

PRODUCERS ON WHOLESALE PARTNERS

IBA unveils producers' picks for the specialty wholesale distribution brokers and MGAs that stand out above the rest

THE WHOLESALE insurance market in the US has experienced great growth in recent years, and continues to be a cornerstone of the industry. Statistics produced by the 14 state stamping offices around the nation indicated a strong wholesale market last year, reporting a premium growth of 3.3% from 2015 to 2016.

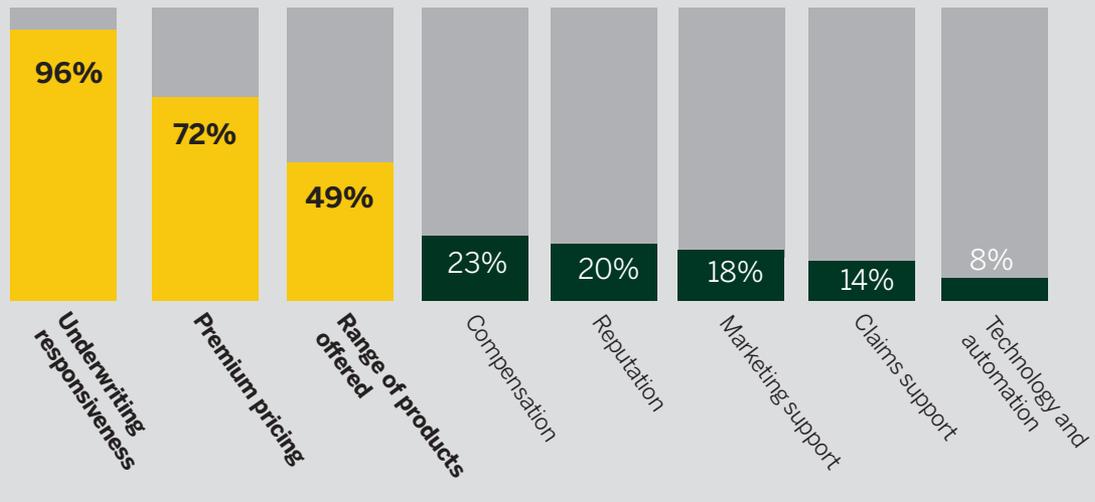
According to Corrine M. Jones, president-elect of the AAMGA, the demand for new products and coverage in certain marketplaces is a major driver of growth in the wholesale industry. "Wholesale continues to be a vibrant and growing part of the overall insurance landscape," she says. "The E&S marketplace in particular, and specialty distribution more broadly, has doubled as a total percentage of US P&C commercial insurance. While the wholesale space continues to change rapidly, the dynamic nature of the market leads to a lot of opportunities. It's a very healthy industry."

Providing further evidence of a strong and healthy wholesale market, Brady Kelley, executive director of NAPSLO, adds: "As noted in the September 2016 A.M. Best report, the surplus lines market reached its highest point in history at \$41.3 billion in 2015 premium, representing a 2.5% increase from the prior year and the market's fourth consecutive year of growth."

Apart from the financial power present in the market, enhanced underwriting capabilities in the wholesale industry are opening the door for business opportunities that have traditionally been reserved for the standard market, says AAMGA board member Kathy Schroeder. "As the business world tries to make everything more commoditized and cookie-cutter," she says, "more and more business falls outside their 'plan,' and a broker or underwriter who is willing to make a custom tailored product becomes more sought-after."

WHAT ARE PRODUCERS LOOKING FOR IN A WHOLESALE PARTNER?

Producers were asked to name the most important things they're looking for in a wholesaler. Here's what they said:



However, even with all the opportunities present in wholesale channel, challenges remain. Jones points to the highly competitive market, rising costs in technology investment and unrefined efficiency as challenges that are currently weighing on the market. Schroeder also highlights training and the talent gap, as well as the consolidation of businesses, adding that “ironically, at the same time that new players are entering our business [and] offering alternatives, others are growing through mergers and acquisitions, and essentially reducing options that were previously available to their customers.”

Yet, Jones notes, even these challenges pose unique opportunities growth, which largely stems from the dynamic nature of the wholesale market and all the factors that impact how the industry performs. In particular, the proposed merger of AAMGA and NAPSLO into the Wholesale & Specialty Insurance Association [WSIA] is expected to address these challenges for the betterment of the wholesale distribution channel as a whole.

“There are many benefits to members of this proposed merger, and one is in talent development,” Kelley says. “WSIA will build upon existing AAMGA and NAPSLO career development initiatives to reach and educate students about the wholesale, specialty and surplus lines segment and the career opportunities it provides.

WSIA will represent a larger, unified voice for wholesale brokers, managing general agents, underwriters and all members who are all specialists in creating value and innovative solutions for the most unique and complex risks.”

PRODUCERS SPEAK OUT

Producers were asked how their wholesale partners could improve their service. Here's what they had to say:

- “ Develop more proprietary options
- “ {my MGAs} accounting department needs improvement. In the past, they have sent cancellations to clients that have been paid
- “ More involvement in the claims management process
- “ I would like the ability to self-serve, [such as] lookup policy status, billing, etc
- “ Unify departments. Hate having to work with multiple departments and underwriters to properly quote scope of while business risk

PRODUCERS ON WHOLESALE PARTNERS

METHODOLOGY

For retail brokers, a wholesale partner – whether a broker or MGA – performs the essential function of giving them the specialized skill and access they need to service their clients' every need. Now in its fourth year, IBA's survey focuses on the best specialists in the wholesale distribution channel.

Hundreds of producers were asked to rate their wholesale partner on a scale of 1 (poor) to 10 (excellent) in seven key areas:

- Premium pricing
- Underwriting expertise
- Claims support
- Range of products offered
- Technology and automation
- Marketing support
- Compensation

Wholesale partners that earned an average score of 8 or higher across all seven criteria were awarded our five-star designation, recognizing their commitment and expertise in their rated specialty. In total, the survey produced 1,419 wholesale partner ratings across 12 specializations; the 41 wholesale partners listed at right earned five-star status in at least one specialty.

FIVE-STAR WHOLESALE PARTNERS

WHOLESALE PARTNER	CATASTROPHE	COMMERCIAL AUTO	COMMERCIAL PROPERTY
All Risks Ltd.			
AmWINS Group Inc.			
AP Advantage			
Apogee Insurance Group			
Appalachian Underwriters Inc.			
Arlington/Roe & Co.			
American Risk Management Resources			
Atlantic Specialty Lines			●
Atlas General Insurance Services			
Bass Underwriters			●
Breckenridge Insurance Group			●
Brown & Riding	●	●	●
BTIS			●
Burns & Wilcox	●		●
Capitol Special Risks			
Chris-Leef General Agency			
CRC Swett			●
Empire State Brokerage Services			●
Environmental Risk Managers			
Genesee General	●	●	●
Gorst & Compass Insurance	●	●	●
Hull & Company Inc.			●
Johnson & Johnson Inc.			●
MacNeil Group		●	●
Monarch EGS Insurance Services			●
NIF Group Inc.			
NSM Insurance Group			
Patriot Insurance Company			
RIC Insurance General Agency, Inc.		●	●
Risk Innovations			
Risk Placement Services Inc.		●	●
RT Specialty	●	●	●
Scottish American			●
SIS Wholesale Insurance Services			
Socius Insurance Services Inc.			
Sullivan Brokers Wholesale Insurance			●
TAPCO Underwriters Inc.			●
The Jack Nebel Companies			●
tKg Wholesale Brokerage			
U.S. Pro Insurance Services			
U.S. Risk Insurance Group Inc.			
Worldwide Facilities, LLC			



	CONSTRUCTION	CYBER	ENVIRONMENTAL	FINANCIAL SERVICES	HEALTHCARE/MEDICAL LIABILITY	HOSPITALITY	NONPROFITS	PROFESSIONAL LIABILITY	WORKERS' COMPENSATION
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COMMERCIAL PROPERTY

FIVE-STAR WHOLESALE PARTNERS: COMMERCIAL PROPERTY

- ★ Atlantic Specialty Lines
- ★ Bass Underwriters
- ★ Breckenridge Insurance Group
- ★ Brown & Riding
- ★ BTIS
- ★ Burns & Wilcox
- ★ CRC Swett
- ★ Empire State Brokerage Services
- ★ Genesee General
- ★ Gorst & Compass Insurance
- ★ Hull & Company
- ★ Johnson & Johnson
- ★ MacNeil Group
- ★ Monarch E&S Insurance Services
- ★ RIC Insurance General Agency, Inc.
- ★ Risk Placement Services
- ★ RT Specialty
- ★ Scottish American
- ★ Sullivan Brokers Wholesale Insurance
- ★ TAPCO Underwriters
- ★ The Jack Nebel Companies

Economic shifts and changes in demographics all contribute to the ebb and flow of the nation's commercial property market. But what remains constant is the need for adequate insurance coverage for the development and maintenance of commercial properties. For many producers, competitive pricing and a wide array of products led to top marks for their wholesalers – a whopping 21 wholesale partners earned five-star status, the most out of any specialty. One producer named “their knowledge of the property marketplace” and “quick turnaround and responsiveness” as defining factors of his wholesaler.

In all, producers had positive feedback on how their wholesalers are performing in the commercial property space – comments like

“excellent service” and “very responsive” were echoed throughout this section of the survey. One producer praised his wholesale partner for “[coming] up with creative layering solutions, as well as deductible solutions for large property schedules.”

However, a few respondents were critical of their commercial property wholesalers. “Our main wholesaler is starting to use insurance carrier policy download, which is a huge issue for us,” said Ted Joyce of Insurance Agency Services. “They are also planning to have commissions download in the future. Both of these activities are critical for us, as it helps us provide better service to our clients, as well as lowering or at least keeping expenses from rising for us.”

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PROFESSIONAL LIABILITY

FIVE-STAR WHOLESAL PARTNERS: PROFESSIONAL LIABILITY

- ★ AP Advantage
- ★ Apogee Insurance Group
- ★ Appalachian Underwriters
- ★ Bass Underwriters
- ★ Brown & Riding
- ★ Burns & Wilcox
- ★ Capitol Special Risks
- ★ Chris-Leef General Agency
- ★ CRC Swett
- ★ Genesee General
- ★ Gorst & Compass Insurance
- ★ MacNeil Group
- ★ Monarch E&S Insurance Services
- ★ NIF Group
- ★ Risk Placement Services
- ★ RT Specialty
- ★ Scottish American
- ★ Socius Insurance Services
- ★ Sullivan Brokers Wholesale Insurance
- ★ Worldwide Facilities

Many survey respondents agreed that their wholesalers are well versed in professional liability and offer competitive pricing for today's marketplace



Industry-Leading Wholesale
Broker & Program Manager

Covering all types of professions, from doctors and landscapers to lawyers and tattoo artists, professional liability insurance protects professionals of all stripes from negligence claims. Working with a wholesale partner that understands the market is imperative for producers to ensure their clients' businesses are accurately covered. Considering the breadth of the market, it's no surprise that 20 MGAs and wholesale brokers earned five-star ratings from producers.

Many survey respondents agreed that their wholesalers are well versed in professional liability and offer competitive pricing for today's marketplace. "They give superior performance in all aspects," said one producer of his professional liability wholesale partner. Another said that having a professional liability wholesale partner that "provides a policy tailored to the client's specific needs at a reasonable cost, and is available during office hours to answer questions" makes a big impact on his agency's success.

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