

Patrick Kinney (00:01)

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Ryan Newman (00:41)

This is Dare to Disrupt, a podcast about Penn State alumni who are innovators, entrepreneurs, and leaders, and the stories behind their success.

I'm your host, Ryan Newman, and on the show today is Patrick Kinney. Patrick is the CEO of Keystone Agency Partners, the nation's first broker network. Keystone partners with top independent insurance agencies across the U.S. to unlock growth and help transform the industry. Prior to Keystone, Patrick spent 38 years with Travelers Insurance Company, including 15 years as Executive Vice President of Field Management. Patrick graduated from Penn State with a bachelor's in business logistics.

and received his MBA in finance from Rensselaer Polytechnic Institute. Patrick, thank you so much for joining us. I'm pleased to welcome you to Dare to Disrupt. And this is first for us. You are the first guest that's provided us with his own personal guiding principles ahead of the interview, so it should make for an interesting discussion.

Patrick Kinney (01:42)

Thank you. Really excited to be with you today.

Ryan Newman (01:44)

Patrick, if you don't mind, let's start at the beginning. Take our listeners back to your early formative years and how you got your start.

Patrick Kinney (01:51)

Yeah, so I was raised in inner city Philadelphia. My father was a disabled Philadelphia police officer. I went to St. Joe's Prep High School and eventually went on to Penn State.

Ryan Newman (02:02)

Can you talk about what it was like growing up in inner city of Philadelphia?

Patrick Kinney (02:05)

Yeah, Kensington is one of the toughest North Philadelphia, probably one of the toughest areas of Philadelphia that you can come out of. Very few, if any, of my friends went to college at all. And I was the first one on my family side to go to college and to graduate from college. Kensington is a place where the people are amazing, but it's a place you want to be from, not stay. And my parents' objective, my mother and my grandmother very much wanted to get me.

out of the neighborhood. thought I had some academic talent and they spent a lot of time and effort trying to get me to use it.

Ryan Newman (02:41)

~ And was this something that you welcomed? Were you enjoying school and wanted to spend more time on that? Or was this a little bit of a struggle in terms of resistance from you?

Patrick Kinney (02:50)

It was more of a struggle because one, I did not go to the local high school. Inner city Philly, as you know, it's the Catholic school or the public school. And back in the seventies, you know, you either went to one or the other. was supposed to go to North Catholic, but my grandmother felt that I had the potential to do better and signed me up to take the test to go to St. Joe's Prep. I was able to win a full academic scholarship to St. Joe's Prep, which

It's a phenomenal, it's phenomenal. However, I didn't fit in. So high school was St. Joe's Prep is an amazing education. It was not a great experience. By the time I got to senior year, I wasn't interested going to college at all and did not apply.

Ryan Newman (03:34)

And so while you're in high school, you're having this experience which doesn't really feel great. I assume everyone around you is telling you how great it is and yet it doesn't feel that way to you. How did you sort of get through that? And what was sort of the inner dialogue you were having around that time facing such a challenging experience?

Patrick Kinney (03:52)

After freshman year, I wanted to quit and basically told my mother I wanted to go to North Catholic and play football with my friends because standing out from the crowd was hard. But I actually had transferred at the end of freshman year, had registered to go to North Catholic and we were in Wildwood, New Jersey that summer. One of my friends at the time, Doug Portley, we were having a few beers, which you probably shouldn't at 14.

But that's kind of the place where I'm from. And he basically looked me in the eye and said, what are you doing? None of us can get in there. You did. Do you want to come down to be with us or do you want to do something we can't do? And for a 14 year old kid, it was probably one of the most moving statements ever. And I went back to my mom and said, okay, I can get through this. I would like to go back. I'd like to go to St. Joe's. I'd probably have an opportunity that most other people do not. So.

He got to me that night on the beach in Wildwood, New Jersey.

Ryan Newman (04:50)

What an amazing defining moment for you as you think about your experience. And so you continue on through St. Joe's Prep and you mentioned you didn't even want to go to college. And so did that view about not going to college persist even after high school? And how did you ultimately find your way to Penn State?

Patrick Kinney (05:07)

So kind of a unique story, but I graduated June 2nd, 1979. Went to Wildwood, New Jersey for the summer with no intention to go to college, hadn't applied, hadn't done anything. I had taken the SATs, but didn't put my heart and mind into it. Felt like I just was going through the motions. In the middle of August, 1979, my mother, my parents didn't own a car. My mother got my father to borrow a car and drive from inner city Philly to...

Wildwood, New Jersey showed up at where we were staying and said, you're going to college. I'm like, no, I'm not. never even applied for college. And she's like, well, I did. I filled out the application. I sent it in for Penn State and you got to accept it. And we need to get on a bus to go to Hazleton, Pennsylvania tonight so that you can do orientation in the morning. And I'm like, mom, I'm, I don't know why you did that, but I'm not going. We basically went round and around at this beach house.

on the steps and finally my mother said, you're not going to let me down. You have to do this. And she said, if I buy you a case of beer, will you get on the bus? And in 1979, I would have followed a case of beer anywhere. Uh, and I actually got on the bus to Hazleton, Pennsylvania, and she had rented me a room in an old people's home in Hazleton, Broad Street was \$25 for the month.

seven miles from the Hazelton campus. I moved there by bus. I didn't own anything. I went by bus with the Acme shopping bag, which was my luggage at the time. I had no idea where the school was. I went out in the morning. They said it's seven miles up the road. And the only way I got around in those days was hitchhiking. I didn't know how to drive. didn't have a driver's license. Put my thumb out and got picked up by a guy by the name of Ricky Beglinton. He drove me to school and said, where are you staying? I'm like, well.

I'm in this old people's home that my mother put me in and I'm not really happy about it. And he said, well, I've rented a house and I need a roommate. Would you like to go with me? And I'm like, sure. He said, well, let's go get your stuff. I'm like, I've got my stuff. can, we can start from here. uh, I met him, not hitchhiking on the side of the road in 1979. that's, that's how my Hazel, Hazelton career started during the orientation. had a gentleman who was a soccer coach.

At the time, Bill Lockwood was his name. He was really impressive and he said they'd take walk-ons that anybody would try. And I went out, walked on, and made the soccer team, which probably was the reason I ended up staying. Hazelton, Pennsylvania was not a great place to be in 1979.

Ryan Newman (07:45)

unbelievable. And so as you're having this experience and thinking about the fact that you've got your quote unquote luggage consisting of an acne bag and you're, you're in the literally in the middle of nowhere, right? I'm sure Hazelton, although it is very much somewhere, it feels like nowhere compared to coming from Kensington in Philadelphia. That initial experience that you had.

What was it that actually got you through those first couple of weeks? presume you stayed in Hazelton for at least a semester.

Patrick Kinney (08:15)

For two years, no, I stayed two years. I'm going to come back to Bill Lockwood in the soccer and sports kind of got me into it. He had a really good way of talking about what you can accomplish in your life. But I think if it wasn't for the soccer, I probably wouldn't have made it because I made a lot of friends and got connected and gave myself something that was hard to do, but a lot of fun. that connected me to, made me stay.

Ryan Newman (08:41)

So now you're in Hazelton, you're taking classes. How'd you find the course of study and how did you settle in on a major?

Patrick Kinney (08:47)

I don't want anyone at Penn State to take offense to this, but St. Joe's prep was a lot harder than freshman year at Penn State. I mean, I had to take seven courses each semester at St. Joe's and you had to take Latin, English, Spanish, geometry, you name it, we had it. Freshman year at Penn State, because I made the soccer team, I was only allowed to take nine credits. The courses that I took that first semester, I had already had them in high school and they were significantly easier.

And so I was able to do very well and I think I got a 4.0 in the first year as a freshman. It gets harder after freshman year, but there wasn't a class I had freshman year that I didn't already have at St. Joe's for that's when I also started to get a little bit of better appreciation for the training. They had given me the study habits, the process, the ability to do eight different courses at once that that clearly helped me when I got to Hazelton and State College.

Ryan Newman (09:44)

So you finished your two years at Hazelton and is the thought of going to University Park, is this feel like starting over? Are you excited about this? Are you apprehensive about this? What was your thought process?

Patrick Kinney (09:53)

After two years of Hazelton, I wanted out of Hazelton and I'm sure the Hazelton police wanted me out of Hazelton as well. I'm still dealing with a raging alcohol problem at that point, which I'm not going to get under control until I'm 29 years old. So I loved the idea of going to state college because the partying looked like it was going to be a lot more fun. Same situation, I hitchhiked to state college, rented a half a room from someone on Pew street and ended up making a bunch of friends there.

Same MO, hitchhiked, showed up.

Ryan Newman (10:26)

thinking about your major and what you want to do after college. What were those thoughts like in your mind at that time?

Patrick Kinney (10:31)

originally was going to be an accountant, or that's what I went for the first two years at Hazleton. The first semester, first week in state college, went to accounting 205, and I'm like, I don't want to be an accountant. I had this vision that I would be stuck in a cubicle adding up numbers for 50 years, which

is ultimately what I ended up doing on the insurance side, but it sure seemed like a bad idea in 1981. So I had taken a logistics course junior year.

And the teacher was incredible. He just passed on a couple of years ago. He just was inspiring. And I'm like, okay, I think I like the logistics major, but it was mainly because of the professor that I switched to that major. And then when I went for my master's, I got an MBA in finance.

Ryan Newman (11:15)

So going for the MBA, taking on more school and potentially more debt, how did you handle that from just a cost benefit analysis?

Patrick Kinney (11:22)

So I'm very fortunate because I did not come from great economic means. I went to Penn State in essence for free. They paid for everything. We had all the student loans paid off within four years, I think, my wife and I. The Masters was paid for by Travelers. I went at night when I started my Masters. We had no children. When I ended, we had two under the age of two and a half, but Travelers paid for the whole ride on the MBA.

Ryan Newman (11:48)

How did you think about the traveler's opportunity, accepting that job and taking that on?

Patrick Kinney (11:53)

I think Ryan, you're going to find that I didn't. Probably weren't a lot of pre-thought into some of these things. If you go back to 1983 and you look it up, unemployment is, I think interest rates are 18%. Unemployment rate is mid double digits. It's a really, really hard time to get a job. I interviewed with travelers on campus at no interest in insurance. I didn't want to do it, but I took the interview, didn't get the job.

Got a call from Travers June 29th, 1983 asking me if I could be in Hartford, Connecticut the next day. And if I could, they would interview me. They did not offer me any means to get there. I had no car. I still didn't know how to drive. I went over to see my father who's a disabled Philadelphia police officer at the time now working as a bartender. It was nine o'clock in the morning and I started telling my dad that I needed a plane ticket or some way to get to...

Hartford by the next day. And he said, well, hitchhike. I'm like, Dad, I'll never make it. It's 230 miles. I don't think I can do it. And sitting next to me listening to it was a family friend, Johnny Hughes, who was a local bookie. And he asked me how much money I needed. So I called US Air. I'd never been

on a plane, never been at the airport. They said \$280. He said he would loan me \$300. And if I paid it back by the following Thursday, I would only own \$350. I took the money.

Didn't have a choice. I went to the airport, took the first flight I'd ever taken. Didn't realize that Hartford was not a metropolitan area. There was no transportation from the airport to the hotel they put me in. was about a 13 mile hitchhiker walk. I ended up probably walking 80 % of it. I got to the hotel where Travelers had put me up and I ran into another problem. I have no ID. I have no credit card. I have no money. It's 1030 at night and they won't.

let me into the hotel. There's no cell phone or anything at that point where you could call somebody or text them. So it took me about a half an hour and I talked my way into the hotel with no ID, no credit card. They just said I couldn't eat anything or charge anything. I got up in the morning and I went around to the travelers and the HR lady said to me, I'm really surprised you're here. When I talked to you yesterday, I didn't know if you were going to make it. I'm like, no, I'm here. She started to explain to me that, just want you to know that

When you get home, within about two or three weeks, we'll reimburse you for your flight and send you your money. And I'm like, ~ no, that's not gonna work. We went around and around for about 10 minutes in this conference room, me trying to find a nice way to ask her to pay me before I left. Eventually I couldn't get her there, so I had to tell her. I said, ~ ma'am, when you called me yesterday, did it look like I had any money? And she said, no. I said, well, I borrowed the money from a bookie.

And if I don't pay him back by next Thursday, I own 350. I didn't have 300 to start and I clearly don't have 350. Pretty clear that the HR world had never experienced this happening to her. And the woman got up, walked out and left me in the conference room. I started looking around like any good kid from Kensington in the hood and tried to figure out what I could steal that was worth 300 bucks. I clearly wasn't getting the job.

She came back 10 minutes later and sometimes in your life, Providence, something steps in, rewards you for doing something that 99 % of the world wouldn't have tried. Guy comes in and it's a man with her. I thought he was security. I'd feel like, oh shit, they're going to throw me out. And his name was Bill Bannon. Luckily for me, Bill Bannon's from Alany. So he said to me, son, Jeanette has told me this crazy story that you borrowed the money from a bookie hitchhiked here in the airport. And I'm like, yep, that's correct. He said.

Where are you from? And I said, well, I'm from Philadelphia. I said, she's no, no, no, no. What part of Philly are you from? And I said, ~ well, I'm from, I'm from Seventh and Allegheny, the Kensington section. The guy looked there and said, yeah, kids not lying. He borrowed the money from the book.

pay him. so ~ luckily I get a guy from Philly who knows Kensington. And as the day went on and they would take me to interviews, it was pretty clear that the HR lady thought this was insane.

And so I kind of the whole time thinking I'm not, you know, there's no way they're hiring me. I've just really made them uncomfortable. And I went to lunch. The top person who ran all of business insurance did the interview. His name was Chuck Clark. He ends up being my mentor for over 30 years. Chuck was an out of the box thinker. And he asked me during the interview, why should I hire you? And I said, Mr. Clark, I don't know what you do. I don't know what insurance is. I don't know what an underwriter is. I don't really care.

I need a job, hire me and you'll never forget it." And he said, 25 years of doing this, no one's ever answered the question that way. And I said, well, did it work? And he said, we'll see. We ended up becoming great friends and my mentor for years. He told me a couple of years in that he had decided, unless I threw up on him at lunch, that he was hiring me. Cause he's like,

I've never had anybody solve the problem like that. You solve the problem, you got here. Our professional HR people didn't solve the problem. So I wanted to hire you. I went home the next day, I got a call from Travelers and they said, we'll hire you. My starting salary was \$13,500, which was more money than my father had ever made as a Philadelphia police officer. So I went over to the bar to tell my dad they offered me this job. The only caveat was I needed to be there in 48 hours.

Travelers repeated the same mistake. So I went to the old man and I said, dad, I got this job offer and he went down to the end of the bar and came back with a Budweiser and put it in front of me. And he said, son, you got two choices. either go on to Hartford, Connecticut, or you have no place to live. Which one are you picking? I picked going to Hartford, Connecticut. The next day hitchhiked to Hartford with no place to live, no money, no driver's license and my Acme shopping bag. I owned one suit.

spent the first two nights in the Trailways bus stop before Travers figured out that I didn't have a place to live. That's how my career at Travers started. People adopted me. The guys in the training class fed me. They loaned me money. They eventually taught me how to drive.

Ryan Newman (18:18)

amazing. And Patrick, what was your general disposition about accepting, you know, these offerings from other people, right? People talk about this idea of no one wants to be anybody else's charity case. Clearly you're speaking from a place of desperation. How did you just mentally get your arms

around that in terms of, you know, knowing you were in a position where you needed whatever else anyone could give you on the one hand, you know, on the other hand,

wanting to sort of offset that for whatever degree of pride or whatever the word might be that you would fill in there. Take us in your mindset at that time.

Patrick Kinney (18:52)

That's a great question. We have four children, my wife and I will be married 40 years this April. The kids will always ask me, dad, why did you do it? Why did you pitchhike to Hartford, Connecticut? Made me realize that they had no brand new reference. They've never wanted, they never needed it. I didn't have an option and maybe I wasn't thinking it through, but I had no other option. There were no jobs. Staying at home in an 800 square foot row home with my father and four kids was not a good idea after I got a college education.

Kensington was a phenomenal neighborhood, tough place, but the people were great and everybody helped each other. So it was not, I had always been able to get people to help me. So I don't ever feel like I felt like I was doing anything. I repaid everybody back. You know, maybe I should have, but I've never felt any shame about where I was and what I was going to do. I just felt someday this is not going to be who we are.

Ryan Newman (19:43)

Amazing. It reminds me of that saying, no choice, no problem. You really had very few choices at that time.

Patrick Kinney (19:48)

Yeah. And it's like, you look at the guiding principles, it all comes down to people. It all comes down to how you interact with them. It comes down to how you get them to join you in your mission. Look over my 40 years, someone always steps in and helps you, but you need to be wanting to help yourself. I'm still friends with these folks. I think they looked upon and said, man, this guy's got a lot of courage. I appreciate what you're doing. And they didn't look down on it. They looked at it like, wow, this is pretty interesting. This is.

hard to do and they respected it.

Ryan Newman (20:19)

So now you get into the traveler's experience. I'm sure you're using all this adversity as fuel, jet fuel, if you will, to propel you into your career. How do things start to go out of the gates and how do you

begin to distinguish yourself in the industry? And what are some of the biggest lessons you learned along the way?

Patrick Kinney (20:34)

I started originally, I was hired as a risk management information specialist, which today you would call data and analytics. And this is 1983. There are no personal computers at that point. There's no internet, there's no email. So we were trying to figure out how to capture data and information. I liked it almost immediately because it wasn't about taking a test. It was about how do you get people to come collectively solve a problem that it

It didn't matter where you came from. didn't matter what your financial situation was. If you could solve the problem and you could work with others, you could advance. First summer was brutal. Just by myself, no place to live. Finally rented a place to live with someone, no furniture. All by myself. I'd never been by myself before. Started drinking by myself, which I'd never done before. So the first year was brutal.

Only reason I make it for 40 years with Travelers is the next year I met Patricia. And that's what finally kind of got me to stay in Hartford, but I hated Hartford. But I immediately liked the job, the area, the ability to talk to people and influence people. You can't grow up where I grew up and not have the ability to read people really quickly and understand motivation and content and where they're coming from and why they're saying this and where they're coming from. the street sense.

It really helped me when we got to the business world because I could understand or see what was coming better than maybe most.

Ryan Newman (22:07)

You're in this career, you're advancing along, you end up staying at Travelers for quite a long time. Can you just, you know, there's such hard to really encapsulate such a long career in such a short set of soundbites, but can you talk about how you built your career, established yourself, and ultimately the leader that you became within the organization before we get to the next step of the journey, which is stepping out into something new?

Patrick Kinney (22:29)

Throughout my 38 years with Travelers, I had 14 different jobs. I think what college teaches you is how to learn. I built the career following what I liked the best, but also I was given a lot of opportunities to build new product and new things that became big successes for Travelers. So I just

followed where I thought I wanted to go. I never made a conscious decision to move jobs. They would move me. Would you like to try that? We'd like to put you in here or do this in your career.

You get to do most of the choosing up to a certain point. And then when you get to a certain level, they do the decisioning because the air gets thinner and thinner as you try to go higher. When I ended, was one of 15 executive vice presidents reporting directly to the chairman. What I found is that the broader you are when you are young, the broader you can be when you are older. And having all of that experience helped me as the job got more and more complicated as you went up. But I loved every moment of it.

And it wasn't an easy ride. Travelers goes broke in 89, 90. We eventually get bought by Jamie Diamond and Sandy Weil. Thousands of people got laid off. Whatever you thought you were, you had to change it. Over 65 years, the process of remaking yourself never stops. And then had to remake myself for whatever the opportunity is, the job, the place, at least 10 times. Cause each time you have a merger, each time something changes, you got to make the team again.

Travelers was just phenomenal to me. It always felt like they kind of adopted me. You got to go back to how I got there and that just felt like it was just family.

Ryan Newman (24:03)

In many ways, I suspect the adaptability that you exemplified as an executive really goes back to your roots in Kensington, needing to be not full of resources, but rather resourceful and responding to the environment.

Patrick Kinney (24:14)

And get along with people and figure things out.

Ryan Newman (24:17)

while we're speaking about all of your leadership and all of your time at Travelers, you did share with us ahead of the interview, 22 guiding principles that you've used. Can you talk about when you first put pen to paper on those principles? I assume many of those principles were things that were hardened and learned during your time at Travelers. So the inspiration for putting pen to paper on 22 guiding principles, as well as the role that they play in your own leadership and business. standpoint and potentially how that ties to your experience of travelers.

Patrick Kinney (24:48)

When I chose to retire in June of 2021, I was given a very unique opportunity. No non-chairman had ever addressed all 33,000 employees that retired. And I was given that opportunity to do that. And I wrote my speech and those 22 principles are in this speech. And I used a speech around Harry Chapin and all.

You find a lot of what Harry Chapin wrote in terms of the cats in the cradle or all the life's circle. But I used those guiding principles to talk to the organization about where we had been, what we had learned, and what I was personally thankful for. It was probably one of the coolest honors I've ever been given. That honor was given to me because I knew how to do what was in those guiding principles. I felt I should deliver a message that was comprehensive in who I was and what a great opportunity I'd had with travel.

Ryan Newman (25:43)

So Patrick, you now retire and now all of a sudden, most people at that point having had such an illustrious multi-decade career, rising to level over your reporting directly to the CEO, they would ride off into the sunset. You actually do something different. Can you talk through how you made that transition from the retirement from Travelers in 22 to now this new venture?

Patrick Kinney (26:04)

When I chose to retire, I had been sick for a number of years. I couldn't get better. I didn't like to job 2000%. If I don't like something 2000%, I start to think about I couldn't get healthy. My kids were on me, dad, you're 60. You don't need the money. What are we doing here? You can't get healthy. And so eventually I'm like, okay, maybe I step away. I'll get healthy. I don't have anything left to accomplish. I've done everything I wanted to in life. Or at least I thought I got better. They figured out what was wrong with me. got

About six months after retiring, I started getting feeling a lot better. And so was just enjoying retirement. My friend, David Bodker, who unfortunately passed away last year, would call me. He ran Keystone and he would call me and ask me for advice. We had been friends for over 30 years. He got into this relationship with Bain Capital to create this startup as a division of his company where they would buy agencies. It was not going well between him and Bain Capital. And he asked me if

If I wouldn't mind consulting for him a little bit and coming in and looking at the situation. I adore David. We've been great friends. I had seen a lot of this insurance industry has been consolidating for two and a half decades and my job, I knew everybody who sold to everybody because that was my job to manage all of distribution. I was intrigued by it. So I said, sure, I'll consult. They hired me.

He and Bane actually hired me together. I figured out pretty quickly, Ryan, that I didn't know how to consult.

I knew how to do, but I didn't know how to consult. You know, I knew how to play, but not write about the game. It became apparent to me that I was either going to get back in the game or go back to retirement. Anyway, Bane and Keystone came and asked me of May of 2023, if I would take the president's job, they had moved on for their CEO. At that point, I had done about 90 days of consulting and I felt committed. I also felt like.

I could do this going from the insurance side to the brokerage side is very unusual and to go to be successful in both is highly unusual. So I knew I was up against some really tough odds, but to your question of mindset, I didn't feel any of the pressure I felt with travelers. If I felt okay, it is what it is. I've got my family, I've got money. It's not that big a deal. So I went into it under in, in just a mindset of, okay, this could be fun.

It turned out to be an incredible ride. We took the company from \$225 million in revenue to 480, and within 25 months was able to sell it. We had talked to 26 PE firms, which is I'd never done, to get Warbird Pinkus to be our majority owner. And we were able to take a company that had no value and no employees in 2020 and sell it for \$2 billion 69.

million dollars in 2025. guess happenstance I get into it because of a friend. I felt like I could help solve the problems and align the company and get it where it needed to go. And we were able to accomplish that. So probably the coolest thing I've ever done. did lots of incredible stuff for travelers, but this was coming in knowing no one working out of your basement in a startup company, trying to align it, connect it, and then eventually sell it, which was I think one of the crowning achievements of my career.

Ryan Newman (29:31)

Amazing. So that age old saying overnight success, you know, 30, 40 years in the making really took hold here in terms of all your previous experience.

Patrick Kinney (29:39)

All the guiding principles and all the things that I'd learned in a situation where nobody knew what I was trying to do. They didn't know who you were. Could you build a team out of people who weren't, get them to collaborate, get them to work together, get them to be one team. It seemed like a pretty cool challenge.

Ryan Newman (29:57)

On this podcast, we talk about this notion of disruption. Can you talk about what Keystone basically was setting out to disrupt and how or what problem they were setting out to solve and how they went about solving in a way that was unique in the industry?

Patrick Kinney (30:09)

The insurance distribution side has been disrupted for the last decade and a half. The reason being is that you have large brokerage firms like Marsh and Aon and Gallagher who are corporate and self-sustaining. And then you had a huge amount of agencies that are family-owned businesses in local towns. You've got Seltzer in Orangeburg and you've got your Connick and Allen town. And these are family-owned businesses. These are businesses that we've purchased agencies that

Their agency started in 1858, before the Civil War. I mean, it's incredible. What was happening is that the people who owned these agencies were aging out. We were not getting a younger generation of people to come in to take the ownership position from them. Also, the agencies had gotten too valuable. In the prior way, agencies transferred hands because I was a producer and you were the owner and I started buying out your book, because it might've been worth two times revenue.

three times EBITDA. It went to five times revenue and it went to 15 times EBITDA. And so therefore the younger people couldn't buy them out. assets had become too valuable. And so how we went about disrupting the industry is getting people to partner together that didn't own each other to bring size to the marketplace so that the Keystone could compete with the Marshes and the As. And eventually the next disrupting move was to create the

ability for members to sell to us to monetize their lifetime asset. And we have purchased almost over 150 agencies to date since 2020, while keeping our original partnerships with our network and franchisee. But what we were disrupting was in essence, perpetuation was not there at the price that these assets were worth.

Ryan Newman (31:58)

And so when you think about pricing that and getting a sense for that, I assume it has, you have to have a lot of market instincts in terms of where the market needs to be and relying on your previous experience. So in what ways was your previous experience of travelers and all those years instrumentals to your success. And in what ways did you have to leave behind some of your old ways of thinking of how to do things in order to be successful in this new venture?

Patrick Kinney (32:24)

think what I was able to bring to it was one, I already knew how to work with a Bain or a board. You know, we've spoke to our board every quarter, had all the experience that you would expect you'd have at a DAL 30, one of the top 15 folks. I'd been in every kind of negotiation process you can imagine in that job, seen many, crises. I had also built multiple things at Traveler. So I knew how to bring teams together. So the ability to build teams was really important.

The other thing to recognize, this may sound overly simplistic, was to recognize this was not travelers. I think one of the most dangerous phrases in business and maybe in life is that is like. No, it's not like that. It's not like travelers. It's it. It's Keystone. And so the first thing I had to get in my head said is, buddy, we don't, there's no corporate jet here.

No one's going out and getting my diet dues. This is just me. There's no car going to be waiting for me when I get off the plane. This is you're in your basement. You're on your own. You have to get all these people to work with you. so almost everything you learn from a big company, I had to forget because now it was, had to hook up my own printer. had to figure everything else out. It was not five people to help me do it or would, who would pick up the phone on my call. So.

What helped me the most was making sure I knew it wasn't Travelers. I didn't hire anybody from Travelers. I would see people take new jobs. And I think I find them make the same mistake all the time. They bring their posse with them. I've learned about management and I think like parenting, the hardest part about both is understanding it's not about me. Making me comfortable was not going to make Keystone successful. I had to become comfortable in the environment I was in.

I've never hired a traveler's person.

Ryan Newman (34:18)

And amazingly, in many ways, it was a full circle moment for you in terms of being at Keystone because it was the resourcefulness that you learned in Kensington that ultimately allowed you to be successful at Keystone, very different than what you ultimately rose to at Travelers. Is that fair?

Patrick Kinney (34:33)

Yeah, in some ways I felt like I was back on that corner again and there were multiple times like, why did I choose to do this? don't know some of these folks, what am I doing? But I also was intrigued by it, could you do it? I loved the assets, I loved the people, I thought it was a great business, it just needed to be arranged and aligned a little bit differently than it had been up front.

Ryan Newman (34:56)

We're now going to enter a rapid fire segment of the show, Patrick. So what will happen is I'll ask you a few questions and you'll just tell me the first thing that comes to your mind in a sentence or less. Does that make sense? Yes, sir. Okay, great. What is your favorite thing about Penn State?

Patrick Kinney (35:09)

My favorite thing about Penn State was actually the campus. I just thought it was beautiful. And second was the Penn State football team that I'm a rabid fan of.

Ryan Newman (35:18)

What's the best advice you've ever received?

Patrick Kinney (35:20)

The best advice I ever received was understanding that solving problems is not about me, it's about the people in the problem and not about myself. My favorite subject in school is history and I still am an adamant reader of history. I think my superpower as a leader is the ability to relate to everyone and for them to feel that I'm at the same level they are. I don't.

Ryan Newman (35:29)

What's your favorite subject in school?

your superpower as a leader.

Patrick Kinney (35:47)

treat anybody any differently. I don't care what you do. I don't care who you love. I don't care where you come from. People accepted me and so I do not judge people and I think that's been a superpower.

Ryan Newman (35:58)

What's one myth about the insurance industry that you think needs to be debunked?

Patrick Kinney (36:02)

The myth about the insurance industry that I would debunk is that it's boring. It is not boring in any way, or form. We touch every industry there is. You have to learn all about them to ensure them. So the concept that insurance is boring is just wrong.

Ryan Newman (36:17)

your favorite way to unwind after a long day.

Patrick Kinney (36:20)

My favorite way to unwind after a long day is if it's really late, I'm probably watching stupid shows on the history channel, like ancient aliens and stuff where I can just take my mind and my wife will make fun of me. I'm like, honey, I'm not watching it. I'm just at the moment not thinking. What disruption means to me is the ability to understand, anticipate, and manage change. Disruption is an interesting term for it. To me, it's change. It's change in its crisis.

Ryan Newman (36:35)

What does disruption mean to you?

Patrick Kinney (36:49)

If you're the leader and you can't see it and you don't know what to do with it, you can't be the leader. But if you fight change, I don't know, in 65 years, Ryan, I haven't seen change lose. usually wins. So I come at it with the concept of understand it, figure out how to manage it and don't fight it.

Ryan Newman (37:07)

Thank you, Patrick, for taking time today to share your entrepreneurial journey with me. Now I'd like to hand things over to our current Penn State student, Arnav Agarwal. Arnav is a freshman at Penn State in the BS MD accelerated medicine program. He has been passionate about entrepreneurship from a young age, founding Care for All, a nonprofit that mobilizes doctors across India to deliver free healthcare to underserved communities. During high school, he also launched Lending Library, a B2B platform now deployed nationwide.

coordinating book exchanges within gated communities across India. More recently at Penn State with mentorship from Happy Valley LaunchBox, Arnav is developing Campus Cabs, a student-run mobility solution aiming to provide safer, more affordable campus transportation. Arnav, I'll now hand the interview over to you.

Arnav Aggarwal (37:56)

Thank you so much for that introduction, Mr. Newman. And I wanted to start off by saying it's privilege to be able to speak to you Mr. Kinsey. I'm already in awe listening to the incredible journey you've been through, especially your hitchhiking to Connecticut for your life changing interview with Traveler. So you've transitioned from leadership roles at Travelers to now serving as CEO at

Keystone and agency partners, where you've led the organization through strategic roles and major partnerships. Earlier during the podcast, you mentioned there were 22 principles that have your decision making and guided you through such different stages of your career. Could you share some of them with us and how the youth can adopt a similar strategic mindset when starting something from scratch and making tough decisions?

Patrick Kinney (38:37)

Well, first of all, thank you and congratulations on everything you've done with your life so far. You're a very impressive young man. Thank you so for everything you accomplished and it's clear you're going to go far in this world. So keep it up and keep giving back. Cause I've always found the more you give back, the more you get. If I look at some of the, of the guiding principles that drive me the most is one, understand that you must understand people first as who they are.

Who they love, where they come from, what's their race, what's their agenda, what motivates them. You need to understand because you're going to spend more time with that person at work than you do with your spouse or your family over time. So I think you first, you start there. Second, and these will encompass a lot of the guiding principles. No matter what, everything comes down to what you do. How you take feedback, how you develop, how you change.

how you interact with people, how you are successful, how you take failure. And so if you look at the guiding principle, there is much about your own self-management. Love what you do, show up every day, but understand the only person that's the captain of your ship is you. And you want to be a person that things happen because of, not someone that things happen to. And I can already see with you what you're doing.

You are making things happen and where I came from. One of the things that I always felt is that it's easy to blame where you started. It's easy to blame multiple other people for why you didn't succeed. But nine times out of 10, you have to look at your own mirror and say, okay, what was my role in this? Cause I am the captain of this ship. And if I, if I don't get anybody else in that boat, it's cause the captain didn't do it. Not because they might not have wanted to be in my boat. So.

And then in the end, have fun. Enjoy it. There's way too much stress in the world. Have fun at what you do. You're going to be a doctor. You'll be saving people's lives. I'm doing insurance. Nobody dies from insurance. mean, it does, you know, we're not saving lives. So I look at it like, have fun.

Arnav Aggarwal (40:50)

Thank you so much for those kind words Mr. Kinian. I actually love what you said about getting to know people. My mom always says that the number one skill you can have is people skills. So I really resonate with what you just said.

Patrick Kinney (41:02)

There's nothing in this world you do by yourself. You cannot accomplish anything in this world by yourself.

Arnav Aggarwal (41:07)

Exactly. So as Mr. Newman previously stated, I'm working on an idea right now to provide students in college towns with campus cabs that are cheaper and faster than Uber or Lyft. And we're aiming to do this by using an SAAAS model where drivers pay membership fee to be able to drive on our app, and then they keep 90 to 100 % of that fare. And I wanted to ask you, with your background across travelers and Keystone agency partners,

What types of insurance or liability structures would a campus ride share model need to consider? And which of those risks do you think would be the hardest for an early stage founder to really navigate?

Patrick Kinney (41:47)

We actually insured one of the, we did the self-insurance and the claim for one of the ride share apps. Biggest operation you're going to run into is forget how you get paid, forget how you get people. That's kind of, that is your, that's not what insurance is worried about. It's the driving. You don't, it's still an automobile risk. Someone is still in a car with someone that's being a passenger. You still have the risk of car accidents, drunk driving. You have the risk that the person.

isn't properly licensed, you have so many liability risks. But to me, the risk around ride sharing, and talk about the risk around the business model, but the insurance risk is all going to be about whether or not you can get insurance for that person driving that car. Because as the insurance company, I have no idea. Think about it, if I'm going to write your personal automobile insurance, I get to underwrite before I give it to them.

You're bringing on riders faster than we could figure them out. We don't know the vehicle you're in, the process. So I think your biggest challenge will be liability insurance for the cars and people in the cars.

Arnav Aggarwal (42:54)

Do you think that we'd face, because you brought up like ensuring the person that's actually driving the car, do you think it'd be more of an issue to ensure the actual driver or the passenger that's seated in the car?

Patrick Kinney (43:05)

Well, if you, if you have the car, you have everybody that's in it, the driver and the people who are the passengers. So you can't separate the passenger from the driver. As if you, if you have a car today and you take two of your buddies in the car and you get in a car accident and one of them breaks their arm, the policy is responsible for that. So you can't separate the two of them.

Arnav Aggarwal (43:26)

Okay, yeah, that makes sense.

Patrick Kinney (43:28)

What you're underwriting, what you're trying to understand is the driver because that's the risk point and the car they're driving. How old is it? Is it maintained? Do they got bad tires? And all of that increases the probability of a loss.

Arnav Aggarwal (43:41)

That's a great point, especially the car's condition. That's something that we do need to look into with much greater detail. So thank you for bringing that up. So Keystone has grown through partnerships, integrations, and aligning incentives across very different agencies. And moving back to as a student founder, building something like CampusCab, where the model only works, as you said, if drivers, riders, and institutions all benefit. What's your advice on aligning these different stakeholders during a pilot phase?

proving a concept in a way that attracts long-term partners in the future.

Patrick Kinney (44:13)

I think the first thing would be lining up the economics to know how they're going to work, right? You're up against an Uber and a Lyft who have got lots of experience knowing what this really costs, what it really costs to provide this service. You can assume that their rates are inflated. When you try to build it out, you take the cost of the gas and the insurance and everything you had to do. I don't know what that margin might be. So I would have a really worked out.

economic model to make sure I know that I can actually do what I'm saying, which is provided at a lower cost. That would be the thing I would be focusing on. Can I actually deliver it as a shareholder, as a potential buyer of you later? It's going to be about, you grow revenue? Did you do it effectively? And do you have a differentiated point in pricing or process that makes me want to use

Arnav Aggarwal (45:03)

That makes sense. was actually talking to someone else a week ago and he was also founder and CEO and he was saying that there's something very similar to what you were saying about the economics and that to enter any industry and become an expert, the first thing is getting your hands dirty with the money flow in and out of the industry.

Patrick Kinney (45:19)

Don't know where the money goes or how it goes. You won't be successful and you won't be able to get people to invest in you because, you know, I shared with Ryan, we had, spoke with 26 private equity firms when we got down to Warburg and a couple buying us. We are thinking about it. The due diligence process went on for 90 days. We had to answer every question and every level of where every dollar comes from and where every dollar will come from later and where every cost comes from. so.

As the owner, you will need to know the numbers and the process. And only other advice I would give you, which is in the guiding principles is know what you're really good at, but more importantly, know what you're not good at and then find the people who are and hire them. Never hire anybody like yourself, but hire the people that complete you. Always support them. Hire the best people.

Arnav Aggarwal (46:14)

great advice and thank you so much for that. I've actually grown up playing sports and soccer just like you were saying before. So I really bring sports into that as well. if I'm a left back then having a right wing or a different position doing what I'm not good at, that's something that I mean coaches always thought of going out playing both soccer and basketball. So that's I try to take into this as well. So thank you very much for that. So you mentioned your MBA earlier on slightly and I wanted to touch upon that actually.

As someone who is considering an MBA in the future along with my medical degree, I'm curious, looking back, did you feel that your MBA did play a significant role in your success, both the travelers and Keystone? And what were your biggest learnings and takeaways from your MBA?

Patrick Kinney (46:58)

I could be a little unique in this situation. I probably got more out of my masters because I was able to apply it to the job and problems I was trying to solve with Travers and use that to help me design a product called Trab Comp, which is still with Travers. We rolled it out in 2000. It's a product that when I retired it said made the company over \$5 billion. And I came up with that while I was doing my masters. I was in a much more mature spot at that.

I was more about focused on what am I getting out of this education as opposed to not. It allowed me to think in a safe place, learn new skills, and just become more confident as a leader. You know, was hard. I did it at night. It took five years to do it because it was one class at night with, you know, a couple of kids in tow. So, but it definitely helped me mature.

Arnav Aggarwal (47:50)

It's amazing to hear how you time manage during the day, dealing with all your other stuff, and then at night, every night, staying committed to completing your MBA. I mean, that's really inspiring because that's someone who's trying to do an MBA as well. That time management is something I'm really going to have to master. So it's inspiring to hear that someone else had to really do it to that level as well. I wanted to ask, being a freshman in college right now, if you could go back to when you were a freshman.

What advice would you give your younger self to be where you are today? And not just about career choices, but about how you think, take risks, and prepare for the kind of leadership role you're sitting in today.

Patrick Kinney (48:27)

what I would tell my younger self is not to be so insecure. Insecurity is what drove me my whole life. You will fail, you'll feel not getting this done, fear of not living up to my parents' expectations. And I think at times it crippled me because you're just constantly thinking about it. I think the first thing I would tell myself is be more, more secure. Now, I also know that, and I believe this to my heart, if any successful person tells you they're not insecure, they're lying to you because

It's just what life is. But if I could have controlled it a little better, would have, you know, probably would have not led to anxiety drinking and all the other things that happen out of it. So liking myself and being sure of myself would be the best advice I'd give anybody at any age.

Arnav Aggarwal (49:13)

that's very relevant to today's generation as well. I can speak for myself and I'm sure for all of the youth that insecurity is something that drives us and especially with social media becoming more

more rampant day by day, insecurities and just being envious of somebody else and how they're living life is something that really plays in our mind on a day-to-day basis. it's good to hear that. So if you don't mind me asking, how did you get over that insecurity and becoming more secure and confident in yourself?

Patrick Kinney (49:42)

know if I ever did. I got better at it. I do think that financial success, success with the family, made me get a little less insecure as I got older. I think the fact that I was less insecure helped me do the Keystone deal because I came into this thinking, hey, I am good at what I do. Let's not start with thinking we're not. And because I had succeeded at something else and I had enough bank that it didn't matter which way it went, I think I actually went in and said,

I like myself. like my strategies. I'm not going to question. We'll stay with it. A different stage of life. It's really hard to be secure at 22 years old.

Arnav Aggarwal (50:17)

That makes sense. And thank you so much for being honest and that really resonates with me as well. So thank you so much for that your time and your thoughtful answers again, Mr. Kinney. And once again, thank you so much, Mr. Newman, for making this platform possible. It's been a privilege to be on and thank you so much again, Mr. Kinney, for your time. Thank you.

Patrick Kinney (50:35)

Thank you. Good luck, my friend. Call me if you need an investor.

Ryan Newman (50:38)

That was Patrick Kenney, CEO of Keystone Agency Partners.

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