

Insurance

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Producers reveal the best places to go for help with hard-to-place risks



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FIVE-STAR WHOLESALE BROKERS AND MGAs

FIVE-STAR WHOLESALE BROKERS AND MGAs



Which wholesaler brokers and MGAs are going above and beyond to serve clients? Producers had their say, and now *IBA* reveals the best wholesale partners in the industry

THE ABILITY to craft innovative solutions for complex risks is a hallmark of the wholesale, specialty and surplus lines insurance industry. Surplus lines professionals are experts in unique and hard-to-place risks, and they react quickly to market changes to accommodate non-standard needs. A.M. Best's 2018 report on the sector revealed that the surplus lines industry reached a historic \$44.9 billion in direct written premium in 2017, representing a 5.8% increase over the prior year. The 15 states with stamping offices reported \$31.4 billion in surplus premium collection in their states in 2018, an 11.3% increase over 2017. Both are good indicators of the industry's strength and stability heading into 2019.

The Wholesale & Specialty Insurance Association [WSIA] was formed in 2017 through the merger of AAMGA and NAPSLO to represent members throughout the surplus lines industry and promote the valuable role they play in the insurance market. WSIA helps members build business relationships by

providing networking and business meetings, education, talent recruitment and development initiatives, regulatory and legislative advocacy, and promotion of the value of wholesale distribution, all of which are designed to support this healthy and growing market.

WSIA monitors and advocates for state and federal regulation and legislation that impacts members and the industry. Current priorities include revisions to the federal definition of private flood insurance in the Flood Insurance Market Parity and Modernization Act, which will preserve the private market's ability to solve unique and complex flood risks for consumers, as well as implementation of the National Association of Registered Agents and Brokers [NARAB]. WSIA also continues to support uniform implementation of the Non-admitted and Reinsurance Reform Act [NRRRA], establishing the insured's home state as the one and only jurisdiction that can regulate and tax surplus lines transactions.

WSIA's Annual Marketplace and Under-

writing Summit are premier networking forums where industry partners can collaborate, and WSIA's education programs, held throughout the year, provide technical training and professional development to keep members at the forefront of best practices as the industry evolves. As a result, WSIA members are innovators whose knowledge of and access to specialty markets result in customized solutions for retail agents and their clients. As the market grows, the association also continues to emphasize talent development initiatives to encourage university students to consider careers in this sector of the industry through college outreach and the WSIA internship program.

Those of us in the industry know that there has never been a cost for seeking a wholesale quote, and we can now demonstrate that there is also no additional expense for the insured in using a wholesale specialist to develop the best solution. A 2016 cost-effectiveness study by Conning found that wholesale brokers offer technical expertise, innovative solutions to

complex risk, and access to strong and stable insurers with no added cost to the transaction. Leveraging a wholesale partner to find the best and most cost-effective solution is the best way to serve the insured.

WSIA members include tens of thousands of individual brokers, insurance company professionals, underwriters, and other insurance specialists and professionals worldwide. We are pleased to support these outstanding professionals and the wholesale, specialty and surplus lines industry as it continues to prosper.



Joel Cavaness
President
WSIA

METHODOLOGY

IBA ASKED retail producers to rate the performance and service of their wholesale broker and MGA partners on a scale of 1 (poor) to 10 (excellent) in eight areas:

- Underwriting responsiveness/turnaround time
- Technical expertise and product knowledge
- Range of products
- Compensation (commission, bonuses, profit-share, etc.)
- Claims support

- Marketing support
- Technology/automation
- Communication

The wholesale brokers and MGAs that earned an average score of 8 or greater in at least one category were awarded a five-star designation, signifying their exceptional service. In total, 27 wholesale partners earned a five-star rating this year. Of those companies, 14 were also designated as All-Star Wholesalers, having earned five-star status in all eight categories.

WHAT ARE THE THREE MOST IMPORTANT THINGS PRODUCERS LOOK FOR IN A WHOLESALE BROKER OR MGA?

Underwriting responsiveness/turnaround time



Pricing



Technical expertise and product knowledge



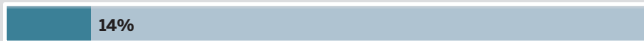
Range of products



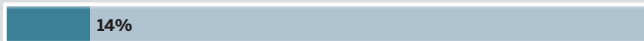
Reputation



Claims support



Marketing support



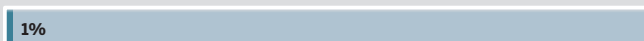
Compensation (commission, bonuses, profit-share, etc.)



Technology/automation



Geographical reach



HOW WELL DID WHOLESALE BROKERS AND MGAs PERFORM?

Underwriting responsiveness/turnaround time



Technical expertise and product knowledge



Communication



Range of products



Compensation (commission, bonuses, profit-share, etc.)



Claims support



Marketing support



Technology/automation



1 Poor 5 Fair 10 Excellent

WHAT OTHER AREAS ARE IMPORTANT TO PRODUCERS?

Producers wrote in a few other qualities they look for in their wholesale partners:

Strength of carrier relationships

Loss control

Accessibility and communication

FIVE-STAR WHOLESALE BROKERS AND MGAs



FIVE-STAR MGAs AND WHOLESALE BROKERS BY CATEGORY

Wholesaler	Underwriting responsiveness/turnaround time	Technical expertise and product knowledge	Communication	Range of products	Compensation	Claims support	Marketing support	Technology/automation
All Risks Ltd. ★	●	●	●	●	●	●	●	●
AmWINS Group Inc. ★	●	●	●	●	●	●	●	●
Anderson & Murison Inc. ★	●	●	●	●	●	●	●	●
Appalachian Underwriters			●		●	●	●	●
Braishfield, a division of Hull & Company			●			●		
Brown & Riding ★	●	●	●	●	●	●	●	●
BTIS	●		●	●	●			●
Burns & Wilcox ★	●	●	●	●	●	●	●	●
CRC Group ★	●	●	●	●	●	●	●	●
Executive Perils ★	●	●	●	●	●	●	●	●
Genesee General ★	●	●	●	●	●	●	●	●
Gorst & Compass ★	●	●	●	●	●	●	●	●
Hull & Company					●			
JM Wilson	●	●	●	●		●	●	●
Johnson & Johnson Inc.	●	●	●	●	●			●
Monarch E&S Insurance Services ★	●	●	●	●	●	●	●	●
Morstan General Agency, a division of Hull & Company	●		●	●	●	●	●	●
NIF Group Inc. ★	●	●	●	●	●	●	●	●
Norman-Spencer Agency Inc. ★	●	●	●	●	●	●	●	●
Preferred Property Program ★	●	●	●	●	●	●	●	●
RIC Insurance General Agency, a division of Worldwide Facilities LLC	●			●	●	●	●	●
Risk Placement Services Inc.					●			●
RT Specialty LLC	●	●	●	●	●	●		
SIS Insurance Services	●	●	●		●		●	●
TAPCO Underwriters Inc.	●	●	●					
USG Insurance Services Inc.		●		●	●			
Worldwide Facilities LLC ★	●	●	●	●	●	●	●	●

★ All-Star Wholesale Partner



UNDERWRITING RESPONSIVENESS AND TURNAROUND TIME

FIVE-STAR WHOLESALE BROKERS AND MGAs

- ★ All Risks Ltd.
- ★ AmWINS Group
- ★ Anderson & Murison
- ★ Brown & Riding
- ★ BTIS
- ★ Burns & Wilcox
- ★ CRC Group
- ★ Executive Perils
- ★ Genesee General
- ★ Gorst & Compass
- ★ JM Wilson
- ★ Johnson & Johnson
- ★ Monarch E&S Insurance Services
- ★ Morstan General Agency, a division of Hull & Company
- ★ NIF Group
- ★ Norman-Spencer Agency
- ★ Preferred Property Program
- ★ RIC Insurance General Agency, a division of Worldwide Facilities
- ★ RT Specialty
- ★ SIS Insurance Services
- ★ TAPCO Underwriters
- ★ Worldwide Facilities

Wholesale partner performance

9.00

According to producers, underwriting responsiveness and turnaround times have become wholesalers' best-performing area, even though overall performance has remained stagnant since 2018, when the average score was also 9 out of 10. Nonetheless, individual companies did very well in this area – 22 wholesalers earned a five-star rating in the category.

Generally, producers were appreciative of their wholesalers' prompt response to quote requests; some even noted that the service they received was so superior, it would be difficult to improve. "The team is great and really responsive, and they also send you a tracking system that lets you know they received [the quote]," one producer raved about their MGA.

Despite mostly glowing reviews, a few producers were unhappy with their wholesalers' underwriting services. "Acknowledge a request when received rather than waiting a week with no response," one producer said. Others noted issues with staff turnaround and underwriter incompetence.

TECHNICAL EXPERTISE AND PRODUCT KNOWLEDGE

FIVE-STAR WHOLESALE BROKERS AND MGAs

- ★ All Risks Ltd.
- ★ AmWINS Group
- ★ Anderson & Murison
- ★ Brown & Riding
- ★ Burns & Wilcox
- ★ CRC Group
- ★ Executive Perils
- ★ Genesee General
- ★ Gorst & Compass
- ★ JM Wilson
- ★ Johnson & Johnson
- ★ Monarch E&S Insurance Services
- ★ NIF Group
- ★ Norman-Spencer Agency
- ★ Preferred Property Program
- ★ RT Specialty
- ★ SIS Insurance Services
- ★ TAPCO Underwriters
- ★ USG Insurance Services
- ★ Worldwide Facilities

Wholesale partner performance

8.84

It's obvious that retailers seek specialization and expertise from wholesale partners, but just how well are wholesalers meeting producer expectations in this area? As was the case last year, technical expertise and product knowledge was wholesalers' second best-performing area. The average score was 8.84 out of 10, and 20 wholesalers earned a five-star rating.

Producers value a partner who can provide comprehensive coverage guidance and consultative information, and for the most part, wholesale partners are delivering. "I truly believe you will not find brokers more knowledgeable in their areas of expertise," one producer said of their wholesale partner, while another described their wholesaler as "very helpful with [product knowledge] and giving us scenarios and definitions to help with our clients."

Some producers felt their wholesalers could do more to demonstrate their expertise, particularly by making the underwriting experience more consistent. "Most underwriters are great, some not so much," one producer said. This was echoed by another producer who felt the expertise and knowledge at their wholesale partner varied between underwriting units. Another producer complained that their wholesaler tends to rely on the producer too much for product knowledge, which suggests a clear gap in expertise.

FIVE-STAR WHOLESALE BROKERS AND MGAs

COMMUNICATION

FIVE-STAR WHOLESALE BROKERS AND MGAs

- ★ All Risks Ltd.
- ★ AmWINS Group
- ★ Anderson & Murison
- ★ Appalachian Underwriters
- ★ Braishfield, a division of Hull & Company
- ★ Brown & Riding
- ★ BTIS
- ★ Burns & Wilcox
- ★ CRC Group
- ★ Executive Perils
- ★ Genesee General
- ★ Gorst & Compass
- ★ JM Wilson
- ★ Johnson & Johnson
- ★ Monarch E&S Insurance Services
- ★ Morstan General Agency, a division of Hull & Company
- ★ NIF Group
- ★ Norman-Spencer Agency
- ★ Preferred Property Program
- ★ RT Specialty
- ★ SIS Insurance Services
- ★ TAPCO Underwriters
- ★ Worldwide Facilities

Wholesale partner performance

8.83

For the first time this year, *IBA* asked producers to evaluate their communication with wholesale partners. For the most part, producers were pleased with the level of communication they received. Twenty-three out of 27 companies earned a five-star rating, with an average score of 8.83.

For producers, being able to contact their wholesaler through any channel makes a difference. Many prefer to communicate with a wholesale partner via email or text; however, most said a phone call is always best when urgency is required.

Regardless of whether requests are time-sensitive or not, producers always appreciate answers in a timely fashion. "They are very quick to get back to us. Many times we have needed things in a rush, and they send us what we need," one producer said about their wholesale partner. Another praised their partner as "a breath of fresh air in an otherwise stagnant market of brokers ... They are quick to call, email, respond, offer suggestions, and review coverage enhancements and programs."

While many rated communication with their wholesaler as "adequate" or "better than most," some had a few suggestions on how the line of communication between producers and wholesalers can be improved. "Better communication between the underwriter, assistants and broker," a producer suggested, adding that "sometimes not all parties know what's going on." Another requested that their wholesaler "keep us informed and call us back with status on quotes," while another noted that their MGA is "so big, sometimes I am not sure who to go to."

Ultimately, the level of communication falls on individual underwriters and staff, but building a company-wide culture focused on timely communication can set the standard when servicing retail partners.

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FIVE-STAR WHOLESALE BROKERS AND MGAs



RANGE OF PRODUCTS

FIVE-STAR WHOLESALE BROKERS AND MGAs

- ★ All Risks Ltd.
- ★ AmWINS Group
- ★ Anderson & Murison
- ★ Brown & Riding
- ★ BTIS
- ★ Burns & Wilcox
- ★ CRC Group
- ★ Executive Perils
- ★ Genesee General
- ★ Gorst & Compass
- ★ JM Wilson
- ★ Johnson & Johnson
- ★ Monarch E&S Insurance Services
- ★ Morstan General Agency, a division of Hull & Company
- ★ NIF Group
- ★ Norman-Spencer Agency
- ★ Preferred Property Program
- ★ RIC Insurance General Agency, a division of Worldwide Facilities
- ★ RT Specialty
- ★ USG Insurance Services
- ★ Worldwide Facilities

Wholesale partner performance

8.70

While access to primary markets is what producers care about most, many are still looking for broader and more niche markets. Most wholesale brokers and MGAs are keeping pace with producer expectations in this area, earning an average score of 8.70 out of 10. In addition, 21 wholesale brokers and MGAs received a five-star rating in this category.

Overwhelmingly, producers pointed to workers' compensation as the one critical coverage they're missing from their wholesalers, but mobile home and commercial auto coverage also made their wish lists. A few producers praised their wholesalers for access to a variety of markets but criticized the lack of complete coverage within those markets.

Other producers had nothing but positive feedback for their wholesalers. "Given the niche markets our agency targets, the range of product availability has been a great fit for our needs," said one, while another commented, "[We've] never heard 'we can't do that.'"

But more isn't always better. One producer noted that by working with a wholesale partner with a concentration on fewer markets, they're also getting a deeper level of expertise. "Focus is narrow, but this is a good thing," the producer said.

COMPENSATION

FIVE-STAR WHOLESALE BROKERS AND MGAs

- ★ All Risks Ltd.
- ★ AmWINS Group
- ★ Anderson & Murison
- ★ Appalachian Underwriters
- ★ Brown & Riding
- ★ BTIS
- ★ Burns & Wilcox
- ★ CRC Group
- ★ Executive Perils
- ★ Genesee General
- ★ Gorst & Compass
- ★ Hull & Company
- ★ Johnson & Johnson
- ★ Monarch E&S Insurance Services
- ★ Morstan General Agency, a division of Hull & Company
- ★ NIF Group
- ★ Norman-Spencer Agency
- ★ Preferred Property Program
- ★ RIC Insurance General Agency, a division of Worldwide Facilities
- ★ Risk Placement Services
- ★ RT Specialty
- ★ SIS Insurance Services
- ★ USG Insurance Services
- ★ Worldwide Facilities

Wholesale partner performance

8.64

Compensation made a leap from seventh to fifth place this year in terms of performance with a score of 8.64 – and 24 wholesalers earned a five-star rating, the most of any category. The bad news is that this area remains one of producers' lowest priorities when considering a wholesale partner.

Most producers rated their compensation as fair, with few variances from company to company – which might be why it isn't a quality they prioritize. "Compensation is in line with most brokers, and while it's important, it's not the most important [thing]," a producer said. That said, 10 more wholesalers earned a five-star rating this year than in 2018.

Although producers recognize that their pay is fair, they weren't shy in suggesting that more is always welcome, especially for those who bring in big business: "It would be nice to see high compensation for dedicated agents with a higher volume," one producer said. But money doesn't always talk: Another producer said they'd be willing to accept lower compensation from an MGA that provided better expertise and service.

FIVE-STAR WHOLESALE BROKERS AND MGAs

CLAIMS SUPPORT

FIVE-STAR WHOLESALE BROKERS AND MGAs

- ★ All Risks Ltd.
- ★ AmWINS Group
- ★ Anderson & Murison
- ★ Appalachian Underwriters
- ★ Braishfield, a division of Hull & Company
- ★ Brown & Riding
- ★ Burns & Wilcox
- ★ CRC Group
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- ★ Gorst & Compass
- ★ JM Wilson
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- ★ NIF Group
- ★ Norman-Spencer Agency
- ★ Preferred Property Program
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- ★ RT Specialty
- ★ Worldwide Facilities

Wholesale partner performance

8.58

A lot rides on how efficiently and effectively an insurance claim is handled, which is why producers appreciate when their wholesale partners can step in and ease the process. In order to capture the most accurate picture of claims support, *IBA* asked producers to rate their wholesaler in this area only if they've experienced a claim. Consistent with 2018, claims support was wholesalers' sixth best-performing area, with an average score of 8.58.

“After a poor claims experience, our broker was proactive in changing their procedures”

Most producers gave their wholesale brokers and MGAs mediocre scores – not bad, but also not great. “Keep us informed as status/reserves change” and “better communication with the insured” were a few of their suggestions. One producer also asked that the claims status be available online so retail brokers can easily check up on a claim's standing.

Some producers were satisfied with their wholesalers' involvement in the claims process: “They assist as needed, seeking to help us service the insured,” said one respondent. “After a poor claims experience, our broker was proactive in changing their procedures for future claims,” reported another.

Overall, respondents recognize that claims are largely in the hands of the insurer, but they still appreciate when wholesalers are able to provide updates or assist in finding solutions to any issues.

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MARKETING SUPPORT

FIVE-STAR WHOLESALE BROKERS AND MGAs

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- ★ Appalachian Underwriters
- ★ Brown & Riding
- ★ Burns & Wilcox
- ★ CRC Group
- ★ Executive Perils
- ★ Genesee General
- ★ Gorst & Compass
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- ★ Norman-Spencer Agency
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- ★ Worldwide Facilities

Wholesale partner performance

8.40

Marketing support from wholesalers is one of producers' least cared-about categories, so it's not surprising that wholesalers are lagging behind in providing competitive marketing options. Just 19 wholesale brokers and MGAs earned a five-star rating for their marketing support – the fewest of all categories.

While some producers find marketing support to be helpful to their business, others don't see the value and prefer to keep marketing efforts in-house. For the producers who want support, only few found their wholesalers' efforts to be sufficient. "[They have] a great marketing team; they do an excellent job promoting on social media," said one producer. "They are terrific at marketing and very transparent about what underwriters are saying about each risk," said another.

Most producers, however, criticized the lack of communication from their wholesaler's marketing representative. Other suggestions for improvement include fliers or ads that can be customized with agent information, incentives to help with advertising costs, marketing collateral explaining specializations and programs, and more face-to-face time with marketing reps. One producer also suggested that wholesalers could sponsor a digital marketing co-operative to help retailers better promote programs.



ALL-STAR WHOLESALE PARTNER

NORMAN-SPENCER AGENCY

Headquarters: Dayton, OH

Norman-Spencer has made a name for itself within the wholesale market based on its people and the relationships they've developed with business partners in the

industries it serves. With a wholesale team composed of 10 individuals and a goal to surpass \$75 million in written premium this year, Norman-Spencer is constantly developing new carrier relationships and exclusive products to better serve clients.

Over the years, the company has established direct relationships with a number of both admitted and non-admitted insurance companies, while its wholesale team provides access to exclusive programs such as contractors' auto and contractors' equipment. With a concentration on construction business, Norman-Spencer has in-house experts who focus on niche classes of business, including concrete pumpers and concrete ready-mix, both of which the company has served for more than 25 years.

In addition to construction, the team has producers who focus on transportation business, including specialty haulers, towing and collateral recovery.



TECHNOLOGY/AUTOMATION

FIVE-STAR WHOLESALE BROKERS AND MGAs

- ★ All Risks Ltd.
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- ★ NIF Group
- ★ Norman-Spencer Agency
- ★ Preferred Property Program
- ★ RIC Insurance General Agency, a division of Worldwide Facilities
- ★ Risk Placement Services
- ★ SIS Insurance Services
- ★ Worldwide Facilities

Wholesale partner performance

8.29

Technology and automation remains wholesalers' weakest area of performance, earning an average score of 8.29 out of 10 – but it also ranks at the bottom of producers' concerns when seeking a wholesale partner. Still, 22 wholesalers managed to earn five-star ratings in this category.

Many producers were indifferent about their wholesale partners' technology. "Have not dealt with [technology] much; not certain this is as important as other critical components in the relationship," said one respondent. This might be because all wholesale brokers and MGAs offer some level of technology – it's just a matter of how much technology each producer wants access to.

For producers who aren't as satisfied, the common ground was a desire for their wholesale partners to adopt more sophisticated systems. "Embrace technology more for submissions and servicing business," suggested one producer, while another wished for "better technology

HOW CAN WHOLESALE PARTNERS IMPROVE?

- “Keep us informed of changes in programs”
- “Add more specialty units and improve the knowledge of underwriters”
- “Provide a library of sample forms that agents can access in case they have questions”
- “I would like a list of products offered and contact information for those departments”
- “It would be nice if more things were available online, [such as] copies of documents or billing questions”
- “More help with coverage structure”
- “Hold webinars for their products”
- “Provide the ability for the retail agent to generate their own quotes”

to help follow up on submissions or policy/endorsement copies.” A third complained that “quoting is easy but takes too much manpower, time and effort to bind. Use technology to simplify the document process.” Another producer shared the same sentiment, asking their MGA to speed up the paperwork process with a system that is 100% digital, including adding DocuSign and cloud-based software.

However, one producer pointed out that wholesalers' shortcomings with technology might be a result of industry limitations: “There are improvements that every MGA can make, but they are limited due to technology limitations that are industry-wide,” the producer said. “If we could receive IVANS downloads from our MGA for our surplus lines book, that would be amazing, but I don't think that's possible.”