact these GAAP financial measures for these periods. The unavailable information could have a significant impact on the non-GAAP measures.

We define adjusted EBITDA as net income (loss) before interest, taxes, depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, severance, and certain non-recurring items, including those related to raising capital. We believe that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

We define adjusted net income as net income (loss) attributable to Baldwin adjusted for depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, severance, and certain non-recurring costs that, in the opinion of management, significantly affect the period-over-period assessment of operating results, and the related tax effect of those adjustments. We believe that adjusted net income is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance.

Pro forma adjusted diluted EPS measures our per share earnings excluding certain expenses as discussed above for adjusted net income and assuming all shares of Class B common stock were exchanged for Class A common stock on a one-for-one basis. Pro forma adjusted diluted EPS is calculated as adjusted net income plus adjusted net income from Partnerships in the unowned period divided by adjusted diluted weighted-average shares outstanding. We believe adjusted diluted EPS is useful to investors because it enables them to better evaluate per share operating performance across reporting periods.

Net Leverage is defined as "Consolidated First Lien Debt to Consolidated EBITDA Ratio" in our Amended and Restated Credit Agreement, dated as of May 24, 2024 (as amended).

## **ADDITIONAL INFORMATION**

For more information about The Baldwin Group and the expected pro forma impact of the Partnership discussed in this press release, investors and interested parties can access the presentation titled, The Baldwin Group Presentation - June 12, 2025, available at <https://ir.baldwin.com/news-events/events-and-presentations>.

## **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This press release may contain various "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which represent The Baldwin Group's expectations or beliefs concerning future events. Forward-looking statements are statements other than historical facts and may include statements that address The Baldwin Group's future operating, financial or business performance or The Baldwin Group's strategies or expectations, including those about the Partnership and other transactions described above. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "potential," "outlook" or "continue," or the negative of these terms or other comparable terminology. Forward-looking statements are based on management's current expectations and beliefs and involve significant risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by these statements.

Factors that could cause actual results or performance to differ from the expectations expressed or implied in such forward-looking statements include, but are not limited to, those described under the caption “Risk Factors” in The Baldwin Group’s Annual Report on Form 10-K for the year ended December 31, 2024 and in The Baldwin Group’s other filings with the U.S. Securities and Exchange Commission (the “SEC”), which are available free of charge on the SEC’s website at: [www.sec.gov](http://www.sec.gov), including those risks and other factors relevant to The Baldwin Group’s completion and integration of the Partnership and other transactions described above, matters assessed in The Baldwin Group’s due diligence, the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreements, the risk that necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not anticipated, the risk that the Partnership and other transactions described above will not be consummated in a timely manner, risks related to the disruption of management time from ongoing business operations due to the Partnership and other transactions described above, and The Baldwin Group’s business, financial condition and results of operations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All forward-looking statements and all subsequent written and oral forward-looking statements attributable to The Baldwin Group or to persons acting on The Baldwin Group’s behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and The Baldwin Group does not undertake any obligation to update them in light of new information, future developments or otherwise, except as may be required under applicable law.

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