

Mystic Capital advises New Jersey-based Nottingham Insurance in the sale of its Auto Services Division (“ASD”), to NSM Insurance Brokers, a division of NSM Insurance Group.



July 1, 2023 – Hamilton Square, NJ

Overview of Transaction

- Based in Hamilton Square, NJ, ASD, a division of Nottingham Insurance, is a national retail insurance provider to the automotive industry. It is led by dynamic leader and producer Andrew Meinster, who built Nottingham’s Auto Services Division from the ground up.
- Nottingham engaged Mystic Capital to evaluate its strategic options, ultimately deciding to sell ASD to NSM Insurance Brokers, the retail division of NSM Insurance Group.
- NSM Insurance Group is a leading specialty insurance provider with over 30 years of experience. It offers niche programs globally in sectors like classic cars, pets, social services, and more – backed by the Carlyle Group.

Significance of Transaction

- As a regional, generalist broker, Nottingham’s ASD business grew too far outside its core. Thus, the sale to NSM optimally aligns with each business’ strengths, providing

ASD the infrastructure to power the next chapter of its growth and Nottingham the added flexibility to reinvest in its core lines.

- In ASD, NSM gains one of the nation's top specialty auto producers—a proven leader who grew his local book to national reach. NSM will leverage Andrew's marketing approach, white-glove customer service, and strong social media following to grow the firm's other niche focus areas.
- Given both parties' specialty expertise and complementary cultures, the transaction allows NSM to quickly capture synergies and provides immediate revenue arbitrage in commission rates and contingent income – further bolstering underwriting profit.

Mystic Capital Advisors' Role

- Nottingham enlisted Mystic Capital to explore optimal strategies for ASD. After evaluating several options together, they decided on divesting ASD to NSM.
- Having advised the management teams on both sides on previous deals, this transaction underscores Mystic Capital's deep specialty insurance domain expertise and our successful track record of generating highly favorable outcomes for multigenerational family-owned brokerages.