



Reducing The Risk of Unsecured Notes

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- ✓ Founder & CEO of Avid Realty Partners – 2015
- ✓ Active real estate investor for nearly 20 years.
- ✓ Portfolio includes more than 2,000 apartment units totaling over \$275M of acquisition value.
- ✓ Zero realized investor losses with a 33.0% IRR (weighted average) across six exited deals.
- ✓ Before founding Avid Realty Partners:
 - More than a decade as acclaimed semiconductor equity research analyst at Smith Barney Citigroup and FBR Capital Markets where he won multiple awards and was one of CNBC's go-to semiconductor market experts with over 75 TV appearances.
 - Began his career at Intel Corporate Finance group where he advised upper management, participated in the CPU monthly close and forecasting processes, and worked to maximize cash return.
 - Craig enjoys time with his wife Jessie, family and friends, exercise, yoga, dining in NYC's, cooking, live music, making music, traveling, scuba diving and occasionally playing golf.

WHAT IS AN INSURANCE CARRIER?

Also referred to as Insurance Provider or Company

Underwrites (provides and financially backs) insurance policies -- legal agreements offering financial protection or reimbursement to policyholders against various risks.

Think: Manufacturer of products you choose from on the shelves:

1. **Responsibility:** Claims, pricing, management of policies.
2. **Premium Collection:** Collects premiums required by policies.
3. **Policy Changes:** Initiates and approves any policy changes.





WHAT IS AN INSURANCE CARRIER?

Assess and manage risk, based on a multitude of factors:

- 1. Business profile**
- 2. Claim history**
- 3. Value and condition of the entity to be insured**

Based on risk assessment, carrier determines the premium – the price the policyholder must pay to keep the policy active.

The Insurance Carrier may reinsure some or most of its policy holdings to lessen risk to the carrier.

Executive Summary

Introduction

Opportunity Overview

- **Avid Insurance Company, LLC (“Avid” or the “Company”)** is a newly- formed multi-state specialty insurance company that provides commercial coverages with a niche market focus and target low volatility risk selection with selective distribution from multiple sources.
- Avid was formed to purchase **Compass Insurance Company (“Compass”)**, a New York domiciled insurer which is currently authorized to write property and casualty insurance lines in 22 states, and is operating in run-off. Compass is in the process of being re-branded and will soon be used for Avid to write business.
- The acquisition of Compass was a bargain purchase price of \$100,000, and the acquisition transaction was completed on December 29, 2023.
- Avid will initially secure business from a highly select group of MGAs that focus on General Liability, Professional Liability, Workers’ Compensation.
- Avid will capitalize its business with a \$10 million capital raise in Year 1 and an additional \$25 million capital raise in Years 2 or 3.

Avid’s longer term plan is as follows:

- **Write business profitability** to grow surplus and develop a track record of growing revenues, EBITDA, and profitability;
- **Develop a world-class technology stack** that leverages AI, back-office automation, and paperless-everything, enabling Avid to be *Tomorrow’s Carrier Today*.
 - **Avid aims to be the most efficiently run carrier anywhere**, thereby increasing the firm’s valuation multiples and attractiveness to institutional investors;
- **Use Avid’s expensive corporate** currency to consolidate other less expensive and less efficiently run carriers, as well as raise large amounts of growth capital;

Key Information

Year 1 Projected Gross Written Premium	\$23,000,000
Year 5 Projected Gross Written Premium	\$96,809,947
Year 5 Projected Net Income	\$25,690,279
Number of Program Partners	Minimum 5 at BOY 5
Headquarters	New York, NY
Current Employees	6
Primary Focus	Workers' Comp General Liability

INVESTMENT OPPORTUNITY

Avid is seeking to raise \$20 million to \$50 million to provide initial capitalization for risk-taking capacity in a rapidly growing program insurance market.

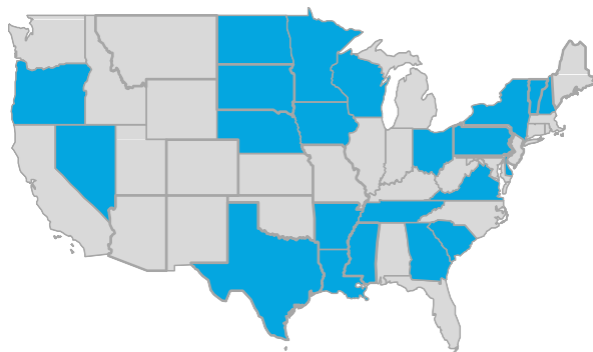
Avid Business Model Summary

Avid Business Plan

- The Company's strategy is to target niche underserved insurance markets and low volatility risk selection by sourcing business with a select group of quality MGAs / MGUs (a/k/a program partners).
- Avid's program partners will source business from their appointed sub-producers, who will administer or outsource claims handling or utilize Alan Gray LLC.
- Will initially utilize "A-" or higher A.M. Best rated fronting carriers but will also seek to underwrite less rating sensitive classes of business directly.
- Avid serves as a virtual company, working with industry leaders in their respective fields, including topflight Legal, Underwriting, Actuarial, Investment Management, and Custodian providers. Avid will focus on implementing processes around Decision Management, Provider Oversight & Optimization, and ultimately Risk Management.
- Avid will have at least two live programs at launch that are expected to generate the vast majority of its GPW in its first few years of operation, while seeking to add program partner diversification over time.

Location Details

- Through its acquisition of Compass, Avid has active licenses in the following 22 states:



Avid Corporate Details

Legal Name:	Avid Insurance Company, LLC
Current Domicile:	Delaware
Founding Date:	August 26 th , 2021
Ownership:	Avid Insurance Investors LLC (100%)
Post-Closing Key Regulator:	New York
Financial Strength Rating (FSR)	NR – AM Best; "A" - Demotech

Expected Strategic Relationships

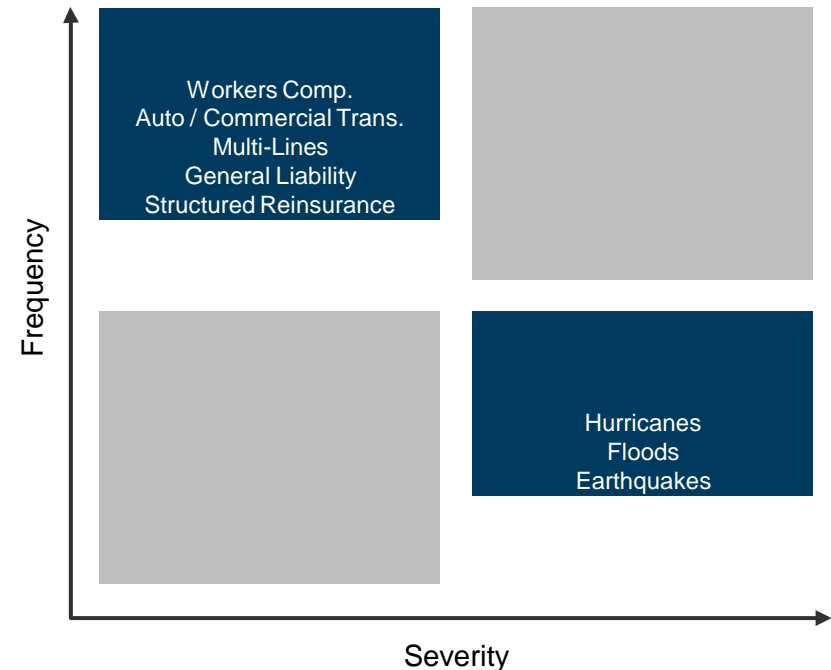
<u>Claims Administrator:</u>	<u>Investment Manager:</u>	<u>Insurance Manager</u>
		
<u>Actuary:</u>	<u>Auditor:</u>	<u>Legal:</u>
		

Avid's Strategy: Low Risk + High Predictability

Low Risk Insurance Strategy

- Avid Insurance Company will only underwrite risks that are highly predictable, frequent, and with low severity.
 - Will seek to avoid exposure to personal lines homeowners and will not underwrite property insurance in peak coastal areas with exposure to hurricane / flood catastrophe losses or earthquake exposed geographies
 - Business overall will be heavily weighted to commercial P&C program insurance business lines which general have more predictable risk profiles and reinsurance costs.
- The Company will require seasoned pools of data and established track records for its MGA program partners.
 - Will avoid doing business with InsureTech MGAs or start-ups with no operating history as a general practice.
 - Over time once it is established, Avid will seek to achieve alignment with its MGA program partners via sliding scale commission arrangements.
- Given its expected initial reliance on "A-" or higher A.M. Best carrier issuing capacity, Avid's programs under consideration will receive additional validation in terms of additional stages (or multiple) of underwriting by the fronting carrier prior to any risks being bound.
- Over time, Avid's in-force program portfolio is expected to comprise largely exposure to the following lines of business;
 - Professional Liability
 - Medical Malpractice
 - General Liability
 - Workers Comp.
 - Commercial Multi Peril
 - Commercial Auto

Frequency vs. Severity Profile



Compass Business Description – the “Legacy Carrier”

Avid plans to achieve issuing carrier and risk-taking capacity through its purchase of Compass Insurance Company and re-naming it under Avid’s brand.

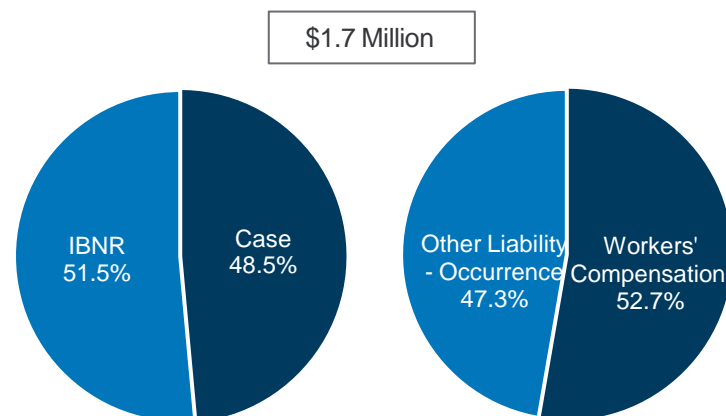
Business Overview

- **Compass Insurance Company** is a property casualty insurance carrier domiciled in New York with licenses in 22 states and has operated in run-off since the mid 1980s.
- Most assets are allocated to bonds (87.6%), of which all were investment grade and 91.4% were NAIC 1. Compass had approximately \$575 thousand in cash at year-end.
- Compass’s \$1.7 million of loss and LAE reserves are split between workers’ compensation and other liability lines.
- As of the most recent actuarial review, there were 12 claims open, of which all losses were incurred prior to the 1991 accident year and are being paid down at approximately \$10 thousand per quarter. Avid’s management expects to ultimately payout around \$1 million for these claims.

Compass Insurance Company At-a-Glance

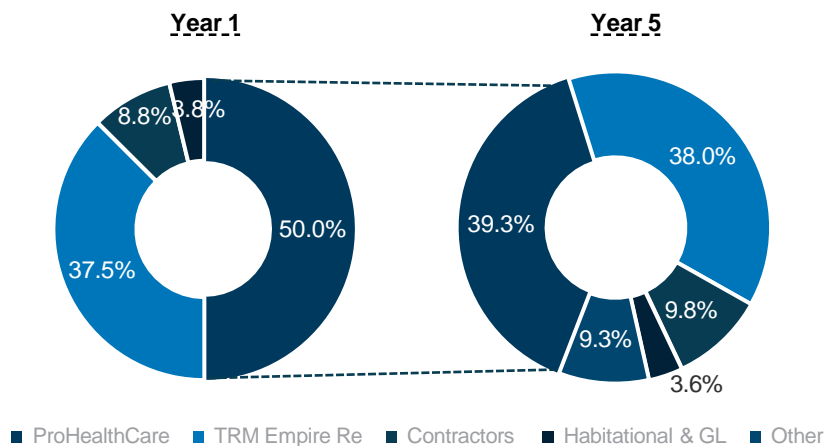
	2021	2022
Assets:	\$5.2M	\$4.8M
Loss and LAE Reserves:	\$2.1M	\$1.7M
Policyholder Surplus:	\$3.0M	\$2.9M
Net Income(Loss):	(\$143K)	\$74K
ROE:	(4.9%)	2.6%

2022 Loss & LAE Reserves

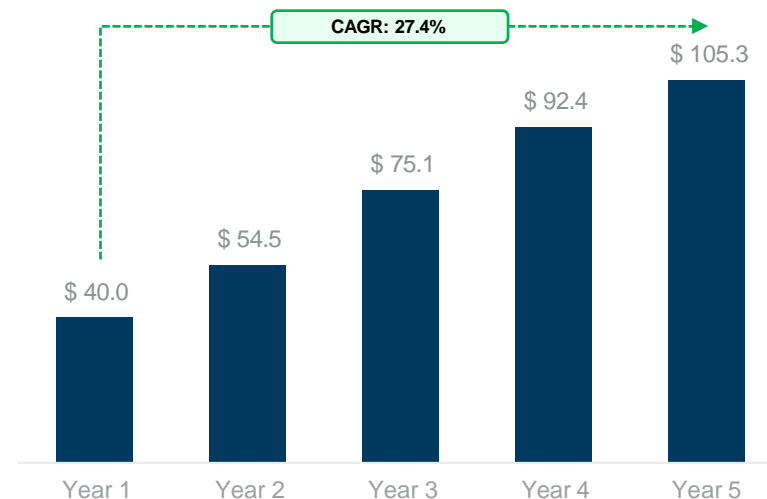


Financial Snapshot

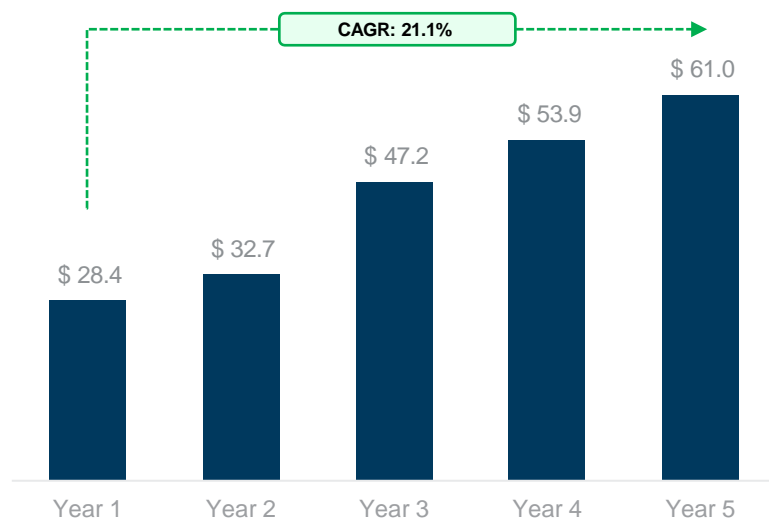
Projected Gross Written Premium by Program



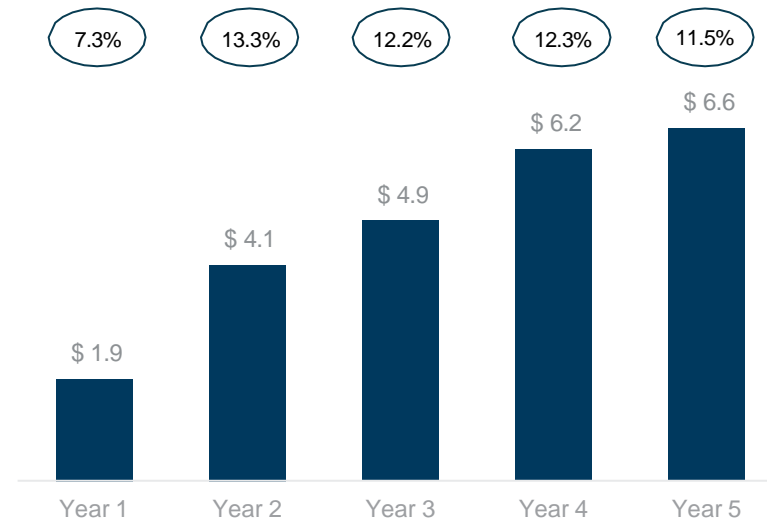
Projected Gross Written Premium (\$ in millions)



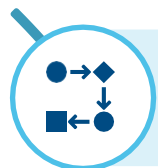
Projected Shareholders' Equity (\$ in millions)



Projected GAAP Net Income (\$ in millions) & ROE



Key Investment Considerations



Expedited Access to Underserved Program Insurance Markets Via a 22 State Licensed P&C Carrier

- Avid has recently acquired a licensed carrier, Compass Insurance Company.
- Since Compass is essentially being purchased as a shell, reorganization will take 60 days at most, providing quick access to the market.



Experienced and Driven Management and Corporate Governance Team

- Craig Berger, the Company's CEO, is highly qualified and has over 25 years of experience managing large firms. Craig holds designations as a Chartered Financial Analyst charterholder and a Certified Public Accountant.
- Board Member Charles Caronia, has an established nationwide network of MGAs, retail agents, and brokers who are excellent sources of property & casualty and workers' compensation business and will be the initial focus of the Company's marketing efforts.



Favorable Program Market Tailwinds and Hardening Rate Environment

- Avid will enter a market that has favorable growth fundamentals for the program insurance market.
- P&C premium rates continue to harden across multiple segments of the industry



Highly Virtual and Capital Efficient Business Model

- The Company will outsource much of the key business services such as legal, actuarial, claims, and investments, which will allow the Company to operate with a low initial headcount and minimal fixed G&A overhead.
- Expected to be able to write at an gross and net premium-to-surplus ratios of over 2x due to its initial NR status with A.M. Best.



Key Program Partners Already Lined Up with Substantial Premium Commitments

- Avid plans to reach \$100 million in annual gross written premium by year 5 (or faster), anchored by several key MGA Program Partners.
- Provides stable and diversified pool of P&C program premium that is expected to generate 10% - 20% underwriting margins.





Attractive Financial Profile


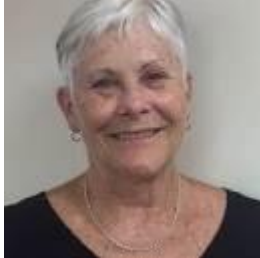
- Business expected to be profitable in Year 1 on a GAAP basis, with consolidated GAAP net income projected to top \$20M by Year 5.
- Projected to produce above average ROEs in the low double digits, reflecting favorable underwriting margin and operating leverage dynamics.

Key Personnel and Corporate Governance




Key Personnel

Name / Title	Experience	Background
	25+ Years	<p>Craig has been active in several ventures across Real Estate, Wall Street, and Corporate Finance over the past 25 years. Most recently, Craig founded Avid Realty Partners to deploy capital across Multifamily Apartment, Net Lease, Industrial and other real estate assets. Craig leads all property sourcing, underwriting, due diligence, fundraising, and oversees all asset management, operational oversight, renovations management, investors relations, taxes, compliance, reporting, and more. Avid Realty's portfolio has grown meaningfully, with over 2,000 apartments and hotel doors acquired with a market value in excess of \$275 million, and with a 33% IRR (weighted average) across it's exited deals. Prior to real estate, Craig spent more than a decade as a highly acclaimed equity research analyst at Smith Barney Citigroup and FBR Capital Markets. He serviced leading hedge and mutual fund clients, won multiple awards, and was one of CNBC's go-to semiconductor market experts with over 75 TV appearances. Before Wall Street, Craig worked at Intel Corp in the Microprocessor & Capital Spending finance groups where he assisted in monthly close, helped drive forecasting cycles, and worked to maximize cash return metrics. Here, Craig garnered industry perspective and learned how large firms are run.</p>
Craig Berger CEO/CFO		
	50+ Years	<p>Charles Caronia started his career in the insurance industry with Employers Insurance of Wausau as a workers compensation supervisor. In 1969 he entered the field of Physician Professional Liability Insurance Claims and Risk Management with the creation of Caronia Claim Service, which later became Caronia Corporation. In 1972, Caronia Corp expanded from New York to Florida, Texas, California and London. With 30 offices across the US and London, Caronia Corp became the largest third-party administrator for professional liability. Caronia also assisted Captives and Risk Retention Groups, structuring strong claims and risk management services. In 1995 Caronia Corp was sold to an BNP Paribas, Robertson Stephens, Heller Capital Group, who later sold the business to CAN, and ultimately to Sedgwick, who still uses the Caronia name today. Post the sale of Caronia Corp, Charles started Caronia & Associates, an international insurance consultancy addressing a variety of issues including insurance alternatives like Captives and Risk Retention Groups, acquisitions, run-off, and captive supervision.</p>
Charles Caronia Head of Insurance Operations		

Key Personnel

Name / Title	Experience	Background
	17+ Years	<p>Ms. Pease has been a practicing attorney for over 17 years and is licensed in New York and Florida. She has worked on numerous venture capital deals for both startup and established companies. She also has experience working as an in-house counsel to an environmental company, where she handled all aspects of a multimillion-dollar investment with a Fortune 500 company, as well as overseeing a partnership with one of the largest privately held agricultural companies in the United States. In addition, Ms. Pease has worked both in house and in law firms as a transactional attorney and has experience advising clients on a variety of legal issues and preparing and negotiating a wide range of contracts. Ms. Pease earned her Juris Doctorate from Fordham University School of Law in 2003, where she was on the Dean's List and was a member of the Fordham Intellectual Property Journal. She earned her Bachelor of Arts from Columbia University in 1999, where she was on the Dean's List and was a member of the Academic All-Ivy League for women's soccer.</p>
Kathryn Pease General Counsel		
	38+ Years	<p>Ms. Henson has been involved in the insurance industry for the past 38 years and all with Northwestern National Insurance Company and its subsidiary Compass Insurance Company. Patricia is currently an acting consultant to Compass, managing the day-to-day operations. She was previously the Chief Operating Officer for Northwestern National as well as Compass where she assumed the operational responsibility, implemented, and planned the transition to new ownership. The 20 years before that, Ms. Henson was the director and Manager of Security and Analysis for NNIC and Compass where she instrumental in commuting over \$63 million of liabilities, preparing all annual state reports, and managed over \$15 million in Standby Letters of Credit. Ms. Henson attended the University of Cincinnati.</p>
Patricia Henson Director of Operations		

Key Personnel

Name / Title	Experience	Background
 <p>Rory Wilfork Board of Directors</p>	<p>20+ Years</p>	<p>Rory Wilfork is Managing Director and Head of the Los Angeles office for SCS Financial, a \$30 billion Multi-family Office, accountable for revenue generation, client satisfaction, team management, and investment platform oversight as a member of the investment committee. Rory began his career at Goldman Sachs in 1997 after a brief stint in the NFL with the Arizona Cardinals. At Goldman Sachs, he led a trading desk with revenues in excess of \$400 million and approximately 20 employees. Rory and four of his colleagues from Goldman Sachs started a commodity trading business at Millennium Management, a \$40 billion Hedge Fund in New York. In 2011, Rory was tapped by Jon Corzine, the CEO of MF Global, to start and Co-Head a new proprietary investing business Rory earned a B.A. in Economics and Operations Research from Columbia University in 1997 where he was a 2-time captain of the football team and 3-time All-Ivy League Selection.</p>
 <p>Paul Roach Board of Directors</p>	<p>37+ Years</p>	<p>Paul is a licensed attorney in the State of Massachusetts. As Chief Operating Officer of Alan Gray LLC, Paul helps manage the firm, and is actively involved in all technical aspects of audit and allocation. Paul has extensive experience in various mass torts, as well as workers' compensation, pollution, environmental, and construction defect claims. Mr. Roach received his Juris Doctorate from Suffolk University Law School, his Master of Business Administration from Boston University Graduate School of Management, and his Bachelor of Arts from Providence College.</p>
 <p>Sujit Sahadevan Board of Directors</p>	<p>27+ Years</p>	<p>Sujit Sahadevan is the Chief Operating Officer and Chief Compliance Office of Regan Capital, an investment management firm with 500 M of AUM, with significant tenures at JP Morgan, Amaranth Advisors, Sandelman and others. Before joining Regan Capital, Sujit was Managing Director at Garrison Investment Group (4 Billion AUM) Prior to Garrison, Sujit served as COO for Mercer Park LP, and CFO of its predecessor firm Sandelman Partners, a multi strategy hedge fund that managed \$4 Billion. Prior to Sandelman Partners, Sujit worked at Amaranth Advisors, a Multi Strategy Hedge Fund with 9 Billion in assets.</p>

INVESTMENT OVERVIEW

- **Promissory note**
- **16.0% Current Pay – 5th of each month via ACH to noteholder’s designated bank account**
- **Accredited investors only**
- **Two to Five Year Term**
- **\$50K Minimum Investment**
- **Noteholders receive an annual 1099-INT in March**
- **Backed by Avid Insurance Company’s cash on hand and other assets**

HOW TO INVEST

Please contact us:

Jim McCarthy – Chief Operating Officer

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Cell: 630-667-5010