As insurers become increasingly focused on analytics, metrics and internal reporting, roles for auditors and actuaries are expanding. Actuarial and auditing firms share their insights into how they are helping insurers and reinsurers understand and use the expanding wealth of data and financial information. Insurers, MGAs, wholesalers and program managers discuss their approach to competing in one of the fastest-growing and most dynamic areas of insurance.

Interviewed Inside:

Bryan Sanders
Markel US Insurance
WSIA

A look at today’s expanding range of specialized program insurance offerings and distribution channels.
SOME THINGS WORK BETTER TOGETHER.

Like working with a Wholesale & Specialty Insurance Association member to find a custom solution to a nonstandard risk. WSIA members will help you craft cost-effective, innovative solutions for your specialty and nonstandard risks. Combining the strength of the former AAMGA and NAPSLO organizations, WSIA members are your source for expert solutions.

WSiA

find WSIA members at wsia.org
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 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.