

BEST'S REVIEW® ISSUES & ANSWERS: PROGRAMS & WHOLESALE BUSINESS

A look at today's expanding range of specialized program insurance offerings and distribution channels.



Interviewed Inside:



Bryan Sanders
Market US Insurance
WSIA

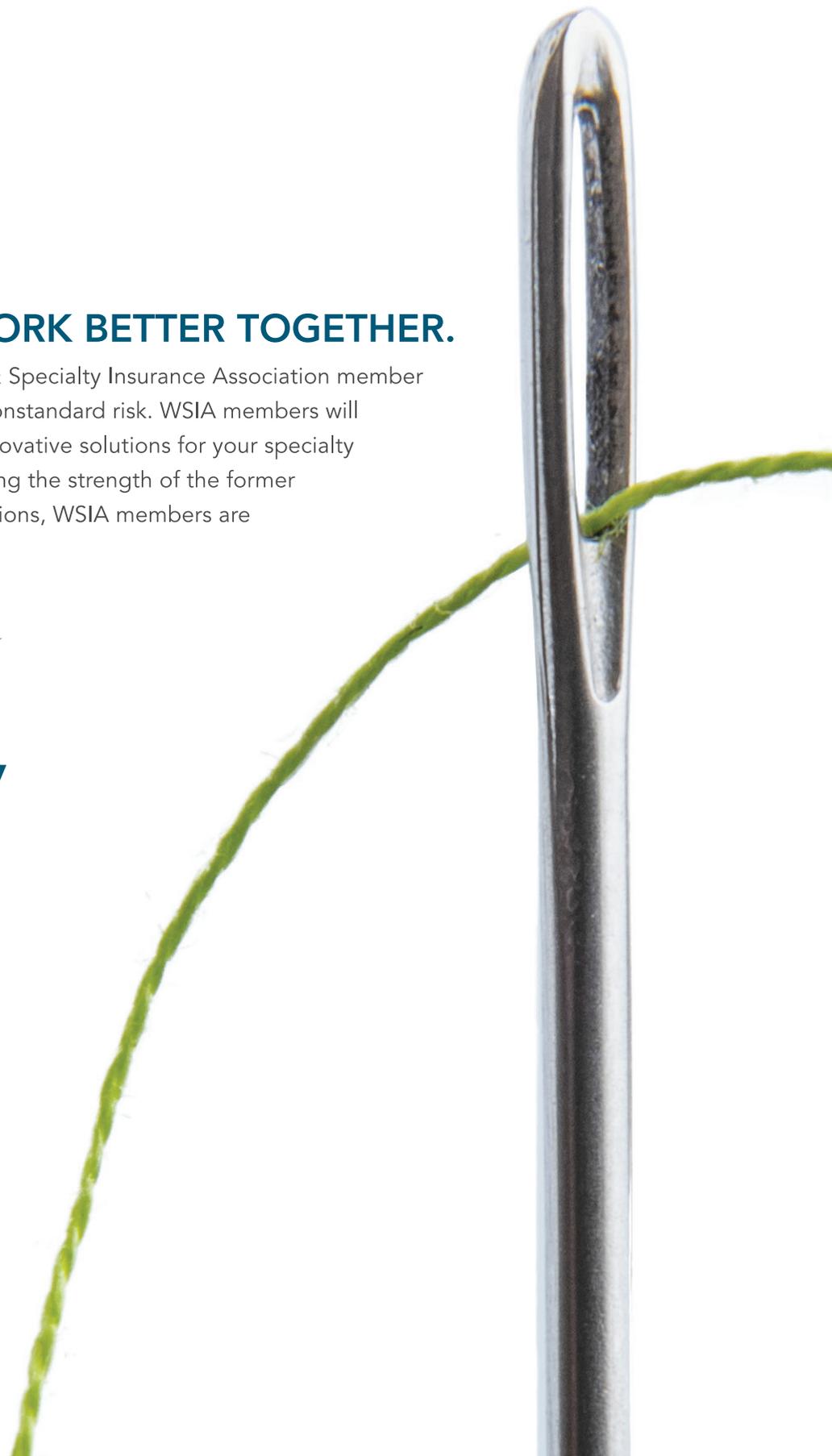
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Wholesale Growth

Bryan Sanders, WSIA president, said the surplus lines market has more than doubled in size during the last 20 years. “I think this demonstrates that the market serves a critical role in the insurance industry and overall economy,” he said. The following are excerpts of an interview.

How is WSIA serving the needs of program managers?

WSIA is the only trade association that serves the entirety of the wholesale, specialty and surplus lines insurance industry, with domestic and international wholesalers, wholesale-dedicated insurance markets and service-provider members comprising the U.S. wholesale insurance distribution system. Recognizing the importance of program specialists in the market, WSIA now offers dedicated business networking opportunities for program specialists at the Annual Marketplace and Underwriting Summit, to provide program specialists and program administrators open access to program carriers at these events.

What value does the wholesale distribution system bring to a transaction for an emerging risk?

The wholesale distribution system brings value to both retail agents and insurance consumers. WSIA members are technical experts who specialize in creating innovative coverage for complex risks. Retail agents can trust WSIA-member wholesalers to help them gain access to markets, coverages and options they might not be able to find in the standard market. A wholesaler’s expertise can help agents tailor an option for their insured. It’s also important for agents and insureds to know that there is never a cost associated with seeking a wholesale quote, so it’s risk-free. A 2016 Conning Inc. analysis concluded that wholesale distribution does not increase the cost of the transaction to the insured, which makes consulting a wholesale expert a common-sense approach for insurance buyers.

What is the outlook for the wholesale market and WSIA members?

The wholesale, specialty and surplus lines segment continues to perform very strong. The market is at a record level of surplus lines premium, and surplus lines carriers continue to maintain a higher proportion of secure financial ratings than the overall property/casualty market. Best’s Special Report, 2019, *U.S. Surplus Lines – Segment*



- A nonprofit association of insurance professionals and specialty market leaders dedicated to the wholesale distribution system.
- Serves more than 725 member firms representing approximately 1,700 offices and tens of thousands of industry professionals.
- Provides world-class member services including networking, education, talent development, legislative advocacy and promotion of the value of wholesale distribution.

Bryan Sanders

WSIA President
President, Markel US Insurance



“We continue to see the strong economy, increasing demand for solutions to emerging risks and product innovation as key drivers of growth.”

Review, found growth of 11.2% in surplus lines direct written premium in 2018, with surplus lines premium totaling a record \$49.9 billion. A recent report from the 15 states with surplus lines stamping offices also indicates that premium is continuing to grow, as is the number of filings with those stamping offices. Total surplus lines premium reported to those states in 2019 was \$37.5 billion, which is a 19.3% increase over 2018, representing remarkable growth.

