# Kinsale Capital Group Inc.

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|---|---|---|
| **Ticker:** KNSL (NYSE) | **Enterprise Value:** $10.17BN | **P/E Ratio:** 21.22 |
| **Last Close:** $398.19 | **FY 2026 EBITDA:** $643.6MN | **EV/TTM EBITDA:** 44.24x |
| **FY 2026 Revenue: $**2.0BN | **Shares Outstanding:** 23.26MN | **Market Capitalization:** 9.26BN |

**Business Overview**

Founded in 2009, Kinsale Capital Group Inc. is a Richmond-based parent holding company with two primary subsidiaries: Kinsale Insurance Company, which provides speciality insurance, and Kinsale Management Inc., which offers management services. Kinsale has the mission of providing speciality insurance for hard-to-place risks in the excess and surplus (E&S) lines market; this means that they offer niche insurance for high-risk or unique business that standard insurers will not cover, such as businesses in tree services or those with high-value property in fire-prone areas. Their business strategy revolves around signing with these niche businesses, particularly those with employee expertise, to promote long-term growth by underwriting profits. While in partnership with companies, Kinsale supports the building of the company by using its proprietary technology platform, 'Transit' which streamlines the entire insurance policy lifecycle and offers brokers with rapid turnaround times. Currently, Kinsale operates in all 50 states and Washington D.C..

**Industry Overview**

Kinsale Capital Group operates within the highly specialized and rapidly expanding U.S. excess & surplus (E&S) property and casualty insurance market, a segment of the broader $800B+ P&C industry. The E&S market, currently valued at over $80–90B, has grown at a 10–12% annual rate, significantly outpacing the admitted insurance market due to rising risk complexity, capacity constraints, and regulatory flexibility in non-admitted lines. Kinsale is uniquely positioned as one of the only pure-play, publicly traded E&S carriers, focusing on hard-to-place small and mid-sized commercial risks across construction, energy, professional liability, manufacturing, and other niche verticals. Rather than competing directly with large multi-line insurers, Kinsale targets business often declined by standard carriers, thereby capturing market share from both regional specialty insurers and national P&C underwriters. Within the specialty insurance landscape, Kinsale competes most directly with players such as Markel, RLI, James River, and W. R. Berkley, and less directly with large diversified insurers like Chubb, Travelers, AIG, and Liberty Mutual that maintain E&S divisions. Kinsale maintains a durable competitive advantage through its disciplined underwriting culture, proprietary technology platform, low-cost operating structure, and tight market segmentation strategy. Its focus on small-ticket, high-margin risks, combined with efficient scale and strong broker relationships, allows the company to deliver some of the lowest combined ratios in the industry as premium volume increases and expense leverage improves.

**Investment Thesis:** **1) Structural Market Tailwinds and Superior Underwriting ROI:** Kinsale Capital Group operates exclusively in the excess and surplus (E&S) lines market, one of the fastest-growing segments of U.S. commercial insurance, expanding at roughly 10–12% annually—well above the growth rate of the admitted P&C market. As industry capacity tightens and risk complexity rises, demand for E&S carriers capable of underwriting hard-to-place business continues to grow. Similar to how Sprouts capitalized on competitors exiting Florida, Kinsale has benefited from retrenchment among other specialty insurers, allowing it to enter niche classes with favorable pricing and reduced competition. This environment has enabled Kinsale to maintain exceptional underwriting performance, consistently posting combined ratios in the mid-70s and ROEs above 30%, placing it among the best-performing insurers in the market. **2) Expansion of High-Margin Specialty Lines and Enhanced Pricing**

**Power:** Kinsale's deliberate growth in higher-margin specialty segments—such as excess casualty, allied health, environmental, and construction—strengthens its pricing power and deepens its competitive advantage. These lines rely heavily on specialized underwriting expertise, granular data, and limited industry capacity, allowing Kinsale to command higher rates and deliver stronger profitability. Much like Sprouts uses private-label products to drive customer loyalty, Kinsale's consistent service quality and rapid quote turnaround have made it a preferred market for brokers seeking dependable partners for complex risks. This loyalty enhances renewal retention, improves rate adequacy, and drives long-term premium growth. The company's targeted expansion into these niche classes adds diversification, reduces earnings volatility, and positions Kinsale to sustain elevated underwriting margins over time.
**3) Technology-Driven Operating Efficiency and Scalable Cost Structure:** Kinsale's proprietary technology platform is a key differentiator in an industry still dominated by legacy systems and decentralized workflows. Unlike traditional carriers that rely on siloed underwriting teams and outdated infrastructure, Kinsale integrates submission processing, workflow management, pricing analytics, and claims data into a single system. This platform significantly increases underwriting productivity, reduces turnaround times, and supports more accurate risk selection. In the same way that Sprouts improved store-level profitability by shifting to smaller, more efficient store formats, Kinsale's digital infrastructure enables it to scale premium growth without proportionally increasing operating costs. As premium volume expands, the company benefits from expense leverage that drives down its expense ratio and strengthens underwriting profitability. With digital transformation becoming central to competitive success in insurance, Kinsale's early investment in technology positions it to widen its moat and compound book value at an attractive rate.

**Risks and Catalysts**

Potential risks associated with Kinsale stock include 1) a potential slowdown in E&S market growth if admitted carriers re-enter certain specialty niches and aggressively compete on price, which could pressure submission flow and rate adequacy, 2) the possibility of underwriting margin compression if loss-cost trends (social inflation, litigation severity, or catastrophic liability events) outpace Kinsale's pricing actions, raising concerns about whether the company can sustain its industry-leading combined ratios in the mid-70s (→ Kinsale maintains a disciplined small-ticket underwriting strategy, diversified risk portfolio, and rapid repricing ability that allow it to adjust rates more quickly than larger competitors), and 3) execution risk associated with rapid premium expansion, where scaling too quickly could strain underwriting resources or impair risk selection (→ Kinsale's proprietary technology platform, centralized underwriting model, and tight controls mitigate operational drift and maintain consistency even as submission volumes rise). Catalysts associated with Kinsale stock include 1) continued growth of the U.S. E&S market driven by capacity constraints, regulatory flexibility, and rising risk complexity, all of which expand Kinsale's addressable market, 2) further penetration into high-margin specialty lines—such as excess casualty, allied health, environmental, and construction—which deepen pricing power and support long-term ROE expansion, and 3) increased operating leverage from Kinsale's technology-enabled cost structure, where scale efficiencies are projected to drive down expense ratios and support faster book value compounding.

**Management**

Kinsale boasts a highly qualified management team consisting of Michael P. Kehoe (Chief Executive Officer & Chairman), Brian D. Haney (President & Chief Operating Officer), and Bryan P. Petrucelli (Executive Vice President & Chief Financial Officer). Michael Kehoe founded the company in 2009 and has served as CEO since then; his previous roles include CEO of James River Insurance Company and senior positions at Colony Insurance Company. Brian Haney brings deep actuarial, catastrophe and reinsurance modeling expertise — he served as Chief Actuary at James River and Colony prior to joining Kinsale. Petrucelli contributes financial discipline and audit experience, formerly working in audit at Ernst & Young and in finance at Travelers Insurance Company. Kinsale's leadership team's compensation is aligned with operational excellence and underwriting performance: management receives performance-based bonuses tied to key metrics like combined ratio, underwriting margins, and growth in premium volumes, which incentivize disciplined growth rather than simply scale.

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# Stock Selection Guide

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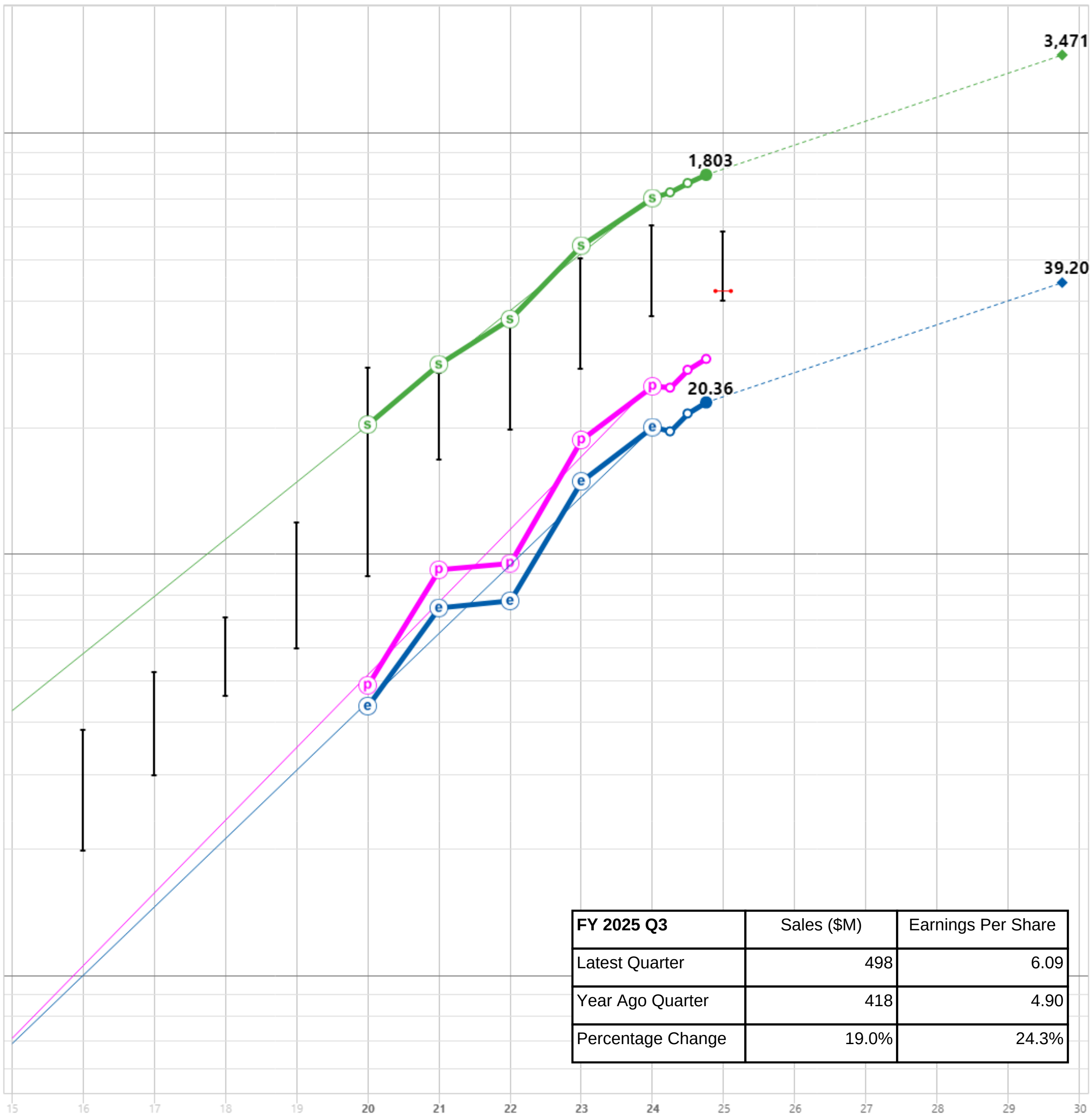
|---|---|---|---|---|---|
| Company | Kinsale Cap Gr | | | Date | 11/21/25 |
| Prepared by | ER | | | Data taken from | BI Stock Data |
| Where traded | NYS | | | Industry | Insurance - Property & Casualty |
| Capitalization --- Outstanding Amounts | | | | Reference | |
| Preferred ($M) | 0.0 | | | % Insiders | % Institution |
| Common (M Shares) | 23.3 | | | 2.6 | 69.3 |
| Debt ($M) | 199.3 | % to Tot Cap | 9.7 | % Pot Dil | 0.5 |

**Symbol: KNSL**

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price




| FY 2025 Q3 | Sales ($M) | Earnings Per Share |
|---|---|---|
| Latest Quarter | 498 | 6.09 |
| Year Ago Quarter | 418 | 4.90 |
| Percentage Change | 19.0% | 24.3% |

| | | | |
|---|---|---|---|
| (1) Historical Sales Growth | 36.7% | (3) Historical Earnings Per Share Growth | 45.4% |
| (2) Estimated Future Sales Growth | 14.0% | (4) Estimated Future Earnings Per Share Growth | 14.0% |

## 2 EVALUATING Management

**Kinsale Cap Gr**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Last 5 Year Avg. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| % Pre-tax Profit on Sales | 41.6% | 27.9% | 20.6% | 18.2% | 24.1% | 21.8% | 29.5% | 23.9% | 31.4% | 32.4% | 27.8% |
| % Earned on Equity | | 12.4% | 10.5% | 12.9% | 16.3% | 16.5% | 22.9% | 25.7% | 33.2% | 28.8% | 25.4% |
| % Debt To Capital | 20.7% | 0.0% | 0.0% | 0.0% | 4.0% | 6.9% | 5.8% | 20.8% | 14.5% | 11.0% | 11.8% |

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

**CURRENT PRICE** 384.90 (11/21/25) **52-WEEK HIGH** 531.79 **52-WEEK LOW** 363.14

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| **Year** | **Price** | | **Earnings** | **Price Earnings Ratio** | | **Dividend** | **% Payout** | **% High Yield** |
| | High | Low | Per Share | High A / C | Low B / C | Per Share | F / C * 100 | F / B * 100 |
| 2020 | 252.7 | 80.9 | 3.87 | 65.3 | 20.9 | 0.36 | 9.3 | 0.4 |
| 2021 | 245.2 | 153.1 | 6.62 | 37.0 | 23.1 | 0.44 | 6.6 | 0.3 |
| 2022 | 335.0 | 180.1 | 6.88 | 48.7 | 26.2 | 0.52 | 7.6 | 0.3 |
| 2023 | 457.7 | 250.9 | 13.22 | 34.6 | 19.0 | 0.56 | 4.2 | 0.2 |
| 2024 | 548.5 | 334.1 | 17.78 | 30.8 | 18.8 | 0.60 | 3.4 | 0.2 |
| **AVERAGE** | | **199.8** | | **34.2** | **20.3** | | **6.2** | |
| CURRENT/TTM | | | 20.36 | 26.1 | 17.8 | 0.68 | 3.3 | |
| **AVERAGE PRICE EARNINGS RATIO: 27.2** | | | | | **CURRENT PRICE EARNINGS RATIO: 18.9** | | | |

## 4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

**A HIGH PRICE - NEXT 5 YEARS**

Avg. High P/E 20.0 X Estimate High Earnings/Share 39.20 = Forecasted High Price $ 784.0

**B LOW PRICE - NEXT 5 YEARS**

(a) Avg. Low P/E 20.3 X Estimate Low Earnings/Share 20.36 = Forecasted Low Price $ 413.3

(b) Avg. Low Price of Last 5 Years 199.8

(c) Recent Market Low Price 250.9

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.68}{0.44\%} = 152.9$

Selected Forecasted Low Price $ 300.0

**C ZONING** using 25%-50%-25%

Forecasted High Price 784.0 Minus Forecasted Low Price 300.0 = 484.0 Range. 25% of Range 121.0

| | | | |
|---|---|---|---|
| Buy Zone | 300.0 | to | 421.0 |
| Hold Zone | 421.0 | to | 663.0 |
| Sell Zone | 663.0 | to | 784.0 |

Present Market Price of 384.90 is in the **BUY** Zone

**D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**

$\frac{\text{High Price}}{\text{Current Price}}$ $\frac{784.0}{384.90}$ $\frac{\text{Minus Current Price}}{\text{Minus Low Price}}$ $\frac{384.90}{300.0} = \frac{399.10}{84.90} = 4.7$ To 1

**E PRICE TARGET** **(Note: This shows the potential market price appreciation over the next five years in simple interest terms.)**

$\frac{\text{High Price}}{\text{Current Price}}$ $\frac{784.0}{384.90} = 2.0369 \times 100 = 203.69 - 100 = 103.7$ % Appreciation

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

**A** $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}}$ $\frac{0.68}{384.90} = 0.0018 = 0.2$ % Current Yield

**B AVERAGE YIELD - USING FORECAST HIGH P/E**

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{6.2\ \%}{20.00} = 0.3$ %

**AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{6.2\ \%}{20.15} = 0.3$ %

**C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**

| | |
|---|---|
| Annualized Appreciation | 15.3 % |
| Average Yield | 0.3 % |
| Annualized Rate of Return | 15.6 % |

**COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E**

| | |
|---|---|
| Annualized Appreciation | 15.5 % |
| Average Yield | 0.3 % |
| Annualized Rate of Return | 15.8 % |