

Digital Edition PDF

BEST'S REVIEW®

bestreview.ambest.com

AM BEST'S MONTHLY INSURANCE MAGAZINE

Thank you for downloading this month's Edition of *Best's Review*.

License Reminder

Your subscription to Best's Review allows you to download and print a copy for your personal non-commercial use only. The Licensed Information is the property of AM Best or its licensors and is protected by United States copyright laws and international treaty provisions. You may not reproduce, retransmit, disseminate, sell, sub-license, distribute, publish, broadcast, make available or circulate the Licensed Information to any third party.

For additional subscriptions or copies of this publication for distribution to your colleagues or clients, please contact Customer Service at 908-439-2200 ext. 5742 or email at customer_service@ambest.com.

To subscribe online visit <http://www.ambest.com/sales/bestsreview>



Copyright © 2025 A.M. Best Company, Inc. and/or its affiliates. All rights reserved. No portion of the content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted, or uploaded into any external applications, algorithms, bots or websites, including those using artificial intelligence or machine learning technologies such as large language models (LLM), generative AI (Gen-AI) or retrieval-augmented generation (RAG) in any form or by any means without the prior written permission of AM Best. AM Best does not warrant the accuracy, completeness, or timeliness of the AM Best content. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. You specifically acknowledge that neither AM Best nor the content gives any investment, financial, tax, insurance, or legal advice. You are solely responsible for seeking competent professional advice before making any investment, financial, tax or insurance decision. For additional details, refer to our Terms of Use available at the AM Best website: <https://web.ambest.com/about/terms-of-use>.

Swiss Re Exec:
Shifting Mortality Trends
Page 22

Best's Rankings:
Largest P&I Clubs
Page 49

Insurance Influencer
Connects With Video
Page 61

ISSUES & ANSWERS
Commercial Risk, Cyber Coverage
Starting on Page 13

BEST'S REVIEW®

May 2025 • Volume 126 • Issue 5

bestsreview.ambest.com

AM BEST'S MONTHLY INSURANCE MAGAZINE



Real-World AI

How insurers are using and building new AI-enabled processes in underwriting, claims and throughout their organizations. Pages 26-41



Best's Review
Online Archives

MASTHEAD FORESTAY

Background illustrations on both mastheads are of HMS Victory. To learn more about The Nelson Collection at Lloyd's, visit www.ambest.com/nelson.

Monthly Insurance Magazine Published by AM Best

BEST'S REVIEW®

A.M. BEST COMPANY, INC.

Oldwick, NJ, USA

CHAIRMAN, PRESIDENT & CEO **Arthur Snyder III**
SENIOR VICE PRESIDENT & TREASURER **Cynthia Young**
SENIOR VICE PRESIDENT **Lee McDonald**

A.M. BEST RATING SERVICES, INC.

Oldwick, NJ, USA

PRESIDENT **James Gillard**

EXECUTIVE VICE PRESIDENT & COO **Stefan W. Holzberger** EXECUTIVE VICE PRESIDENT & CSO **Andrea Keenan** EXECUTIVE VICE PRESIDENT & CIO **James F. Snee**
SENIOR MANAGING DIRECTOR & CHIEF RATING OFFICER **Kenneth Johnson** SENIOR MANAGING DIRECTOR **Edward H. Easop**

AMERICAS (NCSA)

WORLD HEADQUARTERS

A.M. Best Company, Inc.

A.M. Best Rating Services, Inc.

1 Ambest Road, Oldwick, NJ, USA 08858

Phone: +1 908 439 2200

MEXICO CITY

A.M. Best América Latina, S.A. de C.V.

Av. Paseo de la Reforma 412, Piso 23,

Col. Juárez, Alcaldía Cuauhtémoc, C.P. 06600, México, D.F.

Phone: +52 55 1102 2720

EUROPE, MIDDLE EAST & AFRICA (EMEA)

LONDON

A.M. Best Europe - Information Services Ltd.

A.M. Best Europe - Rating Services Ltd.

12 Arthur Street, 8th Floor,

London, UK EC4R 9AB

Phone: +44 20 7626 6264

AMSTERDAM

A.M. Best (EU) Rating Services B.V.

NoMA House, Gustave Mahlerlaan 1212,

1081 LA Amsterdam, Netherlands

Phone: +31 20 308 5420

DUBAI

A.M. Best Europe - Rating Services Ltd. - DIFC Branch*

Office 102, Tower 2, Currency House, DIFC,

P.O. Box 506617, Dubai, UAE

Phone: +971 4375 2780

*Regulated by the Dubai Financial Services Authority
as a Credit Rating Agency

ASIA-PACIFIC (AP)

HONG KONG

A.M. Best Asia-Pacific Ltd

Unit 4004 Central Plaza,

18 Harbour Road, Wanchai, Hong Kong

Phone: +852 2827 3400

SINGAPORE

A.M. Best Asia-Pacific (Singapore) Pte. Ltd

6 Battery Road,

#39-04, Singapore

Phone: +65 6303 5000

ADVERTISING

AMERICAS

SENIOR DIRECTOR

Arthur Snyder IV: +1 908 894 8040

arthur.snyderIV@ambest.com

SENIOR ACCOUNT MANAGER

Brian McGoldrick: +1 908 894 9552

brian.mcgoldrick@ambest.com

ACCOUNT MANAGER

Suzanne Ruffa: +1 908 399 6275

suzanne.ruffa@ambest.com

EMEA & ASIA-PACIFIC

SENIOR DIRECTOR

Bryan Martyn: +44 20 7397 0292

bryan.martyn@ambest.com

SALES INQUIRIES

+1 908 882 1706

advertising_sales@ambest.com

www.ambest.com/advertising

EDITORIAL

EXECUTIVE EDITOR **Patricia Vowinkel**: +1 908 882 1771

EDITOR **Tom Davis**

MANAGING EDITOR **William Borden**

COPY AND PRODUCTION EDITOR **Amy Baratta**

SENIOR ASSOCIATE EDITORS **Lori Chordas**, **Terrence Dopp**, **Steve Hallo**, **Renée Kiriluk-Hill**, **John Weber**

ASSOCIATE EDITOR **Anthony Bellano**

NEWS EDITOR **David Pilla**

SENIOR VICE PRESIDENT, NEWS & PUBLICATION SERVICES **Lee McDonald**

CIRCULATION **Linda McEntee**

GRAPHIC DESIGN SERVICES

ASSISTANT VICE PRESIDENT **Susan L. Browne**

LEAD DESIGNERS **Andrew Crespo**, **Angel Negrón**

DESIGNERS **Amy Herczeg**, **Joshua Mertz**, **Michelle Mulligan**, **Laura-Ann Russello**, **Jenica Thomas**, **Jodie Wishney**

ONLINE RESOURCES

BEST'S REVIEW EDITORIAL CALENDAR



AUTHOR GUIDELINES



ADVERTISING MEDIA KIT



REPRINTS AND PERMISSIONS



BEST'S REVIEW, Volume 126, Issue 5, May 2025 (ISSN 1527-5914) is published monthly by A.M. Best Company, Inc. Editorial and executive offices: 1 Ambest Road, Oldwick, NJ, USA 08858-9988. A one-year subscription is \$87. A two-year subscription is \$166. Subscriptions: bestsreview.ambest.com/subscribe. Telephone: +1 908 439 2200.

Copyright © 2025 A.M. Best Company, Inc. and/or its affiliates. All rights reserved. No portion of the content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted, or uploaded into any external applications, algorithms, bots or websites, including those using artificial intelligence or machine learning technologies such as large language models (LLM), generative AI (Gen-AI) or retrieval-augmented generation (RAG) in any form or by any means without the prior written permission of AM Best. AM Best does not warrant the accuracy, completeness, or timeliness of the AM Best content. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. You specifically acknowledge that neither AM Best nor the content gives any investment, financial, tax, insurance, or legal advice. You are solely responsible for seeking competent professional advice before making any investment, financial, tax or insurance decision. For additional details, refer to our Terms of Use available at the AM Best website: <https://web.ambest.com/about/terms-of-use>.

When presented herein, Best's Ratings reflect AM Best's opinion as to the relative financial strength and performance of each insurer in comparison with others, based on analysis of the information provided to AM Best. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Made in the USA



As part of AM Best's environmental initiatives, *Best's Review* is printed by Fry Communications, which sources paper from various manufacturers whose products use wood fiber sourced from sustainably managed forests.



AI Races Forward

Best's Review examines how insurers are using artificial intelligence and how new medical advancements are impacting mortality trends. The May issue includes a ranking of the largest P&I clubs.

Insurers are moving ahead with artificial intelligence in their daily operations as they take advantage of the new technology.

Interest in AI has exploded after generative AI took a leap forward in late 2022 with the public release of ChatGPT. Other AI platforms have further expanded available models and capabilities. Advances such as agentic AI—AI systems designed to autonomously make decisions and act—are driving industry interest.

In its *Insurance Global Technology Benchmarking Report 2025*, Reuters Events said investments in generative AI have soared. The share of respondents investing in or using generative AI has jumped from just under one-third (32%) last year to 51% in 2025, according to the report.

May is Artificial Intelligence Awareness Month. In “Insurance Industry Embraces AI Innovation as Technology Advances ‘Exponentially,’” *Best's Review* spoke with insurance executives about “real-world” AI applications within the industry. The AI special section also includes coverage of regulatory issues and commentary from industry experts.

Interest in AI remains high, but many insurers remain hesitant about using the technology. In “Atradius Exec: ‘Black Box’ Concerns Slow AI Adoption in Insurance Sector,” Dimitri Zampetas, an expert adviser for Amsterdam-based trade credit insurer Atradius N.V., said many insurers find it challenging to even start with AI. “The technology itself is being perceived as a black box, and rightly so, because those models in AI, they are very opaque,” Zampetas said.

Regulatory compliance is one of the key concerns. Since the NAIC released its model AI bulletin two years ago, 23 states and Washington,

D.C., have adopted it, and four other jurisdictions have adopted insurance-specific AI regulations.

In “Regulating the Bleeding Edge: Laws Progressing To Keep Pace With AI’s Technological Advancements,” Pennsylvania Insurance Commissioner Michael Humphreys, who chairs the Big Data and AI Working Group, said conversations with carriers showed that more guidance is needed on governance, testing and how regulators oversee AI programs.

Medical advancements, meanwhile, are affecting the life insurance sector. In “Swiss Re’s Sprackling: Medical Advances Reshape Mortality Trends, Risk Strategies,” Neil Sprackling, CEO of Life & Health Re US at Swiss Re, discussed how breakthroughs in personalized medicine, metabolic health and early disease detection are transforming longevity expectations and underwriting in the insurance industry.

Best's Review has been expanding coverage of content creators making an impact on the industry through blogs, social media, podcasts and publications. *Best's Review* this month launches coverage of insurance industry influencers leading the conversation about insurance on platforms such as YouTube.

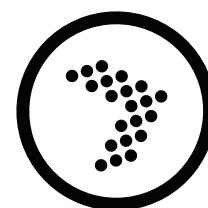
In “Insurance Lessons Built One Video at a Time,” *Best's Review* spoke with Prasath Parthiban about his more than 400 YouTube videos that deal with insurance.

The May issue of *Best's Review* also includes an exclusive ranking of the largest P&I clubs. **BR**

Patricia Vowinkel
Executive Editor
patricia.vowinkel@ambest.com

What's Coming Up

The June issue of *Best's Review* will examine the latest developments with FAIR plans. The issue also will include a ranking of the largest European insurers and coverage of AM Best's 2025 Student Challenge.



MAY CONTENTS

Best's Review | Since 1899 | Volume 126 | Issue 5



REAL-WORLD AI Special section featured advertiser:

Pages
26-41

Best's Review looks at how insurers are taking advantage of artificial intelligence in multiple ways, using the advanced technology to reduce workloads and increase efficiency. The special section also includes commentary from industry experts on how insurers can adapt to AI's rapid development.

Page
26

Insurance Industry Embraces AI Innovation as Technology Advances 'Exponentially'

Page
32

Regulating the Bleeding Edge: Laws Progressing To Keep Pace With AI's Technological Advancements

Page
36

Atradius Exec: 'Black Box' Concerns Slow AI Adoption in Insurance Sector

Page
38

CyberCube's Millaire: AI To Create Trillions of Dollars in New Economic Activity

Page
40

Harvard Fellow: AI Impact Will Trigger an Overhaul of Insurers' Risk Frameworks

ISSUES & ANSWERS

Page
15

Commercial Risk



Brittney McLaughlin, vice president of underwriting for human and social services at Philadelphia Insurance Companies (PHLY), said the landscape for human and social service risks is constantly changing. "As the landscape continues to evolve, PHLY remains committed to providing innovative solutions that help human and social service organizations manage risk effectively," she said.

Page
17

Cyber Coverage



Tim Nunziata, senior vice president of E&O and cyber at Nationwide Insurance, said that when it comes to cyber, each industry has a nuanced threat landscape that can't be painted with this broad brush. "It's important for clients and risk managers to find tailored solutions to meet their company's needs," he said.

Page
4

Best's Calendars: Annual Riskworld Conference Marks RIMS' 75th Anniversary

Page
10

Risk Adviser: Picturing Risk: Knowledge of Value, Perils a Must When Insuring Art



Page
18

Life Insurance: AM Best: Innovative Changes Ahead for US Life/Annuity While Absorbing Prior Industry Shifts

Page
20

Life Reserves: NAIC Continues Reinsurance Adequacy Testing Guides as Life Carriers Increasingly Go Offshore

Page 22 **Life: Mortality Trends:** Swiss Re's Sprackling: Medical Advances Reshape Mortality Trends, Risk Strategies

Page 44 **Cyber: Risk Modeling:** Aon Re's Boch: Cyberrisk Modeling Evolves Amid Data Challenges and AI



Page 52 **What AM Best Says:** AM Best: D&O Market Sees Growing Risks Reshaping Underwriting

Page 56 **State Rate Filings:** Buffeted by Storm Losses, Iowa Homeowners Insurers Hike Rates, Tighten Writing

Page 59 **App Store:** Pet Insurer Telehealth Connects With Care

Page 61 **Preferred Influencers:** Insurance Lessons Built One Video at a Time

Page 62 **Preferred Podcasters:** From Goldman Sachs to Podcasting: Joan Woodward's Journey in Risk Education



Page 79 **Insurance Professional Resources:** Biomechanists Can Play a Vital Role in Injury Liability Claims Lawsuits, Providing Key Testimony

Page 42 **Cyber:** AM Best: Softening Cyber Insurance Market Faces Digital Supply Chain Risks

Page 46 **Cyber: Evolving Risk:** Travelers' Francis: Rising Cyberthreats, AI Impact Cyber Insurance Market

Page 48 **Protection and Indemnity Clubs:** P&I Clubs: Record High Free Reserves Despite Challenges on Technical Performance

Page 54 **Underwriting & Loss Control:** Challenges to Increasingly Perilous Homeowner Association Market Extend Beyond Weather

Page 58 **Bookstore:** Author: Sustainability To Drive Insurer Strategies, Profitability

Page 60 **Preferred Bloggers:** Tips, Trips and Trauma: Travel Bloggers Try Relevance



Page 64 **Preferred Publishers:** AI Seeping Into Customer-Facing Roles

Page 72 **Insurance Industry Research:** Tariffs and Trade Disputes Have Insurers Fretting: Goldman Sachs Asset Management Survey

Page 80 **Artificial Intelligence:** Leading Large Language Model Platforms Examine Insurance Industry's AI Risks

DEPARTMENTS

IFC Masthead: Forestay

1 From the Editor's Desk

6 Executive Changes

9 Web Traffic

66 Trending: Best's News

67 Trending: Best's Research

68 AM Best Webinars & Briefings

71 AM Best TV & Audio

74 Best's Credit Rating Actions

IBC Masthead: Backstay

ADVERTISERS

12 *Best's Credit Reports & Best's Financial Reports*

14 Philadelphia Insurance Cos.

16 Nationwide Mutual Insurance Cos.

30 & 31 Xceedance

35 *Best's Performance Assessment for Delegated Underwriting Authority Enterprises*

69 *Best's Capital Adequacy Ratio Model*

70 AM Best Agent Solutions

BC Applied Underwriters

Notice: While AM Best confirms the accuracy of Best's Ratings of insurers referenced in advertisements published in this magazine, these ratings are subject to change. The current ratings of insurance companies are available free on the web at www.ambest.com/ratings. Further, we can't warrant the Best's Ratings claimed by brokers advertising coverages from unrated insurers. In addition, some of the insurance policies, products and services advertised may not be available, licensed or legal in all jurisdictions.

Cover design by Amy Herczeg

BEST'S RANKINGS

Page 49 **Members of the International Group of P&I Clubs — 2025 Edition**
Ranked by 2023 gross premiums written.

Visit news.ambest.com for a full listing of Best's Rankings.

Annual Riskworld Conference Marks RIMS' 75th Anniversary

The Risk and Insurance Management Society Inc. is expecting more than 10,000 of the industry's professionals from 75 different nations to attend Riskworld in Chicago on May 4-7.

Key tracks at RIMS' annual conference will include alternative risk transfer; artificial intelligence and cyberrisk; corporate sustainability/ESG; industry verticals that include education and construction; insurance, legal and regulatory; risk modification/mitigation and loss control; and strategic and enterprise risk management. New this year is a track titled "Risk Unscripted: 360 Degree Conversations."



"Central to risk management's success is the practitioner's willingness to embrace the unknown and explore new strategies that can advance the organization's mission," RIMS 2025 President Kristen Peed said in a statement about the alternative risk transfer track. "As a captive leader


and someone who has leveraged alternative risk transfer strategies to empower organizations, this new education is an exciting new addition to the already outstanding Riskworld program. I am looking forward to welcoming the world's risk community to Chicago."


Additional special tracks at the four-day conference are targeted for early risk management professionals and students or by career path, such as human resources, legal, chief information security officer, or international attendees.





In addition to Chubb Chairman and CEO Evan Greenberg, who is scheduled to participate in a "fireside chat" on May 6, other conference speakers will include AM Best's Sridhar Manyem, Antonietta Iachetta and Kourtnie Beckwith as well as insurance and risk management executives from Sedgwick, Salesforce.com, Jones Lang LaSalle, Swiss Re, Hartford, Marsh, Willis, Aon, and Amwins. **BR**

Insurance Industry Events Calendar

May 4-6: **Society of Insurance Research (SIR) Annual Conference**, Chicago, Illinois.   

May 4-6: **Federation of Afro-Asian Insurers and Reinsurers (FAIR) Insurance Forum**, Uzbekistan. 

May 4-7: **2025 Casualty Actuarial Society (CAS) Spring Meeting**, Toronto, Ontario, Canada. 

May 4-7: **Risk and Insurance Management Society (RIMS) Riskworld 2025**, Chicago, Illinois.    


May 4-8: **Independent Insurance Agents & Brokers of CA (IABCAL) 2025 Blue Ribbon Conference**, Hapuna Beach, Hawaii. 




May 6-8: **Target Markets Program Administrators Association (TMPAA) 2025 Mid-Year Meeting**, Dallas, Texas.  



May 6-9: **NetVu Accelerate**, Charlotte, North Carolina.  

May 11-14: **General Arab Insurance Federation (GAIF) and Jordan Insurance Federation 10th International Aqaba Conference**, Jordan.  


May 12-14: **National Council on Compensation Insurance (NCCI) 2025 Annual Insights Forum**, Orlando, Florida. 


May 13-14: **Africa Insurance & Reinsurance Conference**, Nairobi, Kenya. 


May 13-16: **National Association of Independent Insurance Adjusters (NAIIA) Annual Conference**, Bolton Landing, NY, USA.   

May 14-15: **British Insurance Brokers' Association (BIBA) Conference 2025**, London, England, United Kingdom.  


May 14-16: **Meeting of Insurance and Reinsurance Companies – SorS**, Sarajevo, Bosnia-Herzegovina. 

May 15: **Insurtech Boston 2025**, Boston, Massachusetts. 


May 18-20: **Association of Life Insurance Counsel (ALIC) 2025 Annual Meeting**, San Diego, California. 



May 19-20: **Insurance Innovators USA**, Nashville, Tennessee. 


May 19-20: **AIEL European MGA Forum**, Malta.  




May 20: **Netherlands Reinsurance Association (NRV) Spring Meeting**, Amsterdam, Netherlands. 

May 20-22: **NAMIC Farm Mutual Forum**, Minneapolis, Minnesota. 


May 21: **Insurance Society of Philadelphia Philly I-Day**, Philadelphia, Pennsylvania. 



May 21-23: **Medical Professional Liability (MPL) Association Conference**, Austin, Texas.  

May 21-24: **Indonesia Insurance Summit 2025**, Bali, Indonesia. 

May 24-28: **51st African Insurance Organization (AIO) Conference & Annual General Assembly**, Addis Ababa, Ethiopia.   

May 26-27: **FIAR – The International Insurance-Reinsurance Forum**, Sinaia, Romania.  

May 28: **E&S Insurer Conference & Awards 2025**, New York, New York. 

May 28: **TH Köln 21st Cologne Reinsurance Symposium**, Cologne, Germany.  

Insurance Industry Events Calendar (continued)

May 29: **Program Manager Conference & Awards**, New York, New York. ✓ ✨

May 29-30: **NAIC International Insurance Forum**, Washington, D.C. ✓



Scan for a full list of events and economic calendar entries.

<https://bestsreview.ambest.com/calendar.html>

✓ Attending ✱ Exhibiting 🗣 Speaking 📺 Hosting ✨ Sponsoring Video

Economic Calendar

May 1: U.S. Institute for Supply Management Manufacturing Purchasing Managers Index.

May 1: U.S. ADP National Employment Report.

May 2: Eurozone April 2025 Inflation Flash Estimate.

May 2: U.S. BLS April 2025 jobs data.

May 6-7: U.S. Federal Reserve Federal Open Market Committee (FOMC) meeting.

May 7: U.S. Federal Reserve Consumer Credit.

May 8 : Bank of England Monetary Policy Report.

May 10: China's Monthly Report on Consumer Price Index.

May 13: U.S. BLS April 2025 Consumer Price Index.

May 15: U.S. BLS April 2025 Producer Price Index.

May 15: U.K. Gross Domestic Product First Quarterly Estimate (January-March 2025).

May 15: Eurozone First Quarter Gross Domestic Product Flash Estimate.

May 20: Reserve Bank of Australia Monetary Policy Decision Statement.

May 29: Japan May Consumer Confidence Index.

May 29: U.S. Bureau of Economic Analysis, Gross Domestic Product, First Quarter 2025 (Second Estimate).

May 31: China's Monthly Report on Purchasing Managers' Index.

May Is Artificial Intelligence Awareness Month

Insurers are taking advantage of artificial intelligence in multiple ways, using the advanced technology to reduce workloads and increase efficiency. Coverage begins on page 26.



CONNECT WITH US TO GET THE BEST INDUSTRY PERSPECTIVE



Meet AM Best at the 2025 IASA Xchange

When: June 8-10, 2025 | **Where:** St. Louis, Missouri

Please join AM Best Senior Director Robert Raber for an insightful presentation on June 10 titled "Exploring Insurance ERM Best Practices in 2025." Additionally, stop by AM Best's booth 301 to learn about our products and services.

Scan the QR code for a list of conferences that AM Best will be participating in this year.



Our Insight, Your Advantage®
conferenceinformation@ambest.com
(908) 439-2200

Event details are subject to change.



25.MK071C

Markel Appoints New Insurance CEO; Vice Chairman To Retire

Aon president steps down, NJM names chief executive officer and Athene welcomes new chief financial officer.

Markel Group Inc. appointed Simon Wilson as chief executive officer of the company's three primary underwriting businesses—Markel Specialty, Markel International and Markel Global Reinsurance—now collectively referred to as Markel Insurance.

The company also announced that Vice Chairman Anthony “Tony” Markel, whose grandfather, Sam Markel, founded the company in 1930, plans to retire as a director in May; he then will take on the honorary role of chairman emeritus of the board. The group has appointed former RLI Corp. President and CEO Jon Michael to its board of directors.

The insurance leadership transition is part of a broader effort to sharpen the company's customer focus, according to a company statement. As a result, Jeremy Noble, who served as insurance operations president, is leaving the company after more than 20 years.

Alongside Markel Insurance, State National, the company's portfolio protection and program services operations, and Nephila, Markel's insurance-linked securities operations, will directly report into Markel Group, the company said in a statement.

“Simon is a proven leader with extensive insurance

expertise, and his leadership approach aligns with both the Markel Style and our current needs,” said Tom Gayner, chief executive officer of Markel Group. “Markel's growth has been impressive, but it also brought new challenges

and unnecessary complexity, as confirmed by our ongoing board-led business review. At times, we unintentionally made it harder for our people to serve our customers.”

Wilson joined Markel in 2010 from Lloyd's Asia. He was the primary designer of Markel International's expansion beyond London, Markel said, scaling business in Europe, Asia

and Canada. He was named managing executive of global strategy in 2020; a year later, he became Markel International president.

Tony Markel joined the company after graduating from college in 1964, eventually becoming president and chief operating officer, according to the company. He joined the board in 1978 and was named vice chairman in 2009. He led the effort, with Alan Kirshner and Steve Markel, to take the company public in 1986. Under their leadership, Markel grew from approximately \$60 million in total assets to roughly \$25 billion in 2016, the company said.

—Staff Reports



Simon Wilson



Anthony Markel

Aon President Steps Down, Becomes Senior Adviser

Aon plc said Eric Andersen transitioned from his role as president to serve as a senior adviser to Chief Executive Officer Greg Case, who also will assume the role of president.

The transition will take place until June 2026, Aon said in a statement.

In addition, the company appointed Oriol Gaspa Rebull as global head of analytics strategy and operations for its risk capital segment, where he will be based in London.

Andersen transitioned

to a new role as senior adviser and ceased to serve as president of Aon on March 14, Aon said in a filing with the U.S. Securities and Exchange Commission.



Eric Andersen



Greg Case

Andersen joined Aon with the firm's acquisition of Minet in 1997, Aon said. He played a significant role over the past 28 years in advancing the firm's Aon United strategy, the broker said. As president, Andersen helped bring together Aon's integrated risk capital (reinsurance and commercial risk) and human capital (health, wealth and talent)

capabilities and its “3x3 Plan,” Aon said.

Andersen’s move followed the announcement in January that John Neal planned to step down as Lloyd’s CEO this year and join Aon as global CEO of reinsurance and global chairman of climate solutions.

In his new role, Gaspa Rebull will be responsible for advancing Aon’s analytics capabilities, driving strategic initiatives and overseeing the execution of data-driven solutions across reinsurance and commercial risk, the broker said in a statement. He also will manage analytics technology projects including the implementation of new data governance frameworks and visualization tools that enhance decision-making for clients.

Gaspa Rebull was most recently head of U.K. short tail analytics for Aon, where he oversaw catastrophe management, actuarial and research teams providing risk assessments to reinsurance clients.

Gaspa Rebull’s appointment was one of four such moves the company made in boosting its data and analytics capabilities.

Aon also said Hetul Patel joined the broker as head of international casualty analytics. Patel was previously chief actuary at Liberty Mutual Reinsurance.

Gregory Larcher was named U.S. head of casualty analytics and Tamara Soyka joined Aon as head of EMEA analytics, commercial risk, focusing on enhancing risk analytics capabilities across the region.

NJM Names Successor to Retiring CEO

NJM Insurance Group said President and Chief Executive Officer Mitch Livingston will retire at the end of July after 19 years at the company.

The group’s board of directors tapped Chief Operating Officer Carol Voorhees to succeed Livingston.

Voorhees has led data analytics changes and overseen personal lines, marketing, IT, and project management departments, positioning her to advance NJM’s strategic plan, Livingston said in a statement.

She joined NJM in 1996 as a systems analyst and was named chief information officer in 2018 and COO in 2024.

Livingston was NJM general counsel and also served as COO before becoming CEO in 2018.

Board Chairman Edward Stern said Livingston “led NJM through the most transformational period in the company’s history, expanding its products and geographic footprint to become a full-service, multi-line regional carrier.”



Carol Voorhees

NJM offers direct personal lines in New Jersey, Connecticut, Pennsylvania, Ohio and Maryland. Independent agents distribute business insurance in those states, except Ohio, and in Delaware and New York.

Argo Promotes Chief Financial Officer to CEO Role

Argo Group International Holdings Inc. appointed Chris Donahue as chief executive officer.

He succeeds Jessica Buss, who became CEO in November 2023. Donahue joined Argo at the same time as chief financial officer.

Donahue also has held leadership positions at Argo parent Brookfield Wealth Solutions since 2021. Earlier, he was at Lazard and Morgan Stanley.

Donahue has been “integral to the transformation of Argo into a U.S.-focused specialty property and casualty company,” Jonathan Bayer, chair of Argo’s board of directors, said in a statement.

David Chan succeeds Donahue as CFO. He joined Argo in 2022 as chief accounting officer. He was previously North American controller at AmTrust.



Chris Donahue

Arbella Insurance CEO To Retire; Successor Named

Arbella Insurance Group said founder and Chief Executive Officer John Donohue plans to retire after 24 years and will be succeeded by Paul Brady, currently executive vice president and head of claim.

The appointment will be effective June 1, Arbella said in a statement.

Donohue will continue to serve as chairman of the board, as well as CEO of the Arbella Insurance Foundation, which was established in 2005 and focuses on charitable giving initiatives, according to the company.

Donohue founded Arbella alongside the late Massachusetts Attorney General Frank Bellotti in 1988 and served as board chairman before moving into the CEO role.

Brady has been with Arbella for 15 years; he has held numerous leadership positions including chief information



John Donohue

officer and senior vice president of operations. He began his career in the information technology department at Liberty Mutual, Arbella said.

Tokio Marine HCC President Retires

Mike Schell retired as president of Tokio Marine HCC on March 31.

Barry Cook, chief executive officer of Tokio Marine HCC International, also assumed the newly created position of deputy CEO, effective April 1, the company said.

Schell joined Tokio Marine HCC in 2002. He retires after more than 50 years in the insurance industry, including 25 years at St. Paul Cos. and five years at Insurance Company of North America.



Michael Schell

Athene Taps New Chief Financial Officer

Athene Holding Ltd. appointed Apollo Global Management Inc. veteran Louis-Jacques Tanguy as chief financial officer.

Athene, a retirement services and annuities provider, is a subsidiary of Apollo. The company said in a statement that Tanguy served as chief accounting officer for Apollo since early 2022 and has more than 25 years of accounting and financial experience.

Prior to his tenure at Apollo, he spent 13 years at Deutsche Bank as a managing director in various finance



Louis-Jacques Tanguy

leadership roles in London and New York, Athene said. Before that, Tanguy was head of the Asia-Pacific product valuation group for Merrill Lynch Japan Securities in Tokyo and worked at Société Générale in Paris and Asia in various roles in finance and risk, the statement said.

Athene announced in October 2024 that Martin Klein, executive vice president and CFO, had informed the company of his intention to retire. At the time, the company said it would initiate a search for a new CFO and that Klein would remain in his role until his successor was in place to ensure a seamless transition. He would then assume the role of senior adviser, the company said.

Allianz Commercial Names Global Head of Alternative Risk Transfer

Allianz Commercial named Lara Martiner as global head of alternative risk transfer at Allianz Global Corporate & Specialty SE.

She succeeds Grant Maxwell, who will leave Allianz at the end of June, Allianz Commercial said in a statement. She will keep her current role as chief executive officer of AGCS subsidiary Allianz Risk Transfer AG.

Martiner has been with Allianz Group for more than 14 years. She joined the company in 2011 as legal counsel, head of compliance and location head in Zurich.

She has since held increasingly senior roles in AGCS and the ART organization, including joining the executive board of Allianz Risk Transfer in October 2021, and becoming CEO and general counsel one year ago.



Lara Martiner

MSIG USA Names Chief Marketing Officer

MSIG USA, a member of Tokyo-based MS&AD Insurance Group Holdings Inc., hired Jennifer Marino

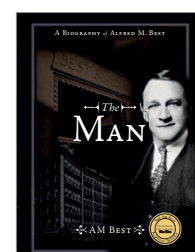
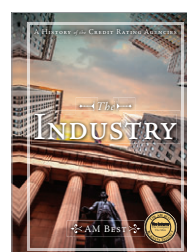
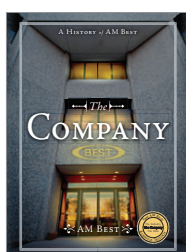
AM Best Business Trilogy

AM Best details the history of AM Best, the history of credit rating agencies, and the life of Alfred M. Best.

The Company—A History of AM Best

The Industry—A History of Credit Rating Agencies

The Man—A Biography of Alfred M. Best



Go to Amazon to find these and other books.

available at
amazon

as chief marketing officer.

Marino will lead MSIG USA's integrated marketing strategy, ensuring alignment with business objectives while strengthening market positioning in an evolving commercial insurance landscape, the company said.

Marino has more than 20 years of experience in brand marketing, customer and employee engagement, and data-driven strategy for insurance and financial services. Before joining MSIG USA, Marino served as a fractional chief marketing and growth officer at Marketri, helping organizations achieve scalable growth through integrated brand and marketing strategies. Marino has extensive experience in the insurance and financial services industry, having held executive positions leading key marketing, customer and employee experience initiatives at Rockland Trust Co. and Liberty Mutual Insurance prior to her tenure at Marketri, according to a company statement.



Jennifer Marino

Swiss Re Corporate Solutions Restructures, Names Underwriting Chief

Swiss Re's commercial insurance unit named Katie McGrath as chief underwriting officer as it unveiled a new organizational structure to serve corporates and brokers more closely at the country level.

Swiss Re Corporate Solutions introduced "market units" for various countries, it said in a statement. The new structure is expected to be effective June 1.

McGrath, currently CEO North America, succeeds Kera McDonald, who earlier was appointed Swiss Re's group chief underwriting officer and member of the group executive committee. Both appointments are effective June 1.

McGrath joined Swiss Re Corporate Solutions in 2019 as head of accident and health North America. In 2022, she was appointed CEO of North America.

She has more than 25 years of experience across multiple roles in commercial insurance, SRCS said. She will continue to be based in New York.



Katie McGrath

SiriusPoint Hires Global Chief Pricing Actuary

SiriusPoint Ltd. appointed James Anderson as global chief pricing actuary, effective May 12.

Anderson will lead the global actuarial pricing team and deliver a best-in-class pricing framework, business insights, and advanced portfolio analytics, it said. He also will collaborate closely with information technology to deploy standardized pricing infrastructure across the business. Anderson will be based in London, according to a company statement.

Anderson has more than 20 years of actuarial experience, joining SiriusPoint from EY, where he was a partner with responsibility for advising London Market companies on their pricing and portfolio management strategies. Prior to EY, Anderson was at Allianz for 11 years, most recently serving as deputy chief pricing actuary. He also spent time at Brit Insurance and Swiss Re, the company said.

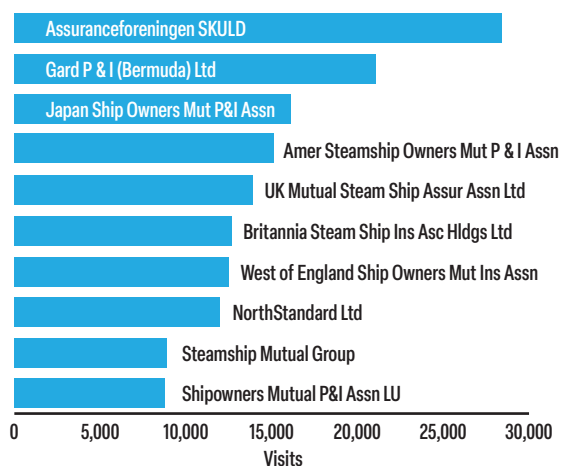


James Anderson

BR

Web Traffic: Visits to Top P&I Club Sites

Assuranceforeningen SKULD leads web analytics provider Semrush's ranking of most-visited P&I club sites.



Source: www.semrush.com.
Reported traffic for February 2025.



Scan for a full listing of Best's Rankings.

Picturing Risk: Knowledge of Value, Perils a Must When Insuring Art

“Art washes away from the soul the dust of everyday life,” Pablo Picasso said. That doesn’t eliminate the need to insure it.

By **Lance Ewing**

An insurance agent went to a museum and accidentally knocked over a valuable vase. The curator of the museum exclaimed, “You have broken a 600-year-old vase!” The insurance agent replied, “Oh, thank goodness. I thought it was brand new.” Or so the story goes.

In the world of commercial insurance risks and exposures, fine art many times is overlooked. The term “fine art” was coined by French philosopher Charles Batteux in the mid-1700s. “Fine art,” in his theory, was work produced by geniuses for the sole purpose of being “pleasingly beautiful.” The premise for coining the term “fine art” was predominantly for paintings.

Today, paintings are just one of the myriads of pleasingly beautiful items covered under fine arts policies. Books, clocks, antique furniture, wine, memorabilia, rugs, toys, dolls, Native American artifacts, musical instruments—as well as paintings—are in the realm of fine art insurability. Leonardo da Vinci’s *Mona Lisa* is believed to be the most expensive painting in the world with an estimated value of \$900 million in 2021 after an inflation-adjusted appraisal of \$100 million in 1962.



Best's Review columnist **Lance Ewing** is vice president of enterprise risk management at Cotton Holdings Inc. He is also a former president of the Risk and Insurance Management Society. He can be reached at bestreviewcomment@ambest.com.



Even artificial intelligence artwork is highly valued and insurable. A painting by Ai-Da Robot, a robot using artificial intelligence, sold for more than \$1 million.

There are two types of fine arts coverage. Private fine art insurance typically covers private art collectors and their collections. Private fine art insurance can also cover valuable pieces on loan or temporarily stored in another place. The second is institutional art, for galleries, museums, auction houses, and associations or businesses. It offers coverage for artworks owned by these institutions or those assigned or loaned to them by private collectors.

Many businesses, nonprofit organizations, universities, school districts, hotels, resorts, local libraries, Native American tribes and even insurance companies have fine art but have not identified



MUSEUM MAVENS: Insuring fine art from perils, including breakage and vandalism in a crowded space such as Paris' Louvre Museum, pictured, is a specialized field that demands knowledge about value and a clear picture of risk.

them, valued the items or obtained fine art insurance coverage. These entities should determine if the fine art in their possession has been appraised and then explore insuring them.

Specialized Field

Insuring works of art for both private and institutional collections is a highly specialized and niche area within the insurance world. Understanding not just values but the potential causes of loss are key for the underwriter. For most works of art, standard perils such as water, fire, vandalism, transportation and damage/breakage can be covered.

Over the last several years, social protesters have defaced and vandalized various famous works of art. For these acts there is also coverage available.

But many owners and underwriters worry about artwork and artifacts theft. The FBI estimates that between \$4 billion and \$6 billion of valued art is stolen annually around the world. The FBI's Art Crime Team works globally with Interpol to combat the theft of art and the recovery of property. Interpol established the Stolen Works of Art Database, the only international public stolen art database, in 1995.

Owners of fine art need to assure that they are protecting their valuable items from as many perils as possible. Just as in property insurance, protecting and preventing loss or damage is important to an underwriter.

Beauty and art are not just in the eye of the beholder, but in the eye of the fine arts insurance underwriter as well.

BR



ILLUMINATE THE DETAILS OF **INSURER** **PERFORMANCE**

Enhance top-level research and support intelligent decision-making with *Best's Credit Reports*, for insight into the financial performance of insurers worldwide, and *Best's Financial Reports*, for the latest company information.



Our Insight, Your Advantage®
sales@ambest.com
(908) 439-2200



25.BCFR08A

BEST'S REVIEW® ISSUES & ANSWERS:

- COMMERCIAL RISK
- CYBER COVERAGE

Insurance leaders discuss the impact of social service and cyberrisk challenges facing the industry.

Interviewed Inside:



Brittney McLaughlin
Philadelphia Insurance Cos.



Tim Nunziata
Nationwide Insurance

View past Issues & Answers sections at
<https://bestsreview.ambest.com/issuesanswersarchive.html>

The PHLY *Difference*

“Our specialty is that non-profit educational space. PHLY makes us better at it.”

Philadelphia Insurance Companies provides specialized, innovative protection to educational institutions in the non-profit and human services space. Coverages include private, academic, religious, vocational and charter schools. PHLY offers separate limits for General Liability, Educators Professional and Cyber Liability, Abuse & Molestation. Learn more. Experience the PHLY difference.



PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

Call 800.873.4552
Visit PHLY.com

Michael R. Jakob
Principal
Carriage Trade
Insurance Agency, Inc.

AM Best A++ Rating | Ward's Top 50 2001-2024 | 95.7% Claims Satisfaction | 120+ Niche Industries

Philadelphia Insurance Companies is the marketing name for the property and casualty insurance operations of Philadelphia Consolidated Holding Corp., a member of Tokio Marine Group. All admitted coverages are written by Philadelphia Indemnity Insurance Company. Coverages are subject to actual policy language.

Forbes
2025

AMERICA'S
BEST MIDSIZE
EMPLOYERS
POWERED BY GLISA

Navigating Social Service Risks

Brittney McLaughlin, Vice President of Underwriting for Human and Social Services at Philadelphia Insurance Companies (PHLY), said the landscape for human and social service risks is constantly changing. “As the landscape continues to evolve, PHLY remains committed to providing innovative solutions that help human and social service organizations manage risk effectively,” she said. Following are excerpts from an interview.



PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

What are some of the biggest challenges faced by Human & Social Service Organizations today?

Some of the biggest issues post-COVID are related to workforce challenges including high turnover, staffing shortages and adequate training. Additionally, changes in state and local government funding, often in response to budget constraints, have led to the outsourcing of certain human and social services, raising concerns over the quality of care and accessibility. Similarly, many non-profit organizations are experiencing a decrease in donations because of donor fatigue, again leading to further funding constraints. These challenges can make it difficult for human and social service organizations to maintain adequate risk controls in response to the growing demand.

How do these challenges relate to the insurance industry?

The issues and challenges non-profits and human/social service organizations are facing often present an increase in exposure and liability from an insurance perspective. As a result, it can be difficult for organizations to find adequate and affordable coverage options. Additionally, things like social inflation, reinsurance costs and nuclear verdicts continue to impact underwriting decisions and appetite. However, PHLY is looking to make a difference and provide creative and reasonable solutions when we can.

How is PHLY responding to those challenges?

PHLY is identifying opportunities where we can add value and provide various risk management services. Our underwriting division is proactively engaging with our risk management team internally and looking for ways to be creative when it comes to what terms and with what coverages to offer. At times we still have tough underwriting decisions to make, but we are taking a holistic underwriting approach when we can,

Brittney McLaughlin

Vice President of Underwriting for Human and Social Services
Philadelphia Insurance Companies



“We’re working closely with our agency partners to ensure that properties are insured to value and that we’re offering the necessary services to help organizations navigate their risks.”

Visit the Issues & Answers section at bestsreview.ambest.com to watch an interview with Brittney McLaughlin.

and working with our agency partners to better understand the needs of the client, while still supporting company goals and underwriting objectives.

Are there any new risks or developing exposure trends?

Funding and budget constraints lead to concerns around the quality of and accessibility to care. This trend is particularly challenging for non-profits and human/social service organizations when it comes to staffing and appropriate training. We are beginning to see an increase in claims due to negligence and inadequate supervision as a direct result of these developments. Property coverage is another challenge with unprecedented wildfires and an increase in the number and severity of convective storms throughout the country.

PHLY’s decades of experience and reliable agency partners help organizations facing these challenges.

Specialized protection starts with expertise.

Our team of specialists is ready to tackle complex risks by crafting tailor-made solutions. Backed by our strong relationships and wealth of industry experience, we're your reliable source for **Management Liability and Specialty Insurance**.

We provide solutions for these products:

- Commercial Directors and Officers
- Employment Practices Liability
- Excess Casualty
- Financial Institutions
- Cyber Liability
- Private Company Liability

Learn more at nationwide.com/mls

A+ STANDARD & POOR'S¹

A AM BEST²

A2 MOODY'S³



**SPECIALIZED
PROTECTION.
WITH
CONFIDENCE.™**

¹ Rating applies to Nationwide Mutual Insurance Company and Property & Casualty affiliates. A+ is the fifth highest of 21 ratings. Affirmed: 04/30/24.

² Rating applies to Nationwide Mutual Insurance Company and Property & Casualty affiliates. A is the third highest of 16 ratings. Received: 12/07/23.

³ Rating applies to Nationwide Mutual Insurance Company and Property & Casualty affiliates. A2 is the sixth highest of 21 ratings. Received: 11/10/23.

Products are underwritten by Nationwide Mutual Insurance Company and affiliated companies, Columbus, Ohio. Nonadmitted products may be underwritten by Scottsdale Insurance Company, an eligible nonadmitted insurer in every state except Arizona, Delaware and Ohio (NAIC No. 41297); Scottsdale Surplus Lines Insurance Company, an eligible nonadmitted insurer in every state except Arizona, California, Florida and New York (NAIC No. 10672); or Scottsdale Indemnity Company, an eligible nonadmitted insurer in Arizona and Delaware (NAIC No. 15580). Products are subject to underwriting guidelines, review and approval, and availability varies. Nationwide, the Nationwide N and Eagle and Specialized protection. With confidence. are service marks of Nationwide Mutual Insurance Company. Third-party marks that appear in this message are the property of their respective owners. © 2024 Nationwide ESC-0508M1

Smart Cyber Strategies

Tim Nunziata, Senior Vice President of E&O and Cyber at Nationwide Insurance, said that when it comes to cyber, each industry has a nuanced threat landscape that can't be painted with this broad brush. "It's important for clients and risk managers to find tailored solutions to meet their company's needs," he said. Following are excerpts from an interview.



Tim Nunziata

Senior Vice President of E&O and Cyber
Nationwide Insurance



"By combining deep industry knowledge with a data-centric approach, we're helping our partners and insureds navigate a rapidly shifting cyber landscape with greater clarity and confidence."

Visit the Issues & Answers section at bestsreview.ambest.com to watch an interview with Tim Nunziata.

As quickly as the cyberthreat landscape is evolving, are policies and policy wording able to keep pace?

It's certainly a challenge. Policy language is now the most negotiated part of the insurance placement process. During the hard market and recovery period from 2021 to 2023, much of the focus was on capacity and pricing—rebuilding sustainable, renewable towers for insureds. As the market stabilized and the supply-and-demand dynamic softened, attention shifted to coverage terms and conditions. That focus continues today as carriers refine language and clarify intent. Much of the current product remains untested, and as claims frequency rises, these coverages are increasingly being vetted in real-life legal scenarios.

How should risk managers address policy gaps in their cyber coverage?

One key lesson from the ransomware surge was that claims can be industry-agnostic. However, the hard market reminded us that cyber coverage often needs to be highly industry-specific. Every industry has a unique risk profile, and it's critical that risk managers understand these nuances rather than rely on a one-size-fits-all approach. While it may seem ideal to purchase the broadest policy available, risk managers need to ask: at what cost? What's the premium, and how sustainable is that coverage year over year? The smarter approach is to identify your company's vulnerabilities and build a risk management strategy tailored to your specific needs.

What should risk managers be looking for in their cyber policies? How often should they reassess their needs?

Most cyber policies are 12-month, full-term policies, but reassessing your cyber risk should be a continuous process—not something you do only once a year. The threat landscape is constantly evolving, and new bad actors or tactics can emerge at any time. Even if your policy isn't up for renewal, your organization should be actively monitoring risk exposure. It's important for risk managers to stay informed on a rolling basis. There's enough data available now to make informed decisions throughout the year, not just at renewal. Keeping a pulse on your risk environment allows for a more complete and proactive insurance solution when the time for renewal does arrive.

How is Nationwide working with agents, brokers and insureds to best manage the evolving cyberthreat landscape?

The key is providing tailored, data-driven solutions. At Nationwide, we're taking a more intentional approach to coverage development. One example is our "industry of champions" model, which allows us to work closely with broker partners across industries and company sizes. This not only helps us become true subject-matter experts in specific sectors but also enables us to identify and deliver solutions that directly address the unique risks those industries face. We're also leveraging data analytics to be more proactive in identifying loss drivers and understanding causation trends. This helps us ensure that policy language keeps pace with emerging threats. For example, as the market continues to grapple with the implications of the war exclusion or wrongful data collection, we're asking: How can we use data aggregation and analysis to better quantify these exposures? These insights don't just inform underwriting—they help shape smarter coverage solutions for clients.

AM Best: Innovative Changes Ahead For US Life/Annuity While Absorbing Prior Industry Shifts

AM Best cited strong liquidity and capital positions and robust annuity sales as reasons for maintaining a Stable outlook on the U.S. life/annuity segment.

by John Weber

A new Best's Market Segment Report said that economic conditions, regulatory frameworks and engaging products will reshape the future of the life/annuity market.

AM Best Director Edward Kohlberg spoke with AM Best TV about the report, *Innovative Changes Ahead for US Life/Annuity in 2025 While Absorbing Prior Industry Shifts*, which projects modest growth in capital and surplus of approximately \$48 billion for the U.S. life/annuity insurance industry over the combined 2024-2025 period.

AM Best's annual Review & Preview report on this segment also states that balance sheets within the life/annuity segment remain well capitalized and continue to grow. Following is an edited transcript of the interview.

AM Best has kept its outlook for the segment at Stable. What's the reasoning behind that?

The outlook continues to be Stable. We reaffirmed that at year-end 2024. We've been Stable since 2021. There was a brief period in 2020 during the pandemic when we did have a Negative outlook on the industry. If you look at what we are keeping this Stable at for this year, that's driven by a few things.

We've seen very strong growth in premiums for the industry, mainly in the annuity line of business. If you look at total direct premium growth for the industry, it grew about 17%. When you look at third quarter 2024 from the third quarter of 2023, for that same time period, if you look at the annuity line of business, that grew 28%. Very strong growth in that line of business.

John Weber is a senior associate editor. He can be reached at john.weber@ambest.com.



"There's been a lot of new players coming to the marketplace. Most of them have been entering the annuity space. We're seeing private equity come in, asset managers, of course, and other types as well."

Edward Kohlberg
AM Best

Another thing that has helped to support our outlook is capitalization continues to be strong for the industry to help absorb some of that growth. When you look at other metrics on the balance sheet side, we're comfortable with the Stable outlook.

When you look at investment allocations and you look at the investment-grade quality of the investments, we're comfortable on that side. When you look at the operating performance for the industry, it continues to be profitable for most companies. We are seeing some increase in expense spend for technology and modernization of systems.

The industry has increased its liquidity in recent years. How is that playing out?

When you look at liquidity, some companies have increased their facilities to help bolster their liquidity, such as [Federal Home Loan Bank] access. Other things on the liquidity front, I think it's important to look at the ALM, the asset liability matching of companies, which has improved over the last few years.

That's mainly been driven by the interest rate environment as companies have been able to lock in longer with higher interest rates. That helps with their matching against longer data duration liabilities.

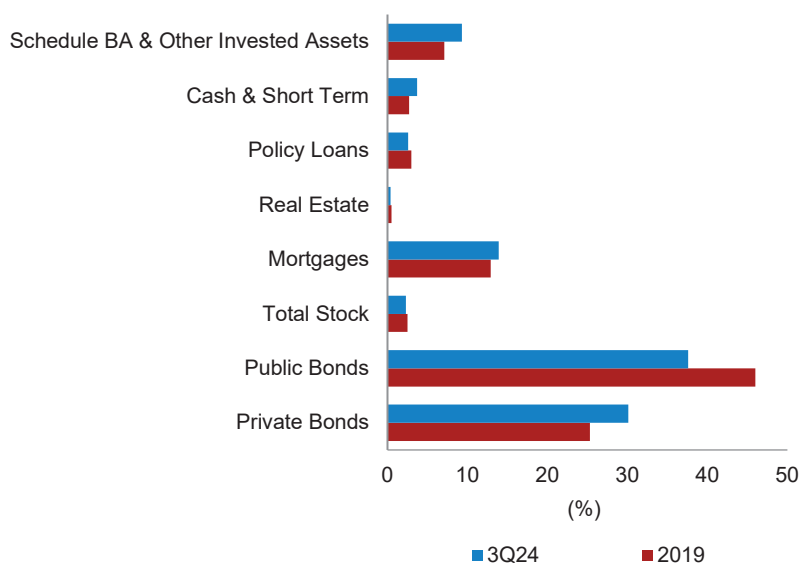
There's been a growing role of private equity and asset managers within the industry. What are we seeing as far as that's concerned?

That's been an interesting story. There's been a lot of new players coming to the marketplace. Most of them have been entering the annuity space. We're seeing private equity come in, asset managers, of course, and other types as well.

Some family-owned companies and other company types that have come into the market, they all bring to the marketplace their niche, their abilities, and strengths. Specifically, asset managers clearly have the knowledge and ability to manage assets. Many of them have done so for other insurance companies on a third-party basis.

They bring their expertise to certain asset classes that help when it comes to the interest-sensitive, capital-intensive-type businesses such as annuities.

US Life/Annuity – Invested Assets, 2019 vs. 3Q24



Source: [BESTLINK](#) from Best's Market Segment Report: *Innovative Changes Ahead for US Life/Annuity in 2025 While Absorbing Prior Industry Shifts*, published March 11, 2025.

Speaking of asset classes, are you seeing any interesting trends as far as that goes? Real estate is one that comes to mind.

There's been some interesting trends in recent years. Some companies are investing more in private, less-liquid-type assets as they see a better trade-off between the less-liquidity aspects against a similarly rated corporate bond.

The yields are better for some of the private investments that they're seeing. On the mortgage front, most companies are growing slightly on that aspect. We don't see any wholesale growth in that area.

What we are seeing is companies may be straying away from structured [commercial mortgage-backed securities] in favor of more of the commercial mortgage loans that they could manage and underwrite themselves so they have more transparency into that asset class.

Other things going on in the asset classes—of course, there are others. I mentioned the asset managers—some of them have their own esoteric niches in certain asset classes that give them the ability to invest in other types of classes.

BR

AM Best TV



Scan to watch the interview with Edward Kohlberg.

TASK FORCE TEST: Bermuda, whose capital, Hamilton, is shown here, along with the Cayman Islands are domiciles where insurers are establishing reinsurance agreements. The National Association of Insurance Commissioners' Life Actuarial Task Force has been working on new rules to test the accuracy of such offshore reinsurance deals, amid concerns domestic life insurers could enter into agreements that may be detrimental to policyholders.



NAIC Continues Reinsurance Adequacy Testing Guides as Life Carriers Increasingly Go Offshore

Reinsurance activity has led to reduced transparency into reserves that are held after certain transactions, said Fred Andersen, a member of the NAIC's Life Actuarial Task Force and chief life actuary for the Minnesota Department of Commerce.

by Steve Hallo

The National Association of Insurance Commissioners' Life Actuarial Task Force has been working on new rules to test the accuracy of offshore reinsurance agreements while the sector increasingly turns to reinsurers based in Bermuda and the Cayman Islands.

The task force, which last year began considering

Steve Hallo is a senior associate editor. He can be reached at steve.hallo@ambest.com.

a proposal to review life insurers' asset reserves involved in reinsurance deals, said there was risk domestic life insurers could enter into reinsurance deals that materially lower the total asset requirements and allow for capital releases to the detriment of policyholders, according to a March 23 exposure of the proposed regulations.

"There has been a lot of this reinsurance activity going on and it has swelled into the hundreds

of millions of dollars just since 2020,” said Fred Andersen, who works on the NAIC task force and is chief life actuary for the Minnesota Department of Commerce.

This activity has led to reduced transparency into reserves that are held after these transactions and the types of assets that are supporting this business, Andersen said.

The American Council of Life Insurers said it supports the updated guidelines, but has offered some alterations to their current form, according to a Feb. 28 letter to the Life Task Force leadership.

The trade group proposed allowing appointed actuaries more flexibility in assessing reinsurance risks, maintaining domestic regulators’ abilities to require additional analysis and limit the scope to transactions issued in 2020 and later.

This would allow actuaries to better align financial information with the framework of the jurisdiction of the assuming company, the ACLI said. Understanding how these frameworks operate will give U.S. regulators better insights and enhance their ability to oversee these transactions.

Complicated Accounting

During 2023, almost 47% of ceded reserves were transferred offshore, according to a September 2024 Best’s Special Report. This was up from 26% in 2016, and the growth was expected to continue.

The report noted reinsurance deals involving offshore entities often complicate accounting.

Roughly two-thirds of reserves ceded offshore go to affiliates, the report said. Insurers with asset manager and private equity sponsors accounted for 44% of reserves ceded to offshore affiliates. Companies that move more than half of their ceded reserves to offshore affiliates are largely sponsored by private equity and asset managers.

Private equity- and asset manager-owned insurers have grown in number and assets in recent years, according to a March 11 Best’s Special Report. These entities now account for nearly 10% of the life and annuity sector’s admitted assets.

Further, insurers are increasingly turning to Bermuda and the Cayman Islands when looking to move reserves offshore as these countries offer stable political, economic and regulatory environments, the 2024 report said.

During 2023, Bermuda accounted for more than one-third of all in-force business and 60% of new



“There has been a lot of this reinsurance activity going on and it has swelled into the hundreds of millions of dollars just since 2020.”

Fred Andersen
Minnesota Department of Commerce

business, the report said, noting that the Bermuda Monetary Authority registered 67 insurers in 2023. Last year, the BMA said, it registered 63 insurers.

Insurers also are increasingly looking at the Cayman Islands as a domicile for reinsurance purposes, with the islands’ monetary regulator approving 41 new international insurers in 2023. As of the end of 2024, the Cayman Islands Monetary Authority said it had 697 insurance licenses, including 42 new ones issued.

Tax efficiency was cited by 70% of industry executives as the primary reason they turned to offshore reinsurance, the report said. Most of the remainder, 22%, cited staying competitive as the primary reason.

Laying out a timeline for adoption, Andersen said the NAIC Life Insurance and Annuities Committee would likely vote on the measure in June or July. The rules would still need final approval. **BR**



Swiss Re's Sprackling: Medical Advances Reshape Mortality Trends, Risk Strategies

In an interview with AM Best TV, Neil Sprackling, CEO of Life & Health Re US at Swiss Re, explains how breakthroughs in personalized medicine, metabolic health and early disease detection are transforming longevity expectations and underwriting in the insurance industry.

by Lori Chordas

Advancements in medical science are rapidly transforming mortality trends, creating both challenges and opportunities for the

Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

insurance industry. As new innovations emerge, insurers are adapting to keep pace, according to Neil Sprackling, CEO of Life & Health Re US at Swiss Re.

Breakthroughs in personalized medicine and metabolic health are reshaping underwriting,

longevity predictions and pricing models. Insurers are navigating the changing risk landscape as medical advancements should provide a positive impact, Sprackling said.

Sprackling recently spoke with AM Best TV, discussing emerging medical trends and their significance for the life insurance industry.

Following is an edited transcript of the interview.

You recently moderated a panel discussion at the annual ReFocus global conference in Las Vegas. Can you tell us a little bit about that and some of the key takeaways from that discussion?

It's a really interesting opportunity. I had three doctors with me on the panel from three different reinsurers, one of which was Swiss Re, each specialists in their own fields.

The focus was on looking at some of the emerging trends from a medical perspective and what we should think about in the context of the life insurance industry.

Specifically, we talked about microbiomes. I'm not the doctor in the house, so I'm not going to talk about the medical side of that, but very, very interesting in terms of how the body reacts to things that we digest and how it all goes through the microsystem within the gut, as it were. That's the first one.

The second one is metabolic health, which I'll come back to in a second in terms of what the trajectory of that is, and actually defining that and understanding it in the context of the insurance industry. The third was on emerging cancer trends. Those were the three medical themes.

The takeaways from the session were very interesting. I would say the microbiomes and the metabolic health topic came together, and this is a lot about choices that we make as a consumer: what diet we have, what nutrition, what level of exercise we take, and what impact that is having on the human body. That would be the first thing.

The second one is in the mortality trends we're seeing from cancer and how that's shifting. I'll give you a tangible example. If you look over the last 30 years and what we've done around smoking cessation, we're seeing a notable decrease in mortality coming from certain cancers like

lung, which obviously [is] directly related to smoking.

We're seeing an increase in certain other cancers, specifically joints, brain, liver. In female lives, it's the uterus. There's a shift happening there, and we need to understand what this means as we look forward from a life insurance perspective.

How are recent medical advancements influencing mortality trends and risk selection in the insurance industry?

You build a little bit on some of the things that were coming out from the panel I was on, and I would point to a few things. There's quite a lot of different positive factors from a medical advance, which we're all seeing as individuals and consumers, but they have an impact on the insurance business as well.

Let me get more specific here. I'll label this around what I call shifting from treating conditions to preventing conditions, so getting on the front foot, actually taking action earlier rather than going into a reactive phase.

Let me give you a very tangible example. Multi-cancer early [detection] tests, bit of a mouthful, known in the profession as MCED—these are the early detection tests that we're starting to see. One that many people will be familiar with is GRAIL [Galleri Multi-Cancer Early Detection Test], which is a test that allows you to pick up cancer incidence away from the usual screenings that we would all go through.

Those are advancing very quickly. That is a great thing. It's a great thing for society, great thing for the medical profession, great thing for the insurance industry.

The second thing I would point to would be the increasing use of GLP-1 drugs, so Ozempic and the such. These are becoming very much more mainstream, in wide use now across the country and in many others as well. Those are good things as well. We're seeing some benefits in how you tackle what I would describe as the obesity pandemic.

The third thing—and this is a broader category I would point to—is managing obesity more generally and more proactively. Maybe we'll come back to that when we talk about metabolic health because that's a big topic.



“Seventy percent of U.S. adults are either overweight or obese, and 40% of them are clinically and medically obese. What that means in practice is that we’ve got half of our adults that are either Type 2 diabetic or prediabetic.”

Neil Sprackling
Swiss Re

The one thing I would add, which is a bit of a trend that can go both ways, is what should we expect from COVID now that we’re kind of past the pandemic? Here we are today or around now celebrating, if that’s the right choice of word, or acknowledging the fifth anniversary of the COVID-19 pandemic.

We’ve learned a lot about the ongoing effects of the COVID virus on future mortality. That’s what I would say we need to be thinking about as we look forward here.

What role does metabolic health play in shaping excess mortality rates, and how are insurers responding?

Metabolic health, it’s a super interesting area. Another way to think about it is insulin resistance syndrome, which is a bit of a medical term. This is all about how our body reacts to basically what we consume, whether it’s from a diet and nutrition perspective.

There’s some pretty scary stats around here. Seventy percent of U.S. adults are either overweight or obese, and 40% of them are clinically and medically obese.

What that means in practice is that we’ve got half of our adults that are either Type 2 diabetic or prediabetic.

One-third of them have metabolic syndrome. This is the insulin-dependent syndrome. Usually, the criteria for evidence of that syndrome are five things. Some of them are a bit medical and some of the things that you would understand quite clearly as a consumer.

One is raised cholesterol. We’re all used to going through blood tests and looking at results from that. Elevated blood sugar will be another, high blood pressure, excess weight in the abdomen. Then the one that’s a bit of a mouthful is the hypertriglyceridemia. Higher triglycerides. If you have three of five of those, you’re diagnosed as having the metabolic syndrome.

This is leading to the incidence of Type 2 diabetes. This is putting a huge weight on the medical sector, health care in general, and obviously has an effect on the life insurance sector.

The good news about it, whilst it is what I call the hidden or the undiscussed pandemic, if you want, is that it’s preventable and it’s reversible. It’s a lot to do with behavioral decisions that we make when it comes to nutrition and how it comes to exercise.

What trends are you seeing in excess mortality, and how do they compare to prepandemic levels?

It’s really interesting. Here we are now in early ’25, and things have settled down a lot. Let’s put a few data points around this. Excess mortality—so that’s the level of mortality above what we were seeing prepandemic—is running at about 1[%] to 1.5% if we look at data from 2024.

That's an improvement. If you go back to '23, it was running at 3[%] to 4%. We're trending in the right direction. Things are coming down, but we've still got some of this residual excess mortality that we can observe in both the insured and the general population.

A lot of this [has] to do with the lingering effects of what we often call long COVID. People that may have actually caught the virus, but ultimately, they may be frailer or have more impact, and we're starting to see that excess coming through. That is one thing I would say.

The other is whilst the COVID numbers have come down, we're seeing, in the first quarter of 2025, one of the worst flu seasons that we've seen since prepandemic. So COVID comes down, but flu goes up. We see rates of hospitalization. We see mortality rates increasing, certainly in the first few months of 2025.

That, at a high level, is some of the trends that we're seeing around excess mortality. My message to everybody is: This is good news. It's coming down, but continue to pay attention to this because we still have excess mortality, so a higher number of people dying than we expected compared to prepandemic.

Looking ahead, what challenges and opportunities do insurers face as medical innovations reshape longevity expectations?

Let me go back to something I was talking about a moment ago around the metabolic health topic. Let's pick GLP-1 drugs. This is a fast-emerging area of treatment for obesity.

I would say we are at early stages of understanding the impact of GLP-1 drugs, both in terms of the positive benefits of weight loss but also the side effects. Also, just natural human behavior, so people's adherence to these drugs. If they start taking them, do they [continue] taking them?

Those are positives. We're seeing impact on that. There's some data coming through from last year that is showing that obesity rates in the United States are coming down, and you'd have to attribute some of that to the use of GLP-1 drugs. That's good.

The other side of it is just to say we're learning about side effects, we're learning about adherence, and also some practical aspects around supply and

demand. The demand is going up. The supply has got to continue to be able to meet that demand.

However, when I go back to the topic of metabolic health, a lot of this is around how we decide to behave as human beings, the decisions we make, the level of exercise we undertake, the types of things that we decide to consume.

Let me be more specific. The fast-food pandemic that we see ourselves in. Those five criteria I talked about earlier—excess weight, high blood pressure—these are exacerbated by things like ultra-processed and fast food. Those are decisions that as consumers we take.

My point here is the GLP-1 drugs are definitely a help in us leading longer, healthier, happier lives, but we've also got to see some behavioral change that comes along with it. We can't expect the GLP-1 drugs to be the panacea, the solution to all of the issues around the pandemic. I think that's good.

Then the other thing I would say is we are seeing, in the life insurance sector, more personalized decisions based on information that we have available to individual consumers.

We've just struck a partnership, for example, with a company called Navierre, which allows a consumer, like you and me, to bring together all of our health information in one place and then look for the right treatments and interventions.

This is good. It's personalized. It's about you. It's about me. It gives us access to things that are very much around our personal situation rather than broader health benefits.

I think this is good. If you put it into the context of the life insurance industry, we're starting to see much more automation, the use of tools that allow underwriting decisions to be made using electronic health data by bringing together medical information from doctors that allow us to make quicker and faster decisions for the end consumer.

These are all good things. These will lead to ultimately better outcomes for consumers and also allow us to give, if you like, more personalized decisions around how we underwrite risks for life insurance.

BR

AM Best TV



Scan to watch the interview with
Neil Sprackling.



Insurance Industry Embraces AI Innovation as Technology Advances ‘Exponentially’

From utilizing weather tools that aid in fortifying homes to employing an ecosystem of virtual agents, insurers have put aside their initial reluctance and welcomed artificial intelligence to help customers and better understand risk.

by Anthony Bellano

Insurers have begun to put artificial intelligence to work throughout their organizations as they gain confidence in the technology’s ability to reduce workloads and increase efficiency.

“AI’s getting much better, much more useful and much more sophisticated,” Edin Imsirovic, director, AM Best, said during AM Best’s Europe Insurance Market & Methodology Briefings – London. “At the same time, the development of AI is accelerating exponentially.”

While many insurers remain unsure about how to use the technology and are concerned about regulatory issues, others are taking advantage of these advancements in multiple ways.

Commercial brokerage Flow Specialty has built an ecosystem of AI agents that have passed industry certification exams and, according to a company statement, “operate like the world’s best assistants.” Liberty Mutual has an AI tool that helps homeowners prepare for severe weather events based on their location and characteristics of their home.

Insurers also are dedicating staff and resources to the development of AI applications. Zurich North

The Artificial Intelligence Special Section is sponsored by Xceedance. Go to page 31 to read an interview with Brandon Nuttall, chief digital and AI officer, Xceedance.

America, for example, late last year hired a chief data officer whose work includes integrating AI strategically into the company’s systems.

ACORD Solutions Group Vice President of Solution Architecture Somesh Mukherjee said attitudes have begun to change in the industry.

“As the quality, cost of inferencing and security guardrails have matured, I’m seeing more and more applications starting to use gen AI,” Mukherjee said.

Cyber insurtech Coalition has been using AI to help underwriters and brokers manage information. Using the tool, vast amounts of information can be condensed quickly, giving underwriters, customer service employees and claims adjusters more information at their fingertips.

“Rather than have them do a lot of mundane tasks that our technology can solve, you can put them into a position where they can use their mind and creativity and be innovative,” said Shawn Ram, the chief revenue officer at Coalition.

Anthony Bellano is an associate editor. He can be reached at anthony.bellano@ambest.com.

AI Agents

One of the new AI applications involves using AI agents to help brokers with a multitude of tasks.

Flow Specialty said in a statement that its platformless AI model can “take meaningful work off brokers’ plates.” These AI agents are trained on insurance materials such as specimens, quotes and carrier risk appetites, as well as the ongoing transaction of communication material and critical decision points.

The models are able to cross-reference materials, learn from broker interactions and evolve continuously, Flow said. AI agents can take on tasks such as risk appetite matching, generating quote comparisons and constructing review materials.

Flow said its human brokers are always in the loop, revising and overseeing the output of this workflow engine.

“That means that the role of the broker evolves. There’s still heavy reliance on expertise, on relationship-building, on creativity. Those are things that people can do, and AI will never be able to do,” Flow Specialty CEO Sivan Iram told AM Best TV. “Most of the waste is eliminated, and that allows us to better cater to what our brokers love to do and need to do.”

Flow Specialty said its technology is designed to help small and medium business segments that are often overlooked in favor of larger enterprises that yield larger commission dollars.

Flow Specialty said it used agentic AI to develop these AI agents. Agentic AI software is a type of artificial intelligence that uses large language models, machine learning and natural language processing to make decisions and perform tasks independently, according to IBM.

The software can help make decisions and perform tasks without human intervention, according to Salesforce Inc. These systems are able to learn from their interactions and adapt to new situations, improving their performance over time.

Kristen Bessette, who was recently hired as chief data officer at Zurich North America, also spoke about the value of agentic AI, comparing its use to everyone getting an intern to help them do their job. She said those using it can “interact with data naturally, asking questions that pop into their head as they look at data and information.”

“If you think of the time spent on trying to create insights, that can happen very differently now,”



“The development of AI is accelerating exponentially.”

Edin Imsirovic
AM Best

Bessette said. “You can produce it into reports. You can use natural language to query data with your own questions as they occur to you. You can say, ‘Tell me why this is happening,’ and it can give you possible answers.”

Claims and Underwriting

Underwriters and claims adjusters often have to sift through massive amounts of data to better understand risks and evaluate claims. AI can take vast amounts of data, summarize it quickly and make it easier to understand.

Generative AI helps underwriters and claims adjusters pull together and summarize large amounts of data from different sources, according to Anthony Habayeb, co-founder and chief executive officer at AI governance software platform Monitaur Inc.

Monitaur helps companies build, manage and automate responsible and ethical governance across their modeling systems. AI is a form of modeling, and the insurance industry is run on modeling systems, Habayeb said.

At Liberty Mutual, the claims team and underwriters are using copilots, a type of AI-powered virtual assistant, according to Global Chief Information Officer Monica Caldas. One in four employees throughout the company have access to LibertyGPT, Caldas said, which helps “streamline their tasks, enhance productivity and save time.”

Underwriters at Zurich North America are using



“That level of sophistication to route claims to the right place at the right time, rather than use the first-in, first-out methodology, can be an effective use of AI.”

Shawn Ram
Coalition

AI to help identify, extract, compare, and summarize important information, Bessette said.

“We exchange a lot of information, and we’re trying to get it into our systems in front of our underwriters as quickly and accurately as possible,” she said. “We need to extract the information out of different documents, bring it into our environment, and present it to the underwriter in a consistent, easy-to-digest format. This way, they aren’t spending as much time gathering information, and they can focus on risk selection and pricing.”

She said they also use AI to compare documents, including policy endorsement language or regulations. This includes its crop insurance business, RCIS, which is an approved insurance provider through the federal crop insurance program.

“Each year, lengthy new documents are produced that outline the updated procedures and rules that AIPs need to follow,” Bessette said. “Using AI, we can easily scan the new and previous documents to note what has changed, saving hours of analyst time and reducing the risk of errors.”

Insurtech Turvi has developed a generative AI tool that targets the initial stages of the claim lifecycle. The tool can help adjusters find the right part of a claim more quickly, without having to

manually scan thousands of pages of a policy.

“The engine returns with the citations within the policy that it’s referring to, so they can link right into the point of the policy as opposed to searching for it,” Turvi CEO Kenneth Tolson said.

The tool also helps adjusters quickly evaluate if something is covered, as well as the limits, sublimits, coinsurance and other coverage aspects that could impact the value of the claim, Tolson said. But when he presented it to a client broker, they wanted to share it with their customer.

“I loved it because it was from the standpoint of being more transparent about the coverage they had,” Tolson said. “It can help the customer identify risks like flood. The customer can query the application and say, ‘Well, flood’s not covered. So I may need flood insurance.’ It actually helps educate the consumer as to what’s covered and what’s not covered.”

In the specific case he was referencing, flood was covered but “it’s not so much an underwriting play as it is a customer engagement engine to help educate the consumer,” Tolson said.

Coalition is a large writer of cyber globally, Ram said. With tens of thousands of policyholders, he said that, hypothetically, AI could be used to determine an incoming claim’s type, who is best suited to handle the claim and who has the capacity to do so at that point.

“That level of sophistication to route claims to the right place at the right time, rather than use the first-in, first-out methodology, can be an effective use of AI,” Ram said.

Customer Relations

Most insurance buyers are not security professionals, Ram said. Cybersecurity is a major concern for most organizations, but some of the information can be complex and difficult to explain to clients. Coalition uses generative AI to simplify complex security jargon.

“Generative AI is a tool that allows us to do that effectively by creating content in a simple way,” Ram said.

“Our ability to craft the message so a CFO or a risk manager understands what the problem is, if it is solvable, and how to solve it is some of the value of creating content using AI,” he said.

With varying degrees of industry, defining the type of company being dealt with is one of the prominent issues facing the insurance industry, Ram said.

“You can produce it into reports. You can use natural language to query data with your own questions as they occur to you. You can say, ‘Tell me why this is happening,’ and it can give you possible answers.”

Kristen Bessette
Zurich North America



“Artificial intelligence can evaluate a company’s website, evaluate other third-party information associated with the company, and then leverage a group of industry codes or selection options in order to propose what would be their belief around that particular industry segment,” Ram said.

Coalition also uses a process called copiloting to help manage the roughly 400,000 to 500,000 broker service requests it receives each year. Some of these requests are submissions that can be filed either online or manually, and the company uses AI to convert the submission into its system.

“As we copilot for a period of time, we can identify where AI is achieving near-perfect accuracy and where it is lacking,” Ram said. “We further refine it to the point where rather than copilot 20 different pieces of information, we really just need to focus on one or two.”

Data Extraction

ACORD, meanwhile, has been using ACORD Transcriber, an intelligent document processor, to extract data from more than 4,000 versions of over 800 industry-standard forms in the ACORD library.

“When ACORD Transcriber was born, it used AI extensively to extract content from these ACORD Forms,” Mukherjee said. “We kept investing. The extraction accuracy of the model improved as more data became available, more computing power became accessible. We improved accuracy quite considerably.”

“A few years in, we realized the industry was hungry not just to extract information from these ACORD documents, but it was also trying to absorb content from other documents that can be similarly structured, significantly more verbose, and even completely unstructured.”

It can now be used to extract, digitize and automate data from any type of insurance form, and

caters to every line of business one can potentially think of in the insurance space, Mukherjee said. It can be used by carriers, brokers and agents.

“We extract the label or key, its value and return a confidence score for every extracted label. We magnify the data point of interest as it is relevant for that particular document category or for that customer per se,” Mukherjee said. “For example, in any jurisdiction that Lloyd’s of London operates in, there’s a document called Market Reform Contract. ACORD Transcriber offers a model to extract more than 150 extremely accurate data [points] from these contracts, which can be very verbose—hundreds of pages.”

Mukherjee used rental buildings as an example. An agent or client representative requesting a quote will write up a packet that includes details about the characteristics of the property, its insurance status and what kind of claims have been filed previously. This information will most likely be spread across not only the text of an email, but several attachments.

Once ACORD Transcriber ingests the content, the tool “can extract all the relevant information from the email body and attached documentation that can be data points of interest for the agency and insurer to evaluate the risk involved,” Mukherjee said.

ACORD Transcriber doesn’t use generative AI on ACORD Forms because they are more structured. When it comes to other documents in the industry that are less structured, it makes use of generative AI, but Mukherjee said they let their customers know that some results may need human-in-the-loop verification.

“I invest my time on the engineering side, but at the same time, I tell my customers it will never be 100%. The industry understands there is a need to ‘trust, but verify’ any kind of AI solution,” Mukherjee said.

BR

SOLVING COMPLEX P&C INSURANCE CHALLENGES

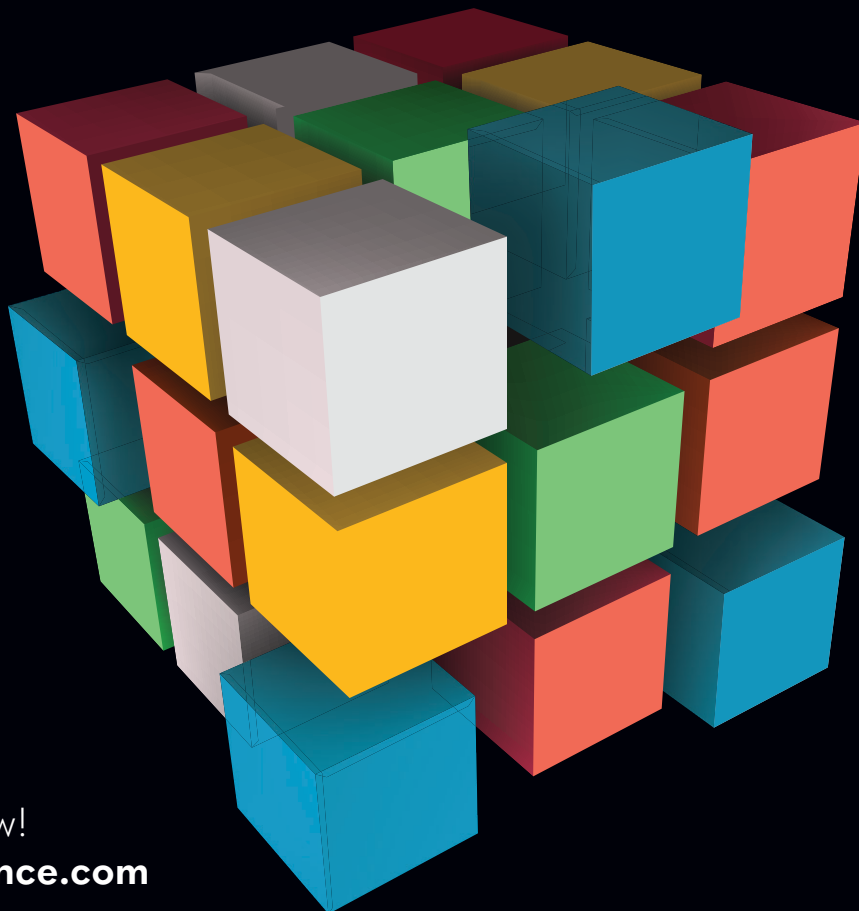
with expertise and technology

- ✓ Insurance-only focus and AI-powered services
- ✓ Global reach, multi-line coverage, and diverse customer base
- ✓ Comprehensive solutions across the insurance lifecycle
- ✓ Advanced Intelligence Center of Excellence with 25+ proven use cases

250+
Clients

9
Global
Offices

4000+
Team
Members



Talk to us now!
www.xceedance.com



Propelling AI's Value for Insurers

Brandon Nuttall, Chief Digital and AI Officer for Xceedance, said generative AI is becoming more integral for insurance executives' technology strategy, but moving from "buzz to business value" remains a challenge. Following are excerpts from an interview.

How do insurers move from hype to value when it comes to generative AI?

The best way for insurance executives to think about this problem is that generative AI is really good at providing knowledge, but it's not actually good yet at providing wisdom. I would encourage senior leaders to identify and start thinking about knowledge-heavy but wisdom-light pockets in their respective organizations. As things progress, AI will become more and more the center of every senior leader's tech strategy.



Brandon Nuttall

What do you think insurers get wrong about AI?

It's really on two extremes. On one extreme is that gen AI will have no impact on our organization. Somehow, their organization, their particular classes of business are immune. On the other hand, I talked to organizations that really think that generative AI is kind of magic pixie dust and all you have to do is sprinkle AI on something and it

will solve all your problems. The real truth is somewhere in the middle.

How are insurers using AI in real-world situations?

Insurers are thinking in terms of now, next and beyond, right? These are real-live use cases around document data extraction, customer service and customer communications. A next organization is going to be thinking about agents coaching humans.

I expect to see things like next-best-action agents and negotiation coaches that become much more relevant and prevalent. And then finally, when we look at beyond, we look at beyond the next three to five years. We're really looking at organizations where, rather than humans working alongside the technology, the humans will basically be working with and coaching and guiding that machine intelligence.

What AI technologies have the most potential to impact the insurance industry over the next five years or so?

There are two things that I would name check here. The first is sovereign AI. A lot of organizations have been a bit slow to adopt AI technologies, mainly because there's been justifiable fear of sending data to somebody else's cloud for processing. With DeepSeek and a lot of the sovereign AI capabilities which are emerging, it is more and more possible to have powerful AI which lives in your own data center. The other thing to be thinking about is agentic AI.

Other organizations in other parts outside of financial services are commonly using agentic AI to solve major business problems. As we as an industry and the regulators become increasingly comfortable with AI usage and AI deployment in our highly regulated industry, it will become more possible to deploy more and more robust AI agents into organizations.

AM Best TV



Scan for the interview with Brandon Nuttall.



Regulating the Bleeding Edge: Laws Progressing To Keep Pace With AI's Technological Advancements

Since the NAIC released its model AI bulletin two years ago, 23 states and Washington, D.C., have adopted it, and four other jurisdictions have adopted insurance-specific AI regulations.

by Steve Hallo

As lawmakers and regulators across the United States consider the effects of always-advancing artificial intelligence, insurance carriers are primarily adhering to existing regulatory guidance. But more work can be done, according to a survey from the National Association of Insurance Commissioners.

Among health carriers, 92% said they have governance principles in place that model those recommended by the NAIC, survey data released

at the group's spring meeting showed. However, just 29% of carriers said they had processes in place to allow policyholders to contest adverse underwriting decisions.

Further, fewer than a quarter of carriers said they keep a record of the number of contested underwriting decisions, according to the survey, which polled health carriers in 16 states.

AI's Usage in the Health Care Insurance Industry

Only 23% of carriers disclose to health care

Steve Hallo is a senior associate editor. He can be reached at steve.hallo@ambest.com.

providers how and when they or third parties use AI and machine learning.

Among the 93 respondents, 92% said they use, plan to use or are exploring AI, according to the NAIC survey.

When it comes to how automated AI decision-making is, nearly every carrier, 98%, said less than half of their AI processes are involved in automated decision-making processes, according to Shannen Logue, deputy commissioner of product regulation for the Pennsylvania Insurance Department.

“In fact, 96% of the companies surveyed indicated that fewer than 5% of their AI use 100% automated decision-making processes,” Logue said during the NAIC’s spring meeting.

Further, 85% of companies surveyed indicated that 50% or fewer of their AI leverage augmented decision-making processes, which is where models advise humans who make decisions, she said.

More Guidance Needed on Governance

Since the NAIC released its model AI bulletin two years ago, 23 states and Washington, D.C., have adopted it, and four other jurisdictions have adopted insurance-specific AI regulations. However, Pennsylvania Insurance Commissioner Michael Humphreys, who chairs the Big Data and AI Working Group, said that conversations with carriers showed that more guidance is needed on governance, testing and how regulators oversee AI programs.

He also said transparency is becoming even more critical and pointed to survey results showing just 23% of carriers disclose AI use to health care providers. He said carriers should discuss the who, what and where of their AI processes and when consumers and providers should be made aware of them.

As to the whys, Humphreys said the role of human oversight in AI is vital when considering health insurers’ use of the technology.

In 2024, California took this to heart by enacting a law that requires licensed health care professionals to make decisions about the medical necessity of a procedure.

Further, California’s law prohibits AI, algorithms and other software tools from being used to deny, delay or modify health care services based on medical necessity. It also requires AI or software-based utilization review decisions to rely on an



“We have to make sure that we’re not leaving lifesaving decisions or medical treatments up to an algorithm that no one is double-checking to make sure that the appropriate decisions are being made.”

Michael O. Moore
Massachusetts Senate

insured’s specific medical records rather than group datasets, limiting the permissible information to the insured’s clinical history, individual circumstances and relevant provider-submitted data.

Under the law, decisions regarding medical necessity must be made by licensed physicians or health care professionals with the appropriate background to evaluate the specific issues involved in the request.

“Artificial intelligence is an important and increasingly utilized tool in diagnosing and treating patients, but it should not be the final say on what kind of health care a patient receives,” said Sen. Josh Becker, the bill’s author and a Democrat representing Menlo Park, in a statement.

“An algorithm does not fully know and understand a patient’s medical history and needs and

can lead to erroneous or biased decisions on medical treatment.”

Gov. Gavin Newsom signed the bill and the new regulations went into effect on Jan. 1.

The new law was part of a wave of 17 AI-related bills recently signed by Newsom, who said the state has a responsibility to protect its citizens from the “potentially catastrophic risks” presented by AI.

Focus Has Shifted to Regulation

California’s law inspired a bill recently introduced in Massachusetts, according to legislation sponsor Sen. Michael O. Moore, a Democrat from the Second Worcester District.

Moore said embracing new technology like AI can streamline processes and ultimately lower costs, but companies cannot discount the human element.

“We have to make sure that we’re not leaving lifesaving decisions or medical treatments up to an algorithm that no one is double-checking to make sure that the appropriate decisions are being made,” Moore said.

While his legislation addresses health insurers, Moore expects AI-related legislation to emerge in every policy area in the years to come. For example, Massachusetts lawmakers also are considering a bill covering the use of AI in grocery pricing, he said.

“We’re going to be looking at AI in all sorts of different policy areas, but right now the discussion is revolving around health care and insurance,” he said.

These future conversations are going to cover P/C, Moore said. This would build on the NAIC’s bulletins already being introduced nationwide that cut across insurance lines.

In February, Delaware joined the ranks of states officially offering guidance on AI use. Insurance Commissioner Trinidad Navarro issued a bulletin laying out carriers’ responsibilities to minimize risks from AI use. Navarro reiterated that any AI-derived decision must adhere to state and federal laws against unfair trade and claims practices, discriminatory decisions and other prohibited rate-setting actions.

“AI is transforming the insurance industry and is increasingly deployed across all stages of the insurance lifecycle, presenting both opportunities and risks,” Navarro said in a statement. “By issuing this bulletin, we’re putting insurers on notice that these systems may not circumvent our existing regulatory standards and that they must take all possible steps to ensure no consumer harm is created.”

Delaware’s AI bulletin also served notice to policyholders that AI might be used in insurance products as well as a carrier’s marketing, claims management, fraud detection and other consumer-facing areas, Navarro said.

Last year, the New York Department of Financial Services adopted guidance to prevent unintended discrimination caused by using artificial intelligence in underwriting and pricing processes, according to a circular letter from the department.

The regulator said AI and external consumer data and information sources can simplify the underwriting and pricing process, but the industry must place safeguards around the technology’s use to prevent harming consumers.

The guidance set definitions for AI systems and external consumer data and information sources, as well as clarified that terms “unlawful” and “unfair” align with definitions set by state and federal laws. The department said it excluded a definition for “traditional underwriting,” as it would not include AI systems or external consumer data as defined in the guidelines.

Risk-Based Pricing and P/C Carriers

When it comes to AI regulations, protecting risk-based pricing is the primary concern for P/C carriers as 18 states consider “overly broad” bills, according to the National Association of Mutual Insurance Companies.

Much of this regulatory talk swirls around the idea of algorithmic bias, which NAMIC describes as a nebulous concept.

In dispelling common notions about AI and risk-based pricing, the trade group said lawmakers must keep in mind that insurance is a unique product that requires tailored regulations. This includes allowing carriers to match rate to risk, according to Lindsey Klarkowski, NAMIC’s policy vice president for data science, AI/machine learning and cybersecurity.

“The concept of algorithmic bias is incongruent with the way insurance is priced and functions, and the concept is arguably a red herring for the real underlying issue—the existence of elevated risk representation in a group,” Klarkowski said in a statement.

Instead of pricing, Klarkowski said policy discussions should focus on how to reduce the risks seen in particular demographic groups.

BR



STAND OUT IN A CROWDED FIELD

MGAs, MGUs, Program Managers, Coverholders: Want to catch the attention of insurers who need your services? Scan the code to find out how a Best's Performance Assessment for Delegated Underwriting Authority Enterprises can set you apart from your competition.



Our Insight, Your Advantage®
(908) 439-2200



25.MK168B



CHALLENGING ACTION: Dimitri Zampetas, left, an executive at Amsterdam-based trade credit insurer Atradius N.V., told AM Best Director Richard Banks that insurers have a lot of appetite to do artificial intelligence projects. But in terms of action, they find it challenging to implement AI.

Atradius Exec: 'Black Box' Concerns Slow AI Adoption in Insurance Sector

Although there is “massive appetite” to explore and implement AI, little action has been taken, according to Dimitri Zampetas, an executive at Amsterdam-based trade credit insurer Atradius N.V.

by Richard Banks

Dimitri Zampetas, an expert adviser of strategy and corporate development at Amsterdam-based trade credit insurer Atradius N.V., said the “black box” nature of artificial intelligence models makes decision-making processes opaque and difficult to explain to regulators in a heavily regulated industry.

Zampetas recently spoke with AM Best TV at AM Best’s Europe Insurance Market & Methodology Briefings—London.

Richard Banks is director, Industry Research-EMEA. He can be reached at richard.banks@ambest.com.

Following is an edited transcript of the interview.

How much appetite is there to really embrace the full scope of AI in the insurance world?

We go to many conferences. At Atradius, we talk to a lot of our insurers, and I can tell you there is a massive appetite to explore and implement AI. But there is little action.

There’s a lot of appetite to do projects in AI. But I think that in terms of action, they find it quite challenging to even start with AI.

There is a very good reason behind that. There's a particular set of challenges for starting with AI and there's a particular set of challenges for scaling up AI. Coming up with ideas about AI and going out there in the market trying to find some off-the-shelf products to implement AI, even that can be a challenge for organizations.

There are, as I said, reasons about that. The technology itself is being perceived as a black box, and rightly so, because those models in AI, they are very opaque. They are not explainable, as such. That creates a lot of fear among the many organizations starting with AI. But you've got also other organizations where they are looking to implement AI in almost every single use case. This is what we would say is false positive.

These are the organizations that apply AI in situations where they don't have to. It can be done with different methodologies like data analysis.

Also, [there are] the false negative group of organizations where they don't do AI, although there are so many different applications that they could have tried and they don't do it because they simply feel scared about the challenges that lie ahead with AI.

To what degree is the data that we've got at the moment sufficient to drive the AI future?

The data is actually not so much of a problem. In my company, we are very good at collecting data. We've got a lot of data that we collect from our customers, we buy data from external sources. I don't think that the data is so much of a problem. AI itself, it can deal pretty well with unstructured data as well.

The main challenge is that the output from AI models, it's not explainable. I think this is one of the of the main issues that are particularly critical for the insurance industry. Obviously, we are a regulated industry and having models that they may take in the future, credit decisions. We need to be able to explain those models clearly—the output of those models clearly—to the regulators.

We need to be able to say how exactly they came up with those particular decisions or predictions. I think this is a real problem in our industry. There are some solutions that we see in the market where they speak about explainable AI. But I think it's going to take a lot more

“We need to be able to say how exactly they came up with those particular decisions or predictions. I think this is a real problem in our industry.”

Dimitri Zampetas
Atradius N.V.

effort to be able to have AI that we can explain its results. That needs a lot of testing. It needs a lot of effort from the organizational point of view, to test the results and be able to, instead of explaining the output of the model, you explain the results of the model. That's a key difference between the two.

Is there potentially a little bit of concern coming from regulators, skepticism?

We've got the [EU AI Act], which sets a very high level, different degrees of risk. For the time being, we don't have any specific regulation on specific models in insurance. But those sort of, regulations set by the EU, which is the key difference from previous regulation frameworks, is that this is—it follows an approach of a product-based regulation. That's very different from the type of regulation that we are used to as insurance companies, where it's a framework rather than a product-based approach.

For the time being, we haven't even approached the topic in the sense that we want those models to be audited and present them in the future to regulators. We are not there yet.

And there is no need to, for the time being, because we are focusing more in automating routine in our tasks rather than having some sort of powerful models taking on their own credit decisions about our customers. But I think, sooner or later, the compliance is going to be a very big topic with AI in our industry.

BR

AM Best TV



Scan to watch the interview with
Dimitri Zampetas.

OPEN MARKET: CyberCube CEO Pascal Millaire, right, told John Weber of AM Best TV that there are opportunities for cyber insurance among small to midsize companies to address growing cyber risks.

CyberCube's Millaire: AI To Create Trillions Of Dollars in New Economic Activity

Over the next decade, artificial intelligence will create for cyber insurers transformational opportunities to provide new products and additional services as well as increase their relevance to enterprises in the global economy, according to Pascal Millaire, chief executive officer of CyberCube.

by John Weber

Artificial intelligence is providing enormous advancements in data generation that will provide a boost to the cyber insurance market as it continues to evolve, CyberCube CEO Pascal Millaire says.

Millaire recently spoke to AM Best TV at the PLUS Cyber Symposium in New York City about the rapid evolution of cyber insurance data and modeling, the opportunities for market expansion and the transformative role of AI in underwriting and risk assessment.

Following is an edited transcript of the interview.

Tell us some of the key points you planned to touch on at the conference.

One thing we've heard for a long time is that

John Weber is a senior associate editor. He can be reached at john.weber@ambest.com.

cyber data and modeling is in its infancy, and I think that's no longer true.

As we look back over the course of the last five years, we've had an industry that's paid out billions of dollars of claims. We've had an industry that's invested hundreds of millions of dollars in data, analytics, and capabilities. As a result, we have data and modeling that's really powering the future of the cyber insurance industry.

That doesn't mean there's not a lot more innovation that's still coming, particularly with artificial intelligence, but [we] will be looking at the remarkable achievements of the last five years and what lies ahead.

So if it's not in its infancy, what are the opportunities as we move forward?

One of the greatest opportunities that we have is to sell more cyber insurance product. Penetration of

this product is still far too low even though this is typically a top three risk on the minds of enterprise insurance buyers.

[If] you look at those small businesses below \$10 million in revenue, we see about 4% buying cyber. We look at businesses between \$10 [million] and \$250 million in revenue, only 22% buy cyber. Those large enterprises simply don't buy enough coverage to meet their needs. I think there's an incredible opportunity to use data and analytics to meet the growing needs of enterprises with respect to cyber risk.

How about the opportunities for brokers to better serve their clients?

Brokers are going to be absolutely key in growing that market. As I said, cyber is top of mind for insurance buyers.

With data and analytics, a broker can explain what are the specific scenarios that could impact this particular enterprise. How much would those scenarios cost in terms of losses? What are the specific things that they should look out for in the underwriting process that a broker can help prepare that enterprise for?

One of the things that we find when we go and serve brokerage clients is they have institutions that they're serving that are worried about cyber, and they just don't know how to sell the product in the first place. I think there's a key role for data and analytics to help bridge that gap, grow the cyber insurance market and make the global economy more resilient to cyber risk as a result.

Do you think AI is going to have an impact on cyber and, more importantly, a positive impact?

AI is going to be transformational to all corners of the global economy. AI will create trillions of dollars in new economic activity that didn't exist before. One thing we do know is that technologies

go wrong. Sometimes technologies fail and insurers have a critical role to play in improving the resilience of the global economy to technology risk and, over time, to cyber risk.

Some have gone so far as to say that the property and casualty—the P&C—insurance industry should be called the property, casualty and cyber insurance industry. Increasingly, with the growing risks associated with internet technologies, that's only going to be accelerated with artificial intelligence.

So I think there are transformational opportunities for insurers over the next decade to provide new products, to provide additional services and to increase their relevance to enterprises in the global economy because of artificial intelligence.

Looking ahead, how do you see cyber evolving, especially when it comes to modeling and underwriting?

On the topic of artificial intelligence, there are enormous advancements that aren't just in the future, but they're actually happening today. As you think about the enormous amounts of data that is available to an

insurer, large language models are taking that data, structuring that data and feeding it into models in ways we simply couldn't before.

As we think about the future of cyber modeling, AI is enabling underwriters to get even smarter in terms of underlying data. It's improving models through machine learning and enabling insurers to have an even greater impact with this important line of business. **BR**

“On the topic of artificial intelligence, there are enormous advancements that aren't just in the future, but they're actually happening today. As you think about the enormous amounts of data that is available to an insurer, large language models are taking that data, structuring that data and feeding it into models in ways we simply couldn't before.”

Pascal Millaire
CyberCube

AM Best TV



Scan to watch the interview with Pascal Millaire.



Harvard Fellow: AI Impact Will Trigger an Overhaul of Insurers' Risk Frameworks

AI is developing rapidly, but risks also are evolving, said Vishakha Rajesh Maheshwari, a Harvard University Advanced Leadership Initiative fellow. “We need a whole different way of looking at things,” she said.

by Lori Chordas

Vishakha Rajesh Maheshwari, a Harvard University Advanced Leadership Initiative fellow, said the insurance industry must develop new risk assessment frameworks rather than simply build upon existing models.

Maheshwari recently spoke with AM Best TV at the Global Insurance Forum in Miami.

Following is an edited transcript of the interview.

How will AI be used in the insurance industry?

It’s interesting to see how AI has been developing. I think it’s already taken over a lot of tasks in terms of basic underwriting. You have automated

underwriting systems. It’s taken over basic tasks of claims assessment. It’s enabled a lot of live reporting, live assessment, sped up things a lot.

AI has already been used for a lot of processes in the back end in terms of the utilization so far. Where I think AI is going to move forward is when it can get into AI agents. You see some of it in customer service. You’re seeing some of it now coming up with the sales. I think that’s very fledgling. You only see them work in test cases.

I don’t know how they will evolve in real cases because we’ve not seen success so far. But AI is developing at such a rapid pace today that by the time I finish this interview and go back, it may have actually got some more models developed.

Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

What new risks do you think AI will generate?

At Harvard, there's this whole knowledge that kind of sunk in—that generative AI and the way it's developing is almost like human beings. Which is why we've been told content on gen AI needs to be validated.

Which is why we are told if you're looking at something on a gen AI, please validate it and only look for information that you have some knowledge about. Generative AI is developing like human beings and, therefore, it's going to be prone to the same mistakes and biases that human beings have been making.

If we had insurance earlier for errors by human beings and mistakes by human beings, are we now going to start thinking about errors and mistakes by gen AI? I mean, I think that's ridiculous to think of. I saw these little delivery mobiles on the road in Miami. It was interesting to see, and the first thing that occurred to me was: What are we going to insure? What if it stopped and the contents are robbed? What if it falls on the roof?

I'm just thinking that the risks are evolving so much. We need a whole different way of looking at things. We cannot build on what we know. We need to actually have a parallel world where you're building on what you know by using gen AI and continuing that.

We need to actually start a whole new way of thinking, saying, "All right, what does this new world with AI look like?" Reinvent ourselves on thinking of the risks that a new world will generate. I think that's the way I think about how we have to look at gen AI.

How will humans need to evolve with the development of gen AI?

I think what's happening is while we know that there is no heart behind the interaction that you're having, a human brain—because we've got so used to just listening to, interacting on the text with so many people—you think of it as real. It's almost like a friend replying back to you.

It's going to be so important for human beings to realize that with all the development that has happened in gen AI, the number of synapses that gen AI has developed is not even one-fifth of the number of synapses that a human brain has got.



“It's going to be so important for human beings to realize that with all the development that has happened in gen AI, the number of synapses that gen AI has developed is not even one-fifth of the number of synapses that a human brain has got.”

Vishakha Rajesh Maheshwari
Harvard University

A human brain is capable of evolving far, far, far more. I think human beings need to realize that we've got a frontal cortex that we've not used enough. We continue to rely heavily on our animal brain.

I think human beings need to become very conscious of the strength and the ability of the frontal cortex and the brain as a whole and start using it more consciously and actively to be able to stay ahead. Otherwise, the bots of gen AI may actually become more intelligent than you and me.

BR

AM Best TV



Scan to watch the interview with
Vishakha Rajesh Maheshwari.



AM Best: Softening Cyber Insurance Market Faces Digital Supply Chain Risks

More capacity has been coming into the cyber insurance segment, which will allow for a continued soft market for some time, said Christopher Graham, AM Best senior industry research analyst.

by Lori Chordas

AM Best Senior Industry Research Analyst Christopher Graham said the cyber insurance market is softening as capacity grows, but digital supply chain risks add complexity. Graham spoke with AM Best TV at the PLUS Cyber Symposium in New York City.

Following is an edited transcript of the interview.

Can you tell us about the current state of the cyber insurance market today?

After the very hard market of '21 and '22, where we saw the first wave of ransomware attacks coming through, pricing has softened a little bit. It's going to continue to soften. We're still seeing more capacity come into the market as reinsurers and [insurance-linked securities] markets get more involved.

They're getting a firmer handle on the aggregate risk in the top end of the exposure, which brings more capacity. It allows the primary insurers to write more and cede it off. This extra capacity is only going

to allow for a continued soft market for some time.

How are insureds being affected by third-party suppliers through the digital supply chain? What does that mean for insurers?

For insurers, this gets to be a really complex issue. Not only do they have to underwrite the insured, but they also have to look at who the insured's vendors might be providing software that's being used, where are the vulnerabilities in that software?

If there is a claim because of the fault of the vendor—it might be a first-party claim for the insured—the insurer might try to subrogate against the vendor. But that can be difficult as well because there are additional concerns for the insured. They have to deal with this vendor on an ongoing basis. Are they going to want to disrupt their own apple cart in a lawsuit against the vendor?

Sometimes, too, the vendors themselves might not have enough to even be worthwhile for a subrogation case anyway. Even if the vendor is liable, it becomes an economic decision for the insurer. Do they want to actually continue proceeding with a

Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

“For insurers, this gets to be a really complex issue. Not only do they have to underwrite the insured, but they also have to look at who the insured’s vendors might be providing software that’s being used, where are the vulnerabilities in that software?”

Christopher Graham
AM Best



subrogation case, knowing they might not get their own input back anyway?

What are some opportunities for insurers?

For insurers, there’s always opportunities to get more through educating insureds. A lot of insureds might come to a broker or agent looking for a policy. Maybe they don’t even know what they need.

To the extent that the insurers can give the clients better information as to what they need, how a policy

will respond, that’s going to be where insurers can make the most inroads. A lot of that’s going to be in the small and medium-size entities that may not have the wherewithal or the computer knowledge to know where their own vulnerabilities are.

BR

AM Best TV



Scan to watch the interview with Christopher Graham.



CONNECT WITH US TO GET THE BEST INDUSTRY PERSPECTIVE

AM Best’s Reinsurance Market Briefing - Rendez-Vous de Septembre

When: September 7, 2025 | **Where:** Hôtel Hermitage, Monte Carlo, Monaco

Rendez-Vous delegates are invited to join AM Best as senior management and analytical personnel from our global offices present our perspectives on the reinsurance sector.

Scan the QR code for the latest conference information and to register for the event.



Our Insight, Your Advantage®
conferenceinformation@ambest.com
(908) 439-2200



25.MK074A

Aon Re's Boch: Cyberrisk Modeling Evolves Amid Data Challenges and AI

Besides cyber, insurers must be better prepared for emerging risks such as artificial intelligence and quantum computing, according to Crystal Boch, head of U.S. cyber analytics, Aon Reinsurance Solutions.

by John Weber

The biggest challenge in the current risk landscape is a lack of data to prepare for cyber systemic events as well as other emerging risks such as artificial intelligence and quantum computing, according to Crystal Boch, head of U.S. cyber analytics, Aon Reinsurance Solutions.

Boch recently spoke at the PLUS Cyber Symposium in New York City and discussed with AM Best TV the evolution of cyber modeling and the challenges posed by limited data. Following is an edited transcript of the interview.

Tell us about cyber modeling.

I think one of the major things is to vouch

for the vendor models and all of the progress that they've made in modeling cyber systemic risk. I think they have a really sizable task with very limited data and have done a great job incorporating the findings from past events into their model and really taking market feedback and progressing very significantly version-to-version in their modeling capabilities.

Then the second one I would say is just addressing the challenge that a lot of carriers are facing and trying to grow in this softening environment. I think the biggest thing that we can do as an industry to aid in that is really growing the pie. Educating more potential buyers on cyber insurance, on the value of it outside of the indemnity itself, but also on their risk to cyber events.

John Weber is a senior associate editor. He can be reached at john.weber@ambest.com.

What are some of the biggest challenges that insurers face in this evolving risk landscape?

I think the biggest challenge is really lack of data. When we think about cyber systemic events, we've only seen really a few of those happen in the past few years. The way that they've happened, the losses have come in lower than expected, which I think is a finding in and of itself, but we really haven't seen that really large cyber cat event yet. I think that's the largest challenge. Then also with the emerging risks such as AI and quantum computing—we know these things are coming, but we haven't seen any claims data yet. That's just another thing to be on the lookout for, but it's really hard to start to quantify that and really solve for it without seeing those things happen.

How do you see the future of cyber data and modeling evolving?

I think modeling will evolve, again, to take in those findings from past events. I think there are still a few nuances that could be added to the modeling, such as industry-specific single points of failure, which was, of course, a big highlight in 2024.

I think better mapping dependencies of technology and also fourth-party dependency [is needed]. A supplier of an insured uses a technology, and how will that cascade is something that will get more attention, I think, going forward. Those would probably be the main two.

Are there any innovations in cyber data that you're particularly interested in?

I think carriers are leaning more and more on scanning tools and specifically tools that pick up technology dependencies and aggregation points in their portfolio. It's really allowing for more nuanced diversification and just a better understanding of the exposure.

I think that's going to be increasingly important when we're waiting to see these new types of claims come in to get a sense of the aggregation before the claims come. Things like, what insureds are using AI as a revenue generator. I think there's going to be more things like that. That portfolio monitoring of the technology dependencies will be a big piece of data that's going to help.

BR




“We really haven't seen that really large cyber cat event yet. I think that's the largest challenge. Then also with the emerging risks such as AI and quantum computing—we know these things are coming, but we haven't seen any claims data yet. That's just another thing to be on the lookout for, but it's really hard to start to quantify that and really solve for it without seeing those things happen.”

Crystal Boch
Aon Reinsurance Solutions

AM Best TV



Scan to watch the interview with
Crystal Boch.



MAKING PLANS: Tim Francis, enterprise cyber lead, Travelers, told Lori Chordas of AM Best TV that insurers need to inform to organizational boards about the value proposition behind cyber coverage that is explicitly tied to threats and what they can do to either avoid the risk or mitigate the effects of an incident.

Travelers' Francis: Rising Cyberthreats, AI Impact Cyber Insurance Market

The cyber insurance market needs to develop best practices so it can adapt to changing risks, such as artificial intelligence, according to Tim Francis, enterprise cyber lead, Travelers.

by Lori Chordas

The cyber insurance market needs to better understand its current vulnerabilities and identify mitigation steps if the industry is adversely impacted by artificial intelligence or other potential automated threats, according to Tim Francis, enterprise cyber lead, Travelers.

Francis recently spoke at the PLUS Cyber Symposium in New York and discussed with AM Best TV the importance of risk mitigation, cybersecurity best practices and adapting to evolving risks such as AI. Following is an edited transcript of the interview.

What are some of the key trends that are shaping today's cyber insurance market?

It's always a challenge in cyber. I think, particularly right now, we're seeing, yet again, an increase in threat activity. Just some of our data shows that there's more threat actor groups,

particularly in ransomware in 2024 than there were in 2023 and [we] don't really see that stopping.

That's putting a strain on our customers as we're seeing more claims activities—not just ransomware, though. It's a lot more social engineering claims, a lot more sophistication behind some of the social engineering claims that are causing some of the cost to go up.

[It's important to ensure] that our customers are aware of the vulnerabilities that they have and, maybe more importantly than the insurance we're offering, making sure that they understand the risk mitigation steps that they could take to avoid some of those things in the first place, and making sure that they don't have those events if they're avoidable.

What challenges do cyber insurers face in accurately assessing risk?

[It's] making sure that you're keeping pace of technology. Sometimes, we joke that the insurance doesn't move at the same pace that technology moves,

Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

both in terms of the proactive technology that our customers are using to run their business, but also to use for cybersecurity and the way the threat actors are.

It's making sure that we understand what are the current vulnerabilities that our customers are facing, what are the mitigation steps [and] at the same time, looking over the horizon and trying to determine what are the next things that might impact our customers, whether that's AI, or other automated potential threats or sophisticated social engineering types of vectors.

Are there other emerging or evolving threats that insurers are now facing?

I think it's, right now, maybe less of one thing than a lot of things happening at the same time. We see, as I mentioned before, an increase in ransomware threat activity, increase in social engineering activity, increase use of AI for some of those social threat actors, but at the same time, a tougher regulatory environment in terms leading to more third-party claims. All of those things happening at once potentially affecting all of our customers cause the problem to be not just one thing that you can say, "Well, let's avoid this," because it has to be a more holistic approach and how our customers look at managing their exposures has to be holistic from top down so that they're understanding the threats and the risk mitigation steps, whether that be from ransomware, social engineering, or just how they use and store data and whether that data gets exfiltrated or not.

How is cyber risk management becoming a growing board responsibility, and what steps can boards take to help mitigate cyber risk?

It's a really great question and an interesting one. I think more and more, there's a board responsibility. Again, some of the cyber events may be unavoidable, but at a minimum, it's the responsibility of the organizations to put in place the right best protocol both to avoid the risk—

maybe as importantly, if you can't avoid the risk, to understand that you have a continuity plan and a plan for dealing with the event. That certainly can and should include insurance, but making sure that the board understands the activities that they need to do to avoid the event, but understanding the resilience for how to come out of the event.

How about pricing in the cyber insurance market? How has that evolved in recent years, and what trends do you foresee?

It's always a challenge. We see pricing coming out of a couple of years ago when the market was incredibly hard following the ransomware rise in 2020-21. We saw pricing increase. Since then, we've seen pricing come down, and it continues to come down. Sometimes as claims are now increasing, that starts to look a little bit out of proportion.

There is still an opportunity for those risks that demonstrate the best risk characteristics to find some pricing relief.

More importantly, it's making sure that those that don't have the best risk characteristics no longer maybe get a free ride or a lower price, but two things are happening. We're providing them again with the access to the risk

services so that if they have a vulnerability or an area that they might need to improve, that we're making sure that they understand what that is, helping them have access to information or professionals that can help them improve that. Then if they do, they still might get available for pricing consideration. If they don't, then that's going to reflect in terms of how we feel about pricing them, whether it's a new customer or a renewing customer.

BR

"I think it's, right now, maybe less of one thing than a lot of things happening at the same time. We see, as I mentioned before, an increase in ransomware threat activity, increase in social engineering activity, increase use of AI for some of those social threat actors, but at the same time, a tougher regulatory environment."

Tim Francis
Travelers

AM Best TV



Scan to watch the interview with Tim Francis.



FLOATING BY: A typical day is shown at the Port of Los Angeles in San Pedro, California. The P&I segment is dominated by members of the International Group of P&I Clubs, which collectively insure approximately 90% of the world's ocean travel tonnage.

P&I Clubs: Record High Free Reserves Despite Challenges on Technical Performance

High investment returns boosted free reserves to record high levels in recent years but AM Best expects underwriting performance to deteriorate, according to a Best's Market Segment Report.

Editor's Note: The following is an edited excerpt of a Feb. 18 Best's Market Segment Report, *P&I Clubs: Record High Free Reserves Despite Challenges on Technical Performance*. Visit www.ambest.com to access the full report.

Principal Takeaways:

- High investment returns boosted free reserves to record high levels in 2023-24 and are expected to remain sizable in 2024-25.
- AM Best expects underwriting performance to deteriorate in 2024-25.
- This reflects higher frequency and increased severity of large and pool claims compared to the last two years.

- P&I clubs will seek further price improvements at the February 2025 renewal to keep up with the deteriorated loss experience and persistency in claims inflation.

The P&I segment is dominated by the members of the International Group of P&I Clubs (International Group or IG), which collectively insure approximately 90% of the world's oceangoing tonnage. The International Group consists of 12 members, following the merger, in February 2023, of the North of England Protecting and Indemnity Association (North P&I) and The Standard Club to create the NorthStandard club.

The IG clubs collectively reported a record high level of free reserves in 2023-24 driven by high

investment returns, mainly due to the reversal of prior year unrealized losses on fixed income portfolios. The IG clubs continued to benefit from a more favorable interest rate environment in 2024-25. Four clubs announced substantial premium returns/rebates ahead of the February 2025 renewal, allowing their members to benefit from the clubs' strong bottom-line performances.

Expected high investment returns will be partly offset by an uptick in pool claims in 2024-25, after two years of relatively benign pool claims experience for the 12 clubs. The combined technical performance of the IG clubs is therefore expected to deteriorate for the 2024-2025 year. (As part of the International Group pooling arrangement, participating clubs mutually reinsure one another by sharing claims in excess of \$10 million—referred to as pool claims).

Most clubs have announced general increases ahead of the Feb. 20, 2025, renewal date for shipowners, with the purpose of maintaining price adequacy and keeping up with increasing claims costs. This marks the sixth consecutive year of general increases.

In advance of the 2025 renewal deadline, six clubs have announced that they will apply a 5% increase to mutual P&I premium rates, two clubs will apply a 7% increase, and three clubs have announced increases of 7.5%, 6.5% and 4% (referred to either as general increases or as minimum target adjustments, target increases or internal targets). The Shipowners' Mutual Protection & Indemnity Association is the only club to apply no general increase for 2025.

Further rate adjustments are expected at subsequent renewals to maintain underwriting discipline. AM Best considers the continuation of general increases to be necessary to maintain price adequacy in view of the expected deterioration in underwriting results in 2024-2025 due to the notable increase in large claims frequency and severity.

AM Best notes that member-specific pricing adjustments are also carried out by clubs applying general increases. In recent years, renewals have become increasingly informed by analysis of individual loss records and risk exposures, with deductibles used to control exposures.

Best's Rankings

Members of the International Group of P&I Clubs – 2025 Edition

Ranked by 2023 gross premiums written.
(US\$ Thousands)

Rank	AMB#	Company/Group	Country of Domicile	2023 Gross Premiums Written	2022 Gross Premiums Written	2023 Capital & Surplus	2022 Capital & Surplus
1	093867	Gard P & I (Bermuda) Ltd	Bermuda	\$1,157,300	\$972,105	\$1,471,291	\$1,260,451
2	094744	NorthStandard Ltd*	United Kingdom	852,600	447,719	802,600	420,862
3	088837	UK Mutual Steam Ship Assn Ltd	United Kingdom	538,322	509,931	483,460	430,445
4	087197	Assuranceforeningen SKULD	Norway	527,499	494,065	517,418	401,205
5	090016	Steamship Mutual Group	Bermuda	465,100	407,500	540,300	454,400
6	084144	West of England Ship Owners Mut Ins Assn	Luxembourg	330,677	295,797	276,323	230,752
7	044837	Britannia Steam Ship Ins Asc Hldgs Ltd	United Kingdom	288,815	258,140	549,931	510,032
8	089453	Shipowners Mutual P&I Assn LU	Luxembourg	286,569	270,825	406,838	337,369
9	085716	Swedish Club	Sweden	242,632	229,682	176,313	149,374
10	089451	Japan Ship Owners Mut P&I Assn	Japan	220,952	286,957	233,822	205,470
11	077980	Amer Steamship Owners Mut P & I Assn	United States	161,053	185,825	40,364	44,410
12	032640	London Steam-ship Owners Mutual Ins Assn	United Kingdom	142,844	137,046	149,834	113,526

*NorthStandard Ltd's 2022 gross premiums written and capital & surplus are for North of England Protecting & Indem Assn only. NorthStandard Ltd was formed in 2023 following the merger of North of England with The Standard Club Ltd.

Source: [BESTLINK](#); data as of March 24, 2025.

Visit news.ambest.com/research for a full listing of Best's Rankings.

As mentioned above, some clubs combined general increases with premium returns/rebates to strike a balance between rate adequacy and returns for members given the clubs' high capital positions. One of the clubs applying a capital distribution for members renewing at Feb. 20, 2025, is Britannia Steam Ship Insurance Association (Britannia), which also announced the highest target increase at 7.5% minimum, with an additional 2.5% target from remedial actions.

Sliding Technical Results

The International Group reported an underwriting profit of \$143 million for the 2023-24 financial year based on the combined accounts of the principal clubs. This reflected a steady result compared with the previous year (surplus of \$152 million). On the same basis, the combined ratio was stable at 97% from 96% (according to AM Best data). The combined ratios of the individual clubs varied between 83% and 110.5% in 2023-2024, with four clubs reporting technical losses, although these were moderate in most cases. Call income increased by approximately 8%, in line with the prior year, mainly driven by the general increases applied by the clubs during the 2023-24 renewal. This increase in call income was accompanied by an increase in net claims incurred of approximately 7% and an increase in net operating expenses of around 19%, which explains the stagnation in underwriting results. Net claims incurred remained above the five-year average.

The clubs' expense ratio deteriorated by 2 percentage points in 2023-24 to 21.9%. AM Best notes that the expense ratio is higher than in the past—in 2013-14 for example, the ratio was 17%. The clubs compete on their service levels, with the demand for superior claims handling, knowledge of local markets, loss prevention advice and other services restricting the clubs' ability to reduce expenses.

AM Best expects underwriting performance to deteriorate for 2024-25, based on information published by the clubs during 2024. Current-year claims have been above expectations for most clubs in general, driven by a rise in the frequency of large claims, including pool claims.

AM Best notes that the number of large claims affecting any one year will vary, leading to volatile loss experience. Following five years of very high pool claims from 2017-18 to 2021-22, the clubs experienced a sudden reduction in 2022-23 through

“AM Best considers the continuation of general increases to be necessary to maintain price adequacy in view of the expected deterioration in underwriting results in 2024-2025 due to the notable increase in large claims frequency and severity.”

AM Best

2023-24. Pool claims have picked up again in 2024-25. The most significant event was the occurrence of the Dali casualty in Baltimore, March 2024—the so-called “Baltimore Bridge strike”—which could potentially be the most expensive marine casualty of all time. A number of other events have also led to pool claims, according to information reported by the clubs during the past year.

Challenging Reinsurance Renewals

Overall, clubs in the International Group cede around 22% of premiums written. As part of the International Group pooling arrangement, participating clubs mutually reinsure one another by sharing claims in excess of \$10 million. Additionally, the group buys general excess of loss (GXL) reinsurance cover up to \$3.1 billion in the open market. By negotiating as a group, the clubs are able to achieve better terms on their reinsurance protection than would be possible on an individual basis.

Despite a more favorable renewal environment globally, the International Group renewed its reinsurance program for the 2025-26 policy year with an overall increase in pricing. However, the individual club retention and attachment point of the GXL contract remain unchanged at \$10 million and \$100 million, respectively. The upper limit of the GXL program, as well as the capacity of the overspill protection, also remain unchanged.

The increase in the cost of the IG's reinsurance program was slightly above 10% at the 2025 renewal. The reinsurance rate varies by vessel category, with the highest percentage increase applied to FCC (fully cellular containerhips)

vessels. The increase in price follows an active pool claim year, including the Baltimore bridge incident. Several years may be required to determine the full cost of the claim. However, a \$100 million-plus settlement has already been paid to the U.S. Department of Justice to cover costs related to clearing the channel. Losses above this amount should be covered by the panel of reinsurers.

AM Best notes that increases in IG reinsurance renewal costs are typically fully passed on to shipowners through a specific levy on top of P&I premiums.

The GXL program continues to provide free and unlimited reinstatements for most risks. The exception is pandemic and cyberrisks where free and unlimited reinstatements are provided on the first layer only (\$650 million excess of \$100 million). Above that, the program includes two towers of separated aggregated cover for pandemic and cyber claims up to \$2.1 billion. The clubs will pool any losses that exceed this annual aggregate limit.

Individual clubs continue to purchase their own reinsurance protection to cover claims below their \$10 million retention. The level of protection purchased depends on each club's risk appetite and is influenced by the size of its capital base and its ability to absorb large losses.

Positive Investment Results To Drive Performance in 2025-26

AM Best notes that P&I clubs tend to have a higher appetite for investment risk than other non-life commercial insurers, with members taking a long-term approach to investment earnings. Many seem willing to tolerate year-on-year volatility. Overall, the proportion of investments allocated to equities (including mutual funds) is fairly stable, standing at approximately 15% at year-end February 2024.

Investment strategies differ across the International Group. For instance, the investment portfolio of Japan Ship Owners' Mutual Protection & Indemnity Association (Japan P&I Club) consists

almost entirely of cash and fixed-income securities, while the other clubs' allocation to equities varies between 8% and 31% at year-end February 2024. Britannia has the highest allocation at 31%.

Investment returns in 2023-24 were sizable for the International Group. This drove the combined result for the International Group to a profit before tax of \$1.18 billion. Technical profits of \$143 million were significantly supplemented by non-technical profits of \$1.03 billion. The main driver of these results was the reversal of prior year unrealized losses on fixed income portfolios.

AM Best believes that the large majority of the clubs will continue to report significant investment income in 2024-25 driven by the good performance of financial markets. Going forward, investment income is expected to continue to contribute materially to the clubs' bottom lines due to healthy yields on their fixed income portfolio. Although rates have declined, they remain higher than the rates on most of the older maturing bond issuances in the clubs' portfolios.






However, volatility could arise driven by the club's relatively high exposure to equities or from fluctuations in the market value of fixed income investments, as experienced in 2022.

Strong Recovery of Capitalization

The clubs' free reserves increased by 17% during 2023-24, reflecting the large investment returns reported by most clubs during the year. Free reserves reached a new record high in February 2024, exceeding by 3% the prior record level reported in 2020-21.

For fiscal year 2024-25, AM Best expects the clubs to report further growth of free reserves, driven by strong investment results (assuming the absence of a significant downtrend in equity markets in February). Risk-adjusted capitalization is expected to improve, with capital buffers increasing for most clubs. Regulatory solvency levels remain strong for most clubs. At a group level, 10 clubs report a solvency capital requirement (SCR) ratio under Solvency II. **BR**

Connect with AM Best

 ambest.com/corplinkedin ambest.com/ratingslinkedin ambest.com/info-serviceslinkedin	 @AMBESTCo @AMBESTRatings	 www.ambest.com/ AMBestYouTube/	 www.facebook.com/ambestcompany/	 @AMBESTcompany
--	---	--	--	--

Multimedia Channels



The LinkedIn, X, YouTube, Facebook and Instagram logos are trademarks of LinkedIn Corp., X Corp., Google LLC and Meta Platforms Inc., respectively

RISING RISK: A recent decline in rates for directors and officers insurance after price increases between 2020 and early 2022 is not likely to continue in the current environment, said David Blades, AM Best associate director. Corporate directors and officers are facing emerging risks and negative trends affecting claim severity, he said.

AM Best: D&O Market Sees Growing Risks Reshaping Underwriting

David Blades, AM Best associate director of industry research, spoke to AM Best TV about the current state of the D&O insurance market, saying good fortune is attributable to recent high rate increases and pricing increases.

by John Weber

Good fortune allowed for recent high rate increases and pricing increases in the directors and officers insurance market, but corporate leaders face complex risks and potential exposures that are changing, according to AM Best Associate Director of Industry Research David Blades.

Blades recently discussed the state of the D&O insurance market with AM Best TV, highlighting recent favorable results, the need for pricing stabilization and the evolving risks that are reshaping underwriting. Following is an edited transcript of the interview.

How would you describe the state of the market for D&O these days?

The past few years for D&O, it's actually been very good in terms of the results that have been generated by the insurers of D&O liability. We've seen this period where the line's profitability has attracted a lot more capacity, so companies have come to the marketplace. Companies that have been in the market for a long time have been doing well.

John Weber is a senior associate editor. He can be reached at john.weber@ambest.com.

A lot of the good fortune is attributable to the high rate increases and pricing increases in 2020-2021 and into the early part of 2022 that addressed the rate adequacy issues in the marketplace. That's the positive in terms of what we've seen in the recent marketplace, but I also think on the other side, there are a lot of complex risks that corporate directors and officers are facing.

There are a lot of trends with regard to potential exposures that are changing, and a lot of uncertainty. The new presidential administration with the new tariffs and some of the other decisions that they're making could foster an atmosphere that puts greater pressure on decisions that are being made by corporate officers.

Social inflation is still an issue with regard to high settlements and high judgments against corporations in the lawsuits they're facing. That's a risk that continually needs to be looked at and addressed. Litigation funding is still something that's very meaningful in the marketplace from a loss severity standpoint.

Looking at the marketplace and looking at the fact that recent results have been very favorable, it is somewhat offset, AM Best believes, by the risks that are still prevailing and the greater uncertainty that's going to face corporate executives. To that extent,

“There are a number of different factors that are increasing the potential risks that corporate directors and officers face, particularly from a loss severity standpoint. Therefore, I don’t think the recent rate decline trend can continue on. We do need to see some stabilization in terms of rates and pricing.”

David Blades
AM Best



we’re in uncertain times, and we’ll just see how this manifests itself as we continue to go through 2025.

There’s been another trend, and it’s been a decline in D&O liability premiums. Is that sustainable?

Honestly, because of the prevailing risks, and the emerging and evolving risks that corporate officers face, I don’t think the recent decline in rates, at least at the way it has been going, can continue. There needs to be some stabilization in the marketplace because of the risks corporate officers are facing and negative trends impacting claim severity.

I do have a feeling that there will be some stabilization, but rates [are] trending down the way they have been the past couple of years, where there have been significant rate decreases 20[%], 30[%], 40% decreases for renewal accounts.

At the beginning of this year, it appears the rate changes are stabilizing toward smaller decreases, single-digit decreases on a year-over-year basis, with the expanding risks that corporate directors and officers are facing, with the exposures that AI can bring in terms of companies that are utilizing AI in their strategies and in their decision-making, and the risks that might emanate from decisions.

Advanced technologies and the associated risks are not just limited to AI. Like I said before, social inflation, litigation funding are also concerning issues for corporate executives. There are a number of different factors that are increasing the potential risks that corporate directors and officers face, particularly from a loss severity standpoint. Therefore, I don’t think the recent rate decline trend can continue on. We do need to see some stabilization in terms of rates and pricing.

With that, are we seeing an evolution in underwriting when it comes to D&O?

Yes, I definitely think so. One of the strategies that D&O underwriters employed, obviously by addressing rate adequacy—that’s one aspect of it. Also, in terms of terms and conditions, and how they approached the risks that they were writing, that’s also changed in recent years in terms of coverage limitations, exclusions, and self-insured retentions. That makes the marketplace a little bit different in terms of D&O insurers looking at the uncertainty and looking at the risks they’re facing. Underwriters have done a better job determining their limits profile.

Then on an individual account-by-account basis, what the underwriters are focusing on in terms of the limits they’re offering, and where they’re looking to play in an overall insured program—then, terms and conditions, the types of either exclusions or limitations, how they’re crafting the language, there’s been a lot of change in that aspect.

Underwriters are taking different approaches and trying to be more strategic in terms of how they approach the evolving D&O liability risks that their clients are facing now. The evolving approach hasn’t just been pricing focused. It has definitely involved changes in the underwriting.

For those reasons, that provides some optimism in terms of whether the type of results that we’ve seen, the favorable results that we’ve seen recently, can continue.

BR

AM Best TV



Scan to watch the interview with David Blades.

Challenges to Increasingly Perilous Homeowner Association Market Extend Beyond Weather

Best's Underwriting Reports and *Best's Loss Control Reports* provide insights into the risks and lines of coverage for homeowner associations.

by Anthony Bellano

Homeowners have been increasingly dealing with property losses due to extreme weather and aging buildings. Insurers across the country, as a result, have been increasing premiums or exiting certain coverages for homeowner associations altogether.

For HOA policyholders who are still getting coverage, however, there are other challenges to face besides the effects of bad weather.

An HOA master insurance policy can deal with a number of significant exposures, particularly incidents that involve parking lots, sidewalks, parks, pools, and clubhouses, according to AM Best.

"Hazards HOA residents face include slips, trips, and falls, drownings (if the HOA has a pool), and claims of personal injury or property damage from maintenance work, landscaping, repairs, and other exposures that occur in shared spaces," AM Best said in its Underwriting & Loss Control Resources report *Homeowner Associations*.

The two most common types of HOAs are single-family homes and condominiums. For single-family HOAs, residents own their homes and are responsible for insuring them through private homeowners insurance.

Best's Underwriting Reports has identified nine lines of coverage for HOAs, including Automobile Liability; General Liability: Premises and Operations; and Directors and Officers Liability.

Other lines include Employment Practices Liability; Workers' Compensation; Crime; Property; Business Interruption; and Inland Marine.

Anthony Bellano is an associate editor. He can be reached at anthony.bellano@ambest.com.



HOME RULE: Homeowner associations can deal with a number of exposures beyond weather, according to an AM Best report. Slips, falls and even drownings, if an HOA has a pool, could be some of the potential risks.

Best's Hazard Index ranks the risk of exposure for the lines of business as Low (1-3), Medium (4-6), High (7-9), and Very High (10). Eight of the lines of coverage for HOAs see exposures that fall into the "Medium" range, with increasing incidents reportedly contributing to the higher premiums and coverage exits.

Following are excerpts from the *Homeowner Associations* Lines of Coverage reports that show the highest index rankings, as well as the information about MSCI's Real Estate Services ESG Risk Intensity Score, as of Sept. 24, 2024:

Best's Hazard Index

Line of Coverage	Best's Hazard Index
General Liability: Premises and Operations	6
Directors and Officers Liability	5
Employment Practices Liability	5
Workers' Compensation	5
Crime	5
Property	5

MSCI ESG Score

MSCI ESG Industry Risk Intensity Score for the following GICS Classification:	Real Estate Services
ESG Risk Intensity Score	2

Review methodology behind MSCI ESG Ratings at www.msci.com/esg-and-climate-methodologies.

Lines of Coverage

General Liability: Premises and Operations

For homeowner associations, the General Liability: Premises and Operations exposure will be significant. If the insured hosts social gatherings where food and alcoholic beverages are served, then General Liability: Products and Operations coverage and Host Liquor Liability protection would be needed. A Cyber Insurance liability will exist if the insured keeps valuable information on computers that can be accessed through the internet. If the insured has a golf course on site, there will be a

moderate environmental impairment liability exposure.

Directors and Officers Liability

Directors and Officers insurance provides coverage for expenses and indemnity of wrongful acts and allegations against board of directors members and the HOA. A failure to uphold any of the three fiduciary duties that board members are obligated to maintain would be the basis on which most claims could be made. The defense of a single D&O claim can cost the association tens of thousands of dollars, so it is essential that the HOA carries this coverage.

Loss Control

On-Site Inspection:

- Have nonslip treads been built into wet areas, such as along pool sides?
- If the insured has an employee handbook, is it clearly written and well organized?
- What is the level of housekeeping on the premises, including clubhouse and other common areas?
- What is the level of security on the premises?
- What hazards are posed by any adjacent buildings?

Items To Investigate:

- Are pool attendants quick to clean up clutter and to clear away trash or debris that has accumulated around the pool?
- How are board members selected, and what are each

member's responsibilities? What is the insured's reputation?

- Has the insured ever faced complaints on the basis of discrimination or harassment toward workers? If so, what was the outcome?
- Where does the insured carry out its accounting duties?
- Are any of the insured's buildings older structures that have been renovated?

BR



Scan for more information about Best's Underwriting & Loss Control Resources.

BRING UNSEEN RISKS TO THE SURFACE

Expand your knowledge of the businesses and industries you are evaluating with **Best's Underwriting Reports** and **Best's Loss Control Reports**. Written from an underwriter's and loss control professional's perspective, these detailed, yet concise reports include the information you need to efficiently assess risk and exposures.



Our Insight, Your Advantage
sales@ambest.com
(908) 439-2200





TORNADO CATASTROPHE: An aerial view shows the devastation left behind after a tornado tore through Greenfield, Iowa, in 2024. Multiple deaths and injuries were reported from a series of tornadoes and powerful storms that hit several Midwestern states.

Buffeted by Storm Losses, Iowa Homeowners Insurers Hike Rates, Tighten Writing

Homeowners writers in Iowa have pursued a myriad of options in the face of catastrophic weather losses, inflation and rising reinsurance costs.

by Renée Kiriluk-Hill

Homeowners writers in Iowa facing catastrophic weather losses, inflation and rising reinsurance costs have raised premiums, reduced concentration of risk and avoided riskier properties in the state, according to Iowa Insurance Division Consumer Advocate Sonya Sellmeyer.

The direct combined ratio for homeowners multiperil writers in Iowa in 2023, based on the 70 top writers, was 141.03, according to BestLink. It wasn't an anomaly—the five-year average combined ratio for the group was 120.05. From 2019 to 2023, the only year the aggregate direct combined ratio was lower than 100 was 2019, when it was 84.22.

Since the start of 2024, Iowa regulators approved at least 115 homeowners multiperil rate filings, according to BestLink, more than three-quarters of them yielding rate increases. The highest was a 50.8% hike effective April 24 for Westfield Group's American Select Insurance Co.

Lesser, but still significant, increases took effect in 2024 for the state's largest writers, including 17.5%

for State Farm Fire & Casualty Co.; 30.7% to 31.6% for four Nationwide subsidiaries; 8.9% to 29.7% for three American Family companies; and 17% to 24.86% for three Auto-Owners Insurance Cos. units.

Other national writers did the same. Progressive Insurance got the go-ahead for a 34.7% homeowners rate hike in April. Allstate, Farmers and Liberty Mutual were among the remaining carriers granted double-digit rate hikes in the line.

"Despite some insurance carriers exiting certain lines of business or having stricter underwriting guidelines," Sellmeyer said, the insurance market remains strong.

Policyholders she has spoken with who have been nonrenewed "have generally found coverage with other standard carriers."

Other details emerged in rate request filings.

The Liberty Mutual Insurance Cos. subsidiary Safeco Insurance Co. of America filing for an approved 7% homeowners multiperil rate hike included a projected total loss and loss adjusted expense ratio of 72.1. It attributed the lion's share to a 46.1-point provision for tornado/hail/severe thunderstorm losses.

BR

Photo by Scott Olson/Getty Images

Renée Kiriluk-Hill is a senior associate editor. She can be reached at renee.kiriluk-hill@ambest.com.

Iowa Homeowners Multiperil Approved Rate Filings by Overall Effect With Increases of 32.8% or Greater

Based on an effective date beginning on Jan. 1, 2024, through Dec. 31, 2024.

Group Name	Company Name	AMB#	Overall Effect	Effective Date	Program
Westfield Group	Westfield Group	000730	50.80%	4/24/2024	Various Sublines
Westfield Group	American Select Insurance Company	002069	50.80%	4/24/2024	Various Sublines
BAMR US PC Group	BAMR US PC Group	018991	49.61%	2/2/2024	Non-Specific
BAMR US PC Group	American National Property & Casualty Co	003533	49.61%	2/2/2024	Non-Specific
COUNTRY Financial PC Group	COUNTRY Financial PC Group	000302	43.85%	1/20/2024	Non-Specific
COUNTRY Financial PC Group	COUNTRY Preferred Insurance Company	002250	43.85%	1/20/2024	Non-Specific
Farmers Insurance Group	Farmers Insurance Group	000032	43.30%	3/15/2024	Non-Specific
Farmers Insurance Group	Foremost Insurance Co Grand Rapids, MI	002189	43.30%	3/15/2024	Non-Specific
Farmers Insurance Group	Farmers Insurance Group	000032	36.50%	3/30/2024	Various Sublines
Farmers Insurance Group	Fire Insurance Exchange	002172	36.50%	3/30/2024	Various Sublines
Farmers Insurance Group	Farmers Insurance Group	000032	36.10%	3/15/2024	Non-Specific
Farmers Insurance Group	Foremost Insurance Co Grand Rapids, MI	002189	36.10%	3/15/2024	Non-Specific
Progressive Insurance Group	Progressive Insurance Group	000780	34.70%	4/12/2024	Non-Specific
Progressive Insurance Group	American Strategic Insurance Corp.	012150	34.70%	4/12/2024	Non-Specific
Grange Insurance Pool	Grange Insurance Pool	003917	32.80%	5/1/2024	Various Sublines
Grange Insurance Pool	Integrity Select Insurance Company	023050	32.80%	5/1/2024	Various Sublines

Note: The State Rate listings include multiple rows with the filing company (or companies) and its group together.
Source: Best's State Rate Filings; data as of March 10, 2025.

—Anthony Bellano



Scan for more information about Best's State Rate Filings.

STREAMLINE YOUR FILINGS SEARCH

Best's State Rate Filings® is your complete resource for all rate, rule and form changes and program innovations, with property/casualty and now life/health filings for US insurers.



Our Insight, Your Advantage®
sales@ambest.com
(908) 439-2200



25BSRF011C

Author: Sustainability To Drive Insurer Strategies, Profitability

Juan Bataller-Grau and his co-authors explore how sustainability is shaping the future of the insurance industry, driving risk management, corporate responsibility and profitability.

by Lori Chordas

Sustainability is no longer just a buzzword in the insurance industry—it is rapidly reshaping governance, product development and investment strategies, according to the authors of *Sustainability and the Insurance Market: Trends and Challenges*.

As climate-related risks intensify and sustainable investment opportunities grow, insurers are faced with a critical decision: adapt and thrive in this new landscape or risk falling behind, said Juan Bataller-Grau, a professor of business law at the University of Valencia in Spain and co-author of the book with Marcin Kawiński of the Warsaw School of Economics and Pierpaolo Marano of Catholic University of the Sacred Heart in Milan, Italy, and the University of Latvia, Riga.

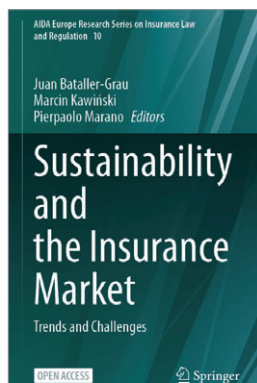
Following is an edited transcript of an interview with Bataller-Grau.

What are the current sustainability trends?

Sustainability presents an opportunity for insurers to improve governance, develop new products and enhance financial efficiency. Ignoring this reality will leave companies behind. Insurers must also influence other industries to adopt sustainability practices.

How does the EU regulatory framework impact sustainability?

EU regulatory changes have created a new system in less than 10 years. Solvency II has a major impact on the insurance sector. However, sustainability has



also influenced the industry, and insurers have been preparing by adopting voluntary provisions.

How can insurers integrate ESG factors into governance?

Insurers must assess their market impact and analyze the associated risks and opportunities. A crucial principle is avoiding significant harm. **BR**

AM Best TV



Scan to watch the interview with Juan Bataller-Grau.

Also in AM Best's Bookstore

Underwriters of the United States

This book explores the influential role of American maritime insurers in shaping the early United States. The book reveals how these insurers leveraged their global trade position to assist in crucial nation-building tasks, including negotiating foreign loans and establishing a national bank during the Revolution.



Cyberinsurance Policy: Rethinking Risk in an Age of Ransomware, Computer Fraud, Data Breaches and Cyberattacks

Cyberinsurance has not improved cybersecurity primarily because it normalizes practices like ransom payments, which contradicts the goal of making cyberattacks less profitable.



The AIG Story

The *AIG Story* chronicles Maurice R. "Hank" Greenberg's journey of transforming a small, failing insurance company into the world's largest insurance firm over four decades. The book offers an insider's perspective on AIG's growth, its distinctive entrepreneurial culture, and its role in globalization, as well as the challenges faced during the 2008 financial crisis.



Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

Send us your book recommendations at bestreviewcomment@ambest.com. Go to AM Best's Bookstore at bestsreview.ambest.com/bookstore to find other books about insurance, insurers, risk and more.

Pet Insurer Telehealth Connects With Care

Pet insurers are using mobile apps to engage pet owners and, in some cases, deliver veterinary care.

Telehealth was the default mode of nonemergency medical care during the pandemic, but many pet insurers have included telehealth consults as part of their mobile app to expand their service offerings and phone and video consults.

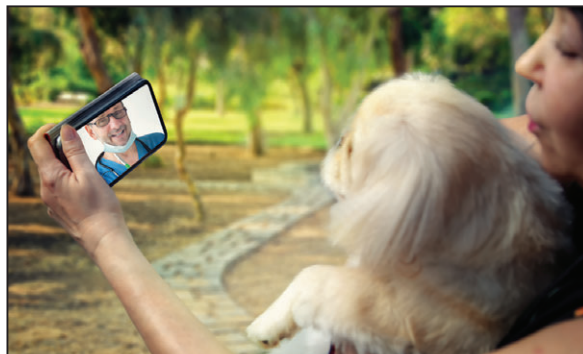
Telehealth, as a result, has become a popular communication tool since the COVID pandemic and as mobile devices have offered new capabilities.

Veterinary telehealth can improve efficiency, especially in triage, follow-up care and monitoring chronic conditions remotely, said Dr. Sandra Faeh, president of the American Veterinary Medical Association. The convenience of care can translate to better patient outcomes, but it is not a replacement for traditional, hands-on veterinary care, she added.

Pet insurers see veterinary care as an important part of their brand offering, but some of the challenges in human health care are also evident in the veterinary field.

“Just as with human health care, veterinary medicine faces challenges around rising costs and accessibility,” said Dr. Stephanie Liff, a veterinary health expert at Lemonade. “We see similar issues, such as the increasing cost of advanced treatments, specialized care, and medications. This can lead to difficult decisions for pet owners who may feel overwhelmed by unexpected expenses.”

Liff said the financial concerns can “become overwhelming—especially when unexpected health



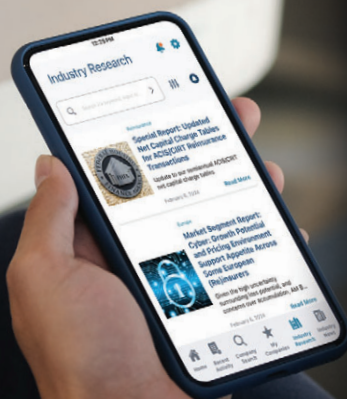
SCREEN TIME: Telehealth services are incorporated in several leading pet insurance apps, offering an efficient way to speak with a veterinarian.

issues arise.” Preventive care, preparedness and insurance or a designated savings plan for animal care can make a lifesaving difference for pets, Liff said.

“It is crucial that those providing services via telehealth platforms communicate with the client’s/pet’s primary care veterinarian,” Faeh said. “When multiple providers are delivering veterinary services for a pet without the others’ knowledge, this can cause confusion, create health and safety issues for the pet and result in additional expenses for the owner.”

Pet insurers with telehealth features in their apps include Nationwide, MetLife Pet Insurance, Lemonade, Independence Pet Group’s Figo, PetPartners, and ASPCA Pet Health Insurance. **BR**

—William Borden



INSURANCE NEWS & RESEARCH AT YOUR FINGERTIPS

Get the latest news coverage, industry research, rankings and more through the AM Best Mobile App.

Subscribers to *Best’s News & Research Service* have full access to this and more content: Scan the QR code for details.

Available for iPhone • iPad • Android



Our Insight, Your Advantage®
(908) 439-2200



25.AM/BMA27B9

Tips, Trips and Trauma: Travel Bloggers Try Relevance

Travel insurance blogs offer tips on types of coverage for trip cancellation or medical emergencies. Frequent content updates can offer relevance in an uncertain landscape.

Travel is often influenced by lifestyle matters as ethereal as “*The White Lotus* effect”—how a TV program can impact travel behavior—or practical matters such as questions of life and death during a pandemic. Travel insurance blogs, as a result, are filling the need for information about travel tips or addressing questions about coverage.

Several travel insurance blog sites are global in scope, mixing travel guides for different locations with practical insurance buying advice for overseas medical coverage, emergency air travel, and prescription drug coverage among other coverage plans. According to a survey published by the U.S. Travel Insurance Association, Americans spent nearly \$4.27 billion on all types of travel protection, mostly purchased through online channels, with trip interruption/cancellation being the most popular coverage.

“Anything that can impact the traveler’s trip or their experience overall, we aim to provide information to them on how travel insurance can tie into their concerns,” said Steven Benna, senior marketing manager at Squaremouth, a travel insurer whose blog is supported by five other content writers and attracts nearly 100,000 visitors per month.

For insurers, blogs fuel material for internet searches and often account for a healthy proportion of overall traffic to some of the more widely read travel insurance sites, such as Berkshire Hathaway Travel Protection, Aon Affinity Travel Practice Blog and India’s Bajaj Allianz and HDFC ERGO, both of which have web traffic numbers exceeding 1 million viewers per month, according to web analytics provider Semrush.

Benna, who has a background in business



Steven Benna

journalism, said Squaremouth takes some of its coverage cues from inquiries coming into the site and Google searches about travel. Sometimes, culture and entertainment can drive blog subjects. Feature stories about the television program *The White Lotus* and its effects on hotel prices in select markets also makes the grade for coverage. In March, Squaremouth’s blog also had articles with an update about measles and norovirus outbreaks and the impact of federal employee layoffs.

“Our core goal with it is to really tie in how [travel insurance] can be beneficial to people who have trips coming up, whether it’s cancellation coverage for their investment in their trip, or medical coverage while they’re traveling [and] delay coverage with all the flight delays,” Benna said.

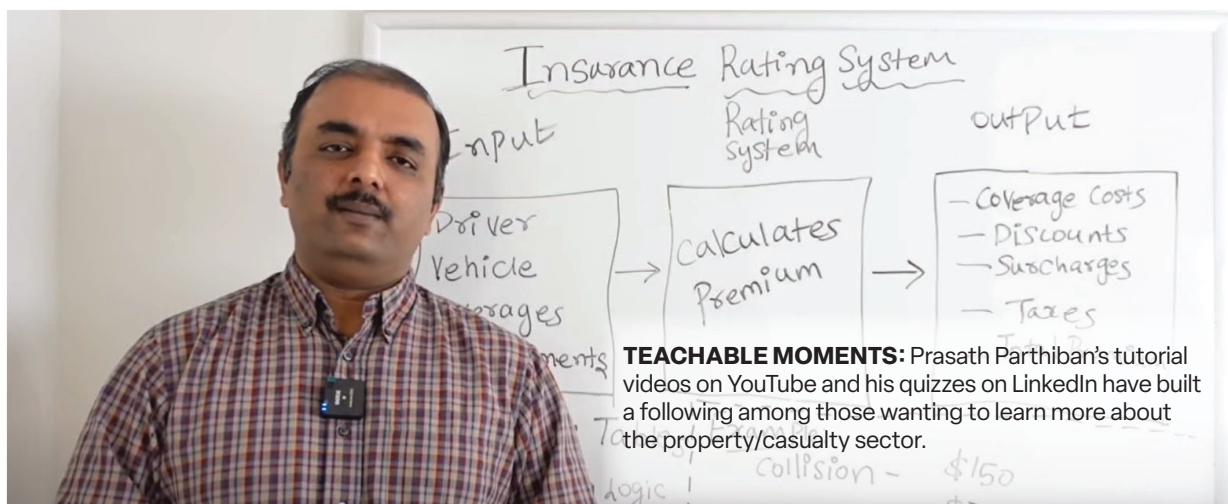
BR

—William Borden

A Sampling of Travel Insurance Blogs

Name	Country	Monthly Visitors	Website
Aon Affinity Travel Practice Blog	United States	391,022	https://www.aon.com/travel_blog/blog_posts/blog_preview.jsp
Bajaj Allianz	India	1,680,132	https://www.bajajallianz.com/blog/travel-insurance-articles.html
Berkshire Hathaway Travel Protection	United States	117,588	https://www.bhttp.com/blog
HDFC ERGO	India	1,435,253	https://www.hdfcergo.com/blog/travel-insurance?page=1
Squaremouth	United States	97,800	https://www.squaremouth.com/press-room

Source: www.semrush.com; data as of March 20, 2025.



TEACHABLE MOMENTS: Prasath Parthiban's tutorial videos on YouTube and his quizzes on LinkedIn have built a following among those wanting to learn more about the property/casualty sector.

Insurance Lessons Built One Video at a Time

Prasath Parthiban's P & C Insurance Helpline connects more than 14,000 subscribers with his YouTube channel where, with the aid of succinct videos, they can learn about the finer points of coverage.

by William Borden

Prasath Parthiban recalled sitting in a town hall meeting five years ago at a former employer, where one of his colleagues had trouble following what the chief executive was saying due to some of the terminology being used.

This sparked a revelation about a massive online gap in information available about property/casualty insurance compared with material about business analysis. The CEO was speaking about loss ratios, expense ratios and the differences between nonadmitted and admitted lines.

"I asked my friend sitting next to me, 'Do you understand these terminologies?' To my surprise, he said, 'No,'" Parthiban said.

Four years and more than 400 YouTube videos later, Parthiban—an assistant vice president at Sompo by day—and his P & C Insurance Helpline channel have built a subscriber base of 14,000 people seeking a five- to 10-minute course on topics ranging from surety, claims management and indemnity agreements for surety bonds to just about any other imaginable P/C topic. Parthiban says that approximately a quarter of viewers are subscribers, since a large proportion of viewers are just seeking a quick explanation.

Parthiban wanted to convey his experience with

his team members five years ago by explaining the complex world of insurance in ways that a layman would understand, leading to the videos. He says many companies have used the videos to train staff and offer an impartial explanation about how certain P/C policies or insurance concepts work. InsurTech Hartford recently recognized his efforts with an Innovation Excellence - P&C Insurance Award.

Surveys have shown a significant gap in knowledge from the public about how insurance works, Parthiban said. In fact, his *Reinsurance Basics* and *Property & Casualty Insurance Basics* videos from three years ago each has more than 79,000 views, making the eight-minute videos the most viewed on the channel.

"That is my overall intention here," Parthiban said. "How to overcome this education barrier by breaking complex topics into simpler ones so that everybody can understand it in a very easy way."

The videos, which do not generate revenue to Parthiban, are not his only vehicle to engage an audience. His more than 21,000 LinkedIn connections get a daily quiz on P/C topics.

BR

AM Best Audio



Scan to listen to the interview with Prasath Parthiban.

Photo courtesy of Prasath Parthiban

William Borden is managing editor. He can be reached at william.borden@ambest.com.

From Goldman Sachs to Podcasting: Joan Woodward's Journey in Risk Education

Joan Woodward discusses her role in hosting the *Travelers Institute Risk & Resilience* podcast, which explores the intersection of business, insurance and public policy.

by John Weber

Travelers Institute President Joan Woodward, who joined Travelers 16 years ago from Goldman Sachs, uses her podcast to show how so many facets of life come together in the insurance industry.

On the *Travelers Institute Risk & Resilience* podcast, Woodward says she talks with experts about how those involved in public policy, education, insurance and the financial world work together to achieve success. Woodward recently spoke with AM Best TV about the podcast. Following is an edited transcript of the interview.

What was the impetus for putting this podcast together?

As you all know, when COVID hit, a lot of us were stuck at home. And so we developed a webinar series and we called it *Wednesdays with Woodward* ... What we did is we took our webinar series and we took kind of the best of the most popular ones and we turned them into a podcast.

What sort of guest do you have on the program?

I have lots and lots of guests. About 50% of [the guests] are insurance-based. We do a deep dive on different aspects of insurance and then 50% are not insurance.

So [they involve] actually things that I'm frankly interested in [such as] career development, bringing more young people into our industry, bringing more diverse voices into our industry.

Who are you finding your listeners to be?

It's very varied. We have customers and clients. Agents and brokers are probably our No. 1 constituency. We have a lot of students, so risk management schools ... The University of South

John Weber is a senior associate editor. He can be reached at john.weber@ambest.com.



RISK EDUCATION: Joan Woodward, president of the Travelers Institute, hosts a podcast that draws listeners such as agents, brokers and risk management students seeking to gain insights about business, insurance and public policy.

Carolina has a risk management program, the University of Texas, the Katie School [of Insurance and Risk Management at Illinois State University]. A lot of risk management students are tuning in, and we love that. As well as government entities.

What are some of the big questions you're hoping to answer for your listeners?

We've had a lot of mental health issues coming out of COVID. We have to worry about our Gen Zers, our millennials, our baby boomers. They all have different needs in our workforce. And so we try to talk about strategies for coping, strategies for being a better manager, giving techniques and tips for managers to help employees be engaged. Look, an employee that's engaged in their job is going to be much more profitable.

BR

AM Best TV



Scan to watch the interview with Joan Woodward.

Insurance-Focused Podcasts

A guide to some recent episodes from a selection of preferred insurance industry podcasts.

Assignment of Benefits

March 15: An Insurance CFO's Guide to Accounting Integration - From Claims to Capital (40 minutes)

John Kummer, a former regulator with expertise in insurance accounting processes, discusses the value of accounting in insurance operations, data management and reconciliation, regulatory compliance, system design and claims process integration.

InsuranceAUM.com

March 25: The Next 10 Years: Key Trends Influencing Insurers' Asset Allocation Decisions (31 minutes)

Anwiti Bahuguna, chief investment officer of global asset allocation at Northern Trust Asset Management, describes her career path, the impact of AI-enabled productivity on the insurance sector, energy transition, and how insurance investors should think about fixed-income investments as yields return to levels seen before the 2008 financial crisis.

Profiles in Risk

March 5: Stephanie Mier PIR, Chief Insurance Officer at ServiceUp (19 minutes)

Stephanie Mier, chief insurance officer at ServiceUp, discusses an all-in-one digital platform for all things auto

repair, from fleet to consumers and everything in between. The focus is decreasing cycle time and severity when it comes to auto claims. ServiceUp holds the insured's hand through the repair process, with 24/7 updates and a lifetime warranty on the repairs.

The Voice of Insurance

March 4: Graham Evans, Westfield Specialty: A Good Steward of Insurance Capital (46 minutes)

Graham Evans, executive vice president and head of international insurance at Westfield Specialty Insurance, assesses the prospects for the London and broader international specialty insurance markets and goes into detail about Westfield International's ethos and growth strategy moving forward.

AM Best's Media Program — Preferred Podcasters



Scan to learn more about AM Best's Media Program — Preferred Podcasters.

FIND THE ATTORNEY, ADJUSTER
OR EXPERT SERVICE PROVIDER
THAT FITS YOUR NEEDS WITH
**BEST'S INSURANCE
PROFESSIONAL
RESOURCES**



Our Insight, Your Advantage®
www.ambest.com/professionalresources
(908) 439-2200



25.BIPR058C

AI Seeping Into Customer-Facing Roles

Leader's Edge feature delves into the concept of artificial intelligence emerging as a copilot and possible competitor to insurance professionals.

Artificial intelligence is increasingly used for basic tasks, such as summarizing large documents or assisting customer service representatives as 2025 is viewed as a “crucial year” in the use of the latest iteration of this technology, *Leader's Edge* reported.

Industry sources told the magazine that AI systems potentially could become competition for junior agents and brokers.

However, considerable risks and issues tied to implementing AI include questions around transparency, addressing customer wariness and the potential for mistakes that creates risks for users of the technology, according to the article “Are AI Agents Ready to Serve?”

The use of bots to engage prospects and customers online can be powerful, especially when it comes to gathering data, engaging carriers and processing quotes from multiple insurers in 10 to 15 minutes, executives told the magazine.

AI agents use large language models, machine learning, natural language processing and automation to respond to questions and offer recommendations, Luis Blando, chief product & technology officer at OutSystems, told *Leader's Edge*. Testing these systems can lead to more complex tasks that can improve efficiency and user satisfaction, Blando told the magazine.

“Where we see the industry right now is in an experimentation phase with AI agents and absolutely coming to production and scale in 2025,” John Duigenan, distinguished engineer, U.S. financial services industry, IBM, told *Leader's Edge*. “It will scale massively this year and be a key theme.”

Duigenan told the magazine that agentic AI represents the third, and most advanced, of three levels of artificial intelligence, building beyond data retrieval provided by chatbots or AI assistants automating certain customer tasks with human assistance.

“An AI agent is an intelligent piece of software that can do things independently and can basically self-determine what it's going to do,” Pete Miller, president and chief executive officer of The Institutes,



RISKY PROCEDURES: Considerable risks are tied to implementing artificial intelligence, *Leader's Edge* said. Despite the risks, the use of bots to engage prospects and customers online can be powerful, especially when it comes to gathering data and engaging carriers.

told *Leader's Edge*. “It can make decisions about how to branch and do different things with an outcome-based approach. We think these are going to progress pretty rapidly.”

IBM, for example, is testing AI agents for sales and distribution, underwriting, servicing, and claims, Duigenan told the magazine.

“Within those four domains, we’ve looked for all of the places where an overlay of AI assistants can assist either customer or agent experience,” he says. “For example, it could assist an underwriter by aggregating information in documents that are prepared and generating outcomes. Similarly, for policy clauses in servicing, it could respond to customer questions such as ‘Can I make a payment,’ or ‘Have I made a payment,’ ‘Is my policy up to date,’ and so on.”

But Duigenan says that as of late 2024 it was too early to say exactly how artificial intelligence agents that reason and learn could safely be applied to integrate these AI assistant processes with larger tasks without better understanding of risk factors.

BR

—Staff Reports

Leader's Edge is a participant in AM Best's Media Program — Preferred Publishers.

Insurance-Focused Publications

A selection of news from preferred publishers around the globe.

Artemis

- Technology to drive growth in parametric ILS market: Ramseier, Twelve Securis

Asia Insurance Review

- India: Reserve Bank to address climate risks

Bermuda: Re+ILS

- Duperreault lifts lid on what tempted him into new chapter with Mereio

Business Insurance

- CannGen launches comp program for the cannabis industry

Insurance Asia News

- Korean regulator to promote parametrics, support carriers' overseas expansion to tackle emerging risks

Life Annuity Specialist

- How Ethos Managed To Turn A Profit As Other Life Startups Have Floundered

Reinsurance News

- Marsh enhances Cyber Echo insurance facility

Retirement Income Journal

- 'Rated Note Feeders' Attract NAIC Attention

Access to some sites may require registration or subscription.



AM Best's Media Program – Preferred Publishers



Scan to learn more about AM Best's Media Program – Preferred Publishers.

Publications and sites listed are participants in AM Best's Media Program – Preferred Publishers.

AM BEST'S INSURANCE INFORMATION FEEDS & WEB SERVICES

Get fast, efficient delivery of:

- Best's Credit Ratings
- Insurer Financial Data
- Insurance Industry News

And easily incorporate them
into your internal applications.



Our Insight, Your Advantage®
sales@ambest.com
(908) 439-2200



24.BCRF06A1

Top Stories Include Features About Industry Retirements and Independent Agents

Other popular stories include a ranking of the world's largest insurance companies and articles about the California insurance market.

Trending: Best's Review

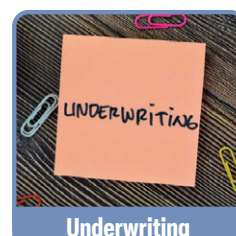
1. Changes at the Top: Industry Leaders Announce Retirement Plans in 2024
2. Weekly Lunches and No Silos: A Life Insurance Chief Executive's Hands-On Philosophy
3. Technology, Communication Are Front and Center as Insurers Vie for Independent Agents' Business
4. Industry Overview: World's Largest Insurance Companies — 2025 Edition
5. In Memoriam: Insurance Industry Leaders of 2024



Retirement

Trending: BestWire \$

1. Best's Market Segment Report: U.S. Surety Insurance Market Sustains Strong Underwriting Profits, as Premium Growth Remains Robust
2. California OKs \$1 Billion Assessment on Property Insurers to Help Keep California FAIR Plan Afloat
3. State Farm General CEO Sounds Dire Warning at California Regulatory Rate Hike Meeting
4. State Farm General Interim Rate Hike Approval Comes With a Catch in California
5. Georgia Releases Details on Sweeping Tort Reform Legislative Package



Underwriting

Trending: Best's News Via AM Best Mobile App \$

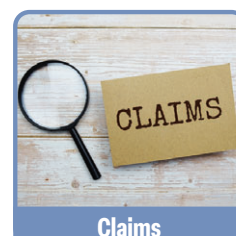
1. AM Best: US Health Insurers Met Challenges in 2024, but Pressures Expected To Persist in 2025
2. Best's Special Report: U.S. Property/Casualty Industry Swings to Underwriting Profit of \$22.9 Billion in 2024; Marks First Gain in Four Years
3. Florida Citizens Sees More Than 135,000 Policy Take-Out Requests
4. North Dakota Considers Limiting Utilities' Wildfire Liability
5. Georgia Senate Passes Third-Party Litigation Funding Bill



Health Insurance

Trending: AM Best Informational Webinars

1. AM Best's Webinar - Claims Litigation in the Automated World



Claims

Trending: AM Best TV - Best's News

1. Shelter Growth's Mahoney: Insurers Pivot to Residential Mortgage Loans
2. University of South Carolina's Hartwig: Tariffs May Drive Up Costs, Disrupt Insurance Industry
3. Combining Credit and Public Records Data Can Yield Sharper Views of Insurance Risk
4. Enstar's Ni: Casualty ILS Poised for Rapid Growth With New Exit Strategies
5. Defending Artificial Intelligence Claims



Mortgages

These were the top trending items from Jan. 20-March 20, 2025. Mobile app articles were the top stories from March 1-31, 2025. Features, news articles and videos were based on page views. Webinars were based on webinar attendance.

The above content can be viewed on demand at bestsreview.ambest.com, or by visiting AM Best's home page at www.ambest.com.

\$ Full access to all content may require a subscription.

Visit www.ambest.com/advertising to learn more about how to advertise in Best's Review, BestWire, AM Best Webinars and AM Best TV.

Trending Research Includes Reports on Sidecars and on the Insurance-Linked Securities Market

Other trending research includes reports on surplus notes, casualty reinsurance and the U.S. health insurance sector.

Trending: Best's Special Reports

1. Use of Life/Annuity Sidecars as Asset-Intensive Reinsurance Solution Expected To Increase \$
2. ILS Market Posts Stellar Returns Yet Again in 2024 \$
3. Hard Reinsurance Market Makes Surplus Notes Attractive for Some \$
4. Strong Profitability for Thailand Non-Life Insurers in 2023 \$

Trending: Best's Market Segment Reports

1. Casualty Reinsurance Capacity Remains Plentiful Amid Concerns \$
2. Innovative Changes Ahead for US Life/Annuity in 2025 While Absorbing Prior Industry Shifts \$
3. US Health Insurers Met Challenges in 2024, but Pressures Expected To Persist in 2025 \$
4. Benchmarking MENA Insurers Reveals Positive Trends Despite Regional Challenges

Trending: Best's Commentary

1. Prolonged US Tariffs Likely To Weigh on Insurers' Loss Costs
2. Cyber Insurance Survey Highlights Systemic Risk, Particularly on SMEs
3. (Re)Insurance Markets in West Africa Navigating Uncertainty Amid Political Shifts
4. US D&O Market Liability Premium Declines Are Likely Inconsistent With the Risk Environment

Trending: Best's Research Via AM Best Mobile App

1. Market Segment Report: US Health Insurers Met Challenges in 2024, but Pressures Expected To Persist in 2025 \$
2. Special Report: First Look: 2024 US Property/Casualty Financial Results \$
3. Commentary: Prolonged US Tariffs Likely To Weigh on Insurers' Loss Costs
4. Special Report: Hard Reinsurance Market Makes Surplus Notes Attractive for Some \$

Trending: AM Best Analytical Briefings

1. AM Best's Briefing: Reinsurance—Jan. 1 Renewals and What To Expect in 2025
2. AM Best's Briefing—Captives & Cell Companies: Revisions to "Alternative Risk Transfer (ART)" Criteria
3. AM Best's Briefing: Best's Performance Assessment for Delegated Underwriting Authority Enterprises (DUAEs)—An Overview
4. AM Best's Briefing—2025 Outlook: Old Challenges Persist for Some Lines, Renewed Optimism for Others
5. AM Best's Briefing—The Rating of Insurance-Related Asset-Backed Securities, Questions Answered

Trending: AM Best TV-Best's Research

1. AM Best: Déjà Vu All Over Again—More Secondary Events as US P/C Industry Marches Toward Rate Adequacy
2. AM Best: US Health Insurers Met Challenges in 2024, but Pressures Expected To Persist in 2025
3. AM Best: Casualty Reinsurance Capacity Remains Plentiful Amid Concerns
4. AM Best: Continued Growth, Profits Create a Strong US Surety Market
5. AM Best: Use of Life/Annuity Sidecars as Asset-Intensive Reinsurance Solution Expected To Increase



These were the top trending research and commentary reports from Jan. 20-March 20, 2025. Mobile app reports were from March 1-31, 2025.

\$ Payment or subscription required.

Best's News and Research Service subscribers can download PDF copies of all Best's Special Reports, Best's Commentaries and Best's Market Segment Reports along with supporting spreadsheet data at www.ambest.com.

Note: Best's Research includes Best's Special Reports, Best's Market Segment Reports, Best's Commentary and AM Best Analytical Briefings.



Panel Members To Discuss the State of the US Medical Professional Liability Insurance Market

Professionals also explore key trends in auto insurance and examine the growth trajectory, challenges and opportunities in the DUAЕ sector.

Streaming Live

AM Best's Briefing – Medical Professional Liability: The State of the US Market

Senior AM Best analytical staff, along with leading insurance industry experts, review the current state of the U.S. medical professional liability insurance sector and what may lie ahead. The discussion includes excerpts from AM Best's recent report on the state of the medical professional liability market. Other topics of discussion include evolving risks, including social inflation, third-party litigation funding, AI adoption and cyber; a review of strategic initiatives in response to these trends; investment portfolios; and the outlook for 2025. Moderator John Weber, senior associate editor, AM Best, is joined by panelists Eric R. Anderson, interim president and CEO, MPL Association; Chad Karls, principal & consulting actuary, Milliman; Ryan J. Crawford, CEO, Curi Insurance; and Sharon Marks, director, and Vicky Riggs, associate director, both of AM Best.

Tuesday, May 13, 11 a.m. ET.

Auto Insurance Trends

Jeffery Batiste, senior vice president and general manager, U.S. Auto, and Tanner Sheehan, vice president, U.S. Claims, both of LexisNexis Risk Solutions, discuss key trends in the auto insurance sector. **This AM Best Webinar is sponsored by LexisNexis Risk Solutions.**

Wednesday, May 21, 2 p.m. ET.

On Demand

AM Best's Briefing – DUAЕs: A Look at Sustained Growth Potential

Senior AM Best staff present the findings of their 2024 delegated underwriting authority enterprise market survey of rated carriers. The briefing, featuring industry

experts, also offers a comprehensive look at the growth trajectory, challenges and opportunities shaping the DUAЕ sector. Moderator Sridhar Manyem, senior director, industry research and public relations, AM Best, is joined by panelists Kevin Stein, chief executive officer, Delos Insurance; Mohit Chawla, chief executive officer, Eventual Weather; and Yizhou Hong, senior financial analyst, commercial and specialty, and Dawn Walker, associate director, industry relations (DUAЕ), both of AM Best.

AM Best's Webinar - Claims Litigation in the Automated World

Autonomous vehicles and a new wave of self-directed equipment and systems are putting a fresh focus on liability and subrogation issues. A panel of attorneys examines where claims are expected, how they can be investigated and what steps insurers can take to support litigation defense. Participants include Rebecca W. Wright, managing partner, and Jason Sullivan, member partner, both of Rathbone Group LLC; and Timothy M. Ravich, senior counsel, Tressler LLP. **This AM Best Webinar was sponsored by Rathbone Group LLC and hosted by Best's Insurance Professional Resources.**

AM Best's Briefing: Best's Performance Assessment for Delegated Underwriting Authority Enterprises (DUAЕs) – An Overview

AM Best analytical staff and ASASE senior leadership explore AM Best's approach to navigating the intricacies of DUAЕs. Best's Performance Assessment for Delegated Underwriting Authority Enterprises (PA for DUAЕs) is an initiative by AM Best to provide a unified global approach to assessing DUAЕs, such as managing general agents, program managers, underwriting agencies and coverholders. Moderator Dario Spata, president of ASASE and CEO of Iberian Insurance Group, is joined by AM Best panelists Riccardo Ciccozzi, director, market development, Europe, and Eli Sanchez, director, analytics. **This AM Best's Briefing, conducted in Spanish, was presented in collaboration with the Association of Spanish Underwriting Agencies (ASASE).**

BR



Scan for details or to register for webinars and briefings.

Best's Review delivers a comprehensive package of property/casualty and life/health insurance industry news, trends and analysis monthly. Find us on the internet at bestsreview.ambest.com.



FORECAST THE IMPACT OF CHANGING CONDITIONS ON FINANCIAL STRENGTH

In today's rapidly changing market conditions, *Best's Capital Adequacy Ratio Model - P/C, US* delivers the tools you need to assess an insurer's risk-adjusted capitalization through customizable risk scenarios, using a model consistent with AM Best's rating methodology.

NOTE: The results or output created by use of the *Best's Capital Adequacy Ratio (BCAR) Model* ("Output") is for informational and internal purposes only, and such Output may not match or be consistent with the official BCAR scores that AM Best publishes for the same rating unit. The Output is not guaranteed or warranted in any respect by AM Best. The *BCAR Model* is a non-rating services product, and its purchase is not required as part of the rating process.



Our Insight, Your Advantage®
sales@ambest.com
(908) 439-2200



25.BCAR017B



BRIDGE THE GAPS IN YOUR INSURANCE KNOWLEDGE

Get connected to powerful insight with AM Best's agent solutions.

Mobile access to Best's Credit Ratings • Instant alerts to insurer rating changes
Overview of specific industries' coverage needs • Breaking news and valuable research



Our Insight, Your Advantage®
sales@ambest.com
(908) 439-2200





Allianz Exec: Multinational Companies Contend With Rising D&O Risks Amid Political, Regulatory Uncertainty

Professionals also explore earnings headwinds for the health insurance segment in 2025 and examine the developing role of wildfire risk models.

On Demand

Allianz's Ackerman: D&O Risks for Multinationals Rise Amid Uncertainty

David Ackerman, global practice leader, commercial management liability, financial institutions claims, Allianz Commercial, discusses D&O liability risks for multinational companies. Ackerman spoke with AM Best TV at the 2025 PLUS D&O Symposium in New York City.



David Ackerman

Guidewire's Schwartz: Advanced Wildfire Modeling Helps Mitigate Risk

Tammy Nichols Schwartz, senior director of analytics at Guidewire HazardHub, discusses the role of wildfire risk models in underwriting, pricing and risk management, highlighting how advanced data and mitigation strategies shape the future of insurance in wildfire-prone areas.



Tammy Nichols Schwartz

AM Best: US Health Insurers Met 2024 Challenges, but Pressures May Persist

Joseph Zazzera, director, and Jon Housel, senior financial analyst, both of AM Best, discuss a new Best's Market Segment Report that finds capitalization and liquidity remain strong, but the segment faces several earnings headwinds.



Joseph Zazzera



Jon Housel

Cowbell's Gupta: AI-Driven Cyberthreats Steer Changes in Risk Management

Rajeev Gupta, co-founder and chief product officer, Cowbell, discusses how the evolving cyberthreat landscape is prompting insurers to rethink underwriting, coverage and risk management while offering resiliency services and updating policies.



Rajeev Gupta



Scan to see new and archived video from AM Best TV.



Automation, Tech Innovation, Insurance Bundling Are Helping Reshape the E&S Market, Xceedance Exec Says

Also, AM Best Audio discusses how insurance leaders balance responsibility to close the global protection gap with innovation and climate resilience.

Xceedance's Kulkarni: Five Key Trends Shaping the Future of the E&S Market

Sachin Kulkarni, executive vice president, Xceedance, discusses how automation, tech innovation, and insurance bundling are reshaping the excess and surplus market as risks and opportunities evolve.



Scan to listen to new and archived audio from AM Best Audio.

SAS Institute's Manchester: Insurers Must Balance Ethics, Innovation

Franklin Manchester, global insurance strategic adviser at SAS Institute, explains how insurance leaders face a growing ethical responsibility to close the global protection gap while overcoming trust barriers and adapting to climate-driven risks.

BR

Tariffs and Trade Disputes Have Insurers Fretting: Goldman Sachs Asset Management Survey

Inflation remains a top macroeconomic concern facing insurance investment portfolios, along with the risk of a slowdown or recession in the United States, according to the survey.

by Terrence Dopp

A new category of macroeconomic risk has popped into a Top 10 list compiled annually by Goldman Sachs Asset Management: Insurance executives said they were worried about the impact of tariffs/trade disputes.

Nearly one-third, 32%, of the 405 chief investment officers and chief financial officers polled in the *Global Insurance Survey* cited it among the top issues they said pose macroeconomic risk in terms of their portfolios. In fact, tariffs/trade disputes was ranked fifth behind items like inflation, recession, market volatility and geopolitical tensions.

“We did close the survey approximately six weeks ago,” Michael Siegel, global head of insurance asset management and liquidity solutions at GSAM, said in mid-March. “I think if we surveyed right now ... the number would be significantly higher.”

A quick recap:

Since returning to office Jan. 20, President Donald Trump has alternately proposed and modified planned tariffs on China, Canada and Mexico. He’s also pushed for wider-ranging retaliatory tariffs against United States trading partners worldwide.

Adding further uncertainty, the *Wall Street Journal* reported March 23 that insurers are increasingly moving into the private investment market, with 62% of participants saying they plan to increase their allocation to private assets within the next year.

Among these, the 14th annual GSAM report said, private credit stands out, with 61% of respondents ranking it among the top five asset classes expected to provide the highest returns over the next 12 months.

Inflation remains a top macroeconomic concern facing insurance investment portfolios, along with the



PAYING THE PRICE: Nearly one-third of the chief investment officers and chief financial officers polled in a Goldman Sachs survey cited tariffs among the top issues they said pose macroeconomic risk.

risk of a slowdown or recession in the United States, according to the survey, conducted Jan. 16 to Feb. 7.

More than half, 52%, of the executives surveyed cited inflation as a top risk, up from 42% last year. Another 48% said it was the chance of a U.S. slowdown or recession, a decrease from the 52% who cited it a year earlier.

The report noted the industry is undergoing a period of significant transformation driven by innovation and a push for greater efficiency. Almost half of respondents, 48%, said they are currently using artificial intelligence in their operations and another 42% said they will consider using it in the next year.

Thirty-eight percent of those polled were from the Americas, with 43% from the Europe, Middle East and Africa region and 20% from Asia-Pacific. Life carriers accounted for 43% of the executives, the largest share, followed by 29% from property/casualty, nonlife. The remainder was comprised of multiline carriers, 16%; reinsurers and health insurers, both at 5%; and captives with 1%.

While inflation was cited as the biggest risk to portfolios, Siegel said the sentiment was experienced primarily in the Americas.

Another 47% named credit and equity market volatility—edging lower from 48% in the 2024 survey. **BR**

Terrence Dopp is a senior associate editor. He can be reached at terry.dopp@ambest.com.

Upcoming Industry Research*

• Marsh McLennan Agency’s 2025 Business Insurance Trends

• Gallagher Re’s 2025 InsurTech Report

Recently Published Industry Research

- ACORD's 2025 Insurance Digital Maturity Study
- Beazley's 2025 Spotlight on Environmental and Climate Risk
- Casualty Actuarial Society's Potential Unintended Impacts of Bias Mitigation in a Competitive Insurance Market
- Clyde & Co's 2025 Insurance Growth Report
- Coalition's 2025 Cyber Threat Index
- Deloitte's 2025 Insurance M&A Outlook: Guiding Future Growth
- Forrester's 2025 Top Insurance Business and Tech Priorities
- Forrester's Insurance Industry Survival Relies on Data Sophistication
- Goldman Sachs Asset Management's 2025 Global Insurance Survey: The Great Pivot
- Insurance Information Institute and HSB's Addressing the Personal Cyber Protection Gap
- NCCI's 2025 Economic Outlook for Q1
- Vermont Captive Insurance Association's 2024 Impact Report

Upcoming AM Best Research*

- AM Best's 2025 First Look: Three-Month Life/Annuity Financial Results
- AM Best's 2025 First Look: Three-Month Property/Casualty Financial Results
- AM Best's 2025 Global Cyber Report
- AM Best's 2025 Fronting Report
- AM Best's 2025 Mexico Outlook
- AM Best's 2025 Personal Auto Report
- AM Best's 2025 MGA Report
- AM Best's 2025 US Cyber Report

Recently Published AM Best Research

- Commentary: Prolonged US Tariffs Likely To Weigh on Insurers' Loss Costs
- Commentary: US D&O Market Liability Premium Declines Are Likely Inconsistent With the Risk Environment
- Market Segment Report: Casualty Reinsurance Capacity Remains Plentiful Amid Concerns \$
- Market Segment Report: Innovative Changes Ahead for US Life/Annuity in 2025 While Absorbing Prior Industry Shifts \$
- Special Report: US Life/Health: Downgrades Outnumber Upgrades in 2024 \$
- Special Report: US Property/Casualty: Rating Upgrades Up, Downgrades Down in 2024 \$

* Release dates for upcoming research reports may be subject to change.

\$ Payment or subscription required.

READY TO MAKE A CHANGE NEXT FILING SEASON? *BESTESP*® CAN TURN THINGS AROUND

AM Best's Excel-based electronic statement preparation application comes with time-saving features and no-cost technical support with extended hours. Scan the QR code to learn more.



Our Insight, Your Advantage®
sales@ambest.com
(908) 439-2200



25.ESP017B1

This edition lists all Credit Rating actions that occurred between March 1 and March 31, 2025. For the Credit Rating of any company rated by AM Best and basic company information, visit the AM Best website at www.ambest.com/ratings/access.html or download the ratings app at www.ambest.com/sales/ambmobileapp.

Operating Companies

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS LIFE/HEALTH								
Rating Withdrawn	H	PacifiCare of Arizona, Inc.	064218	NR nr		A+ aa-	Stable Stable	Arizona, USA
Outlook Changed	L	Revol One Insurance Company Spartan Insurance Holdings, LLC	009129	B++ bbb	Stable Positive	B++ bbb	Stable Stable	Michigan, USA
AMERICAS PROPERTY/CASUALTY								
Outlook Changed	P	American Select Insurance Company Ohio Farmers Insurance Company	002069	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Arch Group Reinsurance Ltd. Arch Capital Group Ltd.	043283	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Bermuda
Outlook Changed	P	Arch Indemnity Insurance Company Arch Capital Group Ltd.	004822	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Missouri, USA
Outlook Changed	P	Arch Insurance Canada Ltd. Arch Capital Group Ltd.	066513	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Ontario, CAN
Outlook Changed	P	Arch Insurance Company Arch Capital Group Ltd.	003186	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Missouri, USA
Outlook Changed	P	Arch Property Casualty Insurance Company Arch Capital Group Ltd.	012254	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Missouri, USA
Outlook Changed	P	Arch Reinsurance Company Arch Capital Group Ltd.	011791	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Delaware, USA
Outlook Changed	P	Arch Reinsurance Ltd Arch Capital Group Ltd.	075169	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Bermuda
Outlook Changed	P	Arch Specialty Insurance Company Arch Capital Group Ltd.	012523	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Missouri, USA
Assigned	P	Biglari Reinsurance Ltd. Biglari Holdings Inc.	043568	A a+	Stable Stable			Bermuda
Outlook Changed	P	Black Gold Re Limited Ecopetrol S.A.	074848	B++ bbb+	Positive Positive	B++ bbb+	Stable Stable	Bermuda
Assigned	P	Cadence Indemnity Inc. Sullivan Brothers	021741	B++ bbb+	Stable Stable			Texas, USA
Rating Withdrawn	P	Casualty Underwriters Insurance Company ¹ Casualty Holding Investment Company, LLC	010770	NR nr		D c	Negative Negative	Utah, USA
Assigned	C	Cavello Bay Reinsurance Limited Enstar Group Limited	094877	A a+	Stable Stable			Bermuda
Affirmed	P	Church Mutual Insurance Company, S.I. Church Mutual Holding Company, Inc.	000259	A a	Negative Negative	A u a u	Negative Negative	Wisconsin, USA
Downgraded	P	Cities and Villages Mutual Insurance Co	010661	A- a-	Negative Negative	A a	Stable Stable	Wisconsin, USA
Affirmed	P	CM Regent Insurance Company Church Mutual Holding Company, Inc.	013136	A a	Negative Negative	A u a u	Negative Negative	Wisconsin, USA
Affirmed	P	CM Vantage Specialty Insurance Company Church Mutual Holding Company, Inc.	022600	A a	Negative Negative	A u a u	Negative Negative	Wisconsin, USA
Outlook Changed	P	Co-operative Insurance Companies	004188	A a	Negative Negative	A a	Stable Stable	Vermont, USA
Rating Withdrawn	P	Evergreen Insurance Company Limited ² Evergreen International S.A.	073684	NR nr		A- a-	Stable Stable	Bermuda

¹ The ratings of cc/C- were downgraded to c/D on March 14, 2025, and subsequently withdrawn.

² The ratings of a-/A- were affirmed on March 5, 2025, and subsequently withdrawn.

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Nonlife); L = Life; H = Health; T = Title; C = Composite. **Opinion Modifiers:** u = Under Review; sf = Structured Finance; i = Indicative Credit Rating Modifier; s = Syndicate Credit Rating Modifier

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS PROPERTY/CASUALTY (CONTINUED)								
Rating Withdrawn	P	Falcon Indemnity Company, Inc. ³ Falcon Insurance Group	021736	NR nr		A- a-	Stable Stable	Utah, USA
Outlook Changed	P	Fidvest US LLC FMR LLC	020959	A- a-	Positive Positive	A- a-	Stable Stable	South Carolina, USA
Affirmed	P	First Guard Insurance Company Biglari Holdings Inc.	012082	A a+	Stable Stable	A u a+ u	Developing Developing	Arizona, USA
Rating Withdrawn	P	Galaxy Indemnity Company, Inc. ⁴ Falcon Insurance Group	021792	NR nr		A- a-	Stable Stable	Utah, USA
Rating Withdrawn	P	Golden Eagle Insurance Company, Inc. ⁵ Falcon Insurance Group	021793	NR nr		A- a-	Stable Stable	Utah, USA
Outlook Changed	P	Grange Insurance Association Grange Insurance Association	002208	B++ bbb+	Positive Positive	B++ bbb+	Stable Stable	Washington, USA
Downgraded	P	Granite Security Insurance Company Vermont Mutual Insurance Company	000427	A a+	Stable Stable	A+ aa-	Negative Negative	Vermont, USA
Outlook Changed	P	Granwest Property & Casualty Grange Insurance Association	002209	B++ bbb+	Positive Positive	B++ bbb+	Stable Stable	Washington, USA
Assigned	P	IQUW Re Bermuda Limited IQUW Holdings Bermuda Limited	043021	A- a-	Stable Stable			Bermuda
Outlook Changed	P	ISMIE Indemnity Company ISMIE Mutual Insurance Company	012435	A- a-	Stable Stable	A- a-	Negative Negative	Illinois, USA
Outlook Changed	P	ISMIE Mutual Insurance Company ISMIE Mutual Insurance Company	003757	A- a-	Stable Stable	A- a-	Negative Negative	Illinois, USA
Upgraded	P	Kentucky Associated Gen Contractors SIF	055002	A a	Stable Stable	A- a-	Positive Positive	Kentucky, USA
Outlook Changed	P	Keswick Guaranty, Inc.	013996	B+ bbb-	Positive Positive	B+ bbb-	Stable Stable	U.S. Virgin Islands
Outlook Changed	P	Lone Peak Insurance Company Cadence Innovations Group, Inc.	020862	B++ bbb+	Positive Positive	B++ bbb+	Stable Stable	Utah, USA
Assigned	P	MEM Protect Insurance Company MEM Mutual Insurance Company	021818	A- a-	Stable Stable	NR nr		Missouri, USA
Assigned	P	MEM Secure Insurance Company MEM Mutual Insurance Company	021817	A- a-	Stable Stable	NR nr		Missouri, USA
Assigned	P	MEM Shield Insurance Company MEM Mutual Insurance Company	021819	A- a-	Stable Stable	NR nr		Missouri, USA
Assigned	P	MGT Specialty Insurance Company MGT Partners LLC	021913	A- a-	Stable Stable			Arizona, USA
Affirmed	P	National Security Fire and Casualty Co PhenixFIN Corporation	000687	B bb	Stable Stable	B u bb u	Negative Negative	Alabama, USA
Under Review	P	Next Insurance US Company Next Insurance, Inc.	023286	A- u a- u	Positive Positive	A- a-	Stable Stable	Delaware, USA
Downgraded	P	Northern Security Insurance Co, Inc. Vermont Mutual Insurance Company	002546	A a+	Stable Stable	A+ aa-	Negative Negative	Vermont, USA
Outlook Changed	P	Ohio Farmers Insurance Company Ohio Farmers Insurance Company	002381	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Old Guard Insurance Company Ohio Farmers Insurance Company	004499	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Affirmed	P	Omega One Insurance Company, Inc. PhenixFIN Corporation	011413	B- bb-	Stable Stable	B- u bb- u	Negative Negative	Alabama, USA
Downgraded	P	PEMCO Mutual Insurance Company	002415	B++ bbb	Stable Stable	B++ bbb+	Stable Negative	Washington, USA
Affirmed	P	Pie Casualty Insurance Company Pie Group Holdings, Inc.	012272	A- a-	Stable Stable	A- u a- u	Negative Negative	Illinois, USA

³ The ratings of a- g/A- g were affirmed on March 12, 2025, and subsequently withdrawn.

⁴ The ratings of a- g/A- g were affirmed on March 12, 2025, and subsequently withdrawn.

⁵ The ratings of a- g/A- g were affirmed on March 12, 2025, and subsequently withdrawn.

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Nonlife); L = Life; H = Health; T = Title; C = Composite.

Opinion Modifiers: u = Under Review; sf = Structured Finance; i = Indicative Credit Rating Modifier; s = Syndicate Credit Rating Modifier

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS PROPERTY/CASUALTY (CONTINUED)								
Assigned	P	Popular Re, Inc. Popular, Inc.	021376	B++ bbb	Stable Stable	NR nr		Puerto Rico, USA
Assigned	T	Premier Land Title Insurance Company PulteGroup, Inc.	012399	A- a-	Stable Stable	NR nr		Texas, USA
Assigned	P	Previor Insurance Company MEM Mutual Insurance Company	014157	A- a-	Stable Stable	NR nr		Colorado, USA
Upgraded	P	Southern Pioneer P & C Ins Co Biglari Holdings Inc.	011052	A a+	Stable Stable	B++ u bbb+ u	Developing Developing	Arkansas, USA
Affirmed	P	The Pie Insurance Company Pie Group Holdings, Inc.	021134	A- a-	Stable Stable	A- u a- u	Negative Negative	Ohio, USA
Downgraded	P	Vermont Mutual Insurance Company Vermont Mutual Insurance Company	002547	A a+	Stable Stable	A+ aa-	Negative Negative	Vermont, USA
Outlook Changed	P	Westfield Champion Insurance Company Ohio Farmers Insurance Company	020640	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Westfield Insurance Company Ohio Farmers Insurance Company	002382	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Westfield National Insurance Company Ohio Farmers Insurance Company	004043	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Westfield Premier Insurance Company Ohio Farmers Insurance Company	020641	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Westfield Select Insurance Company Ohio Farmers Insurance Company	021169	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Westfield Specialty Insurance Company Ohio Farmers Insurance Company	020985	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Westfield Superior Insurance Company Ohio Farmers Insurance Company	020642	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Outlook Changed	P	Westfield Touchstone Insurance Company Ohio Farmers Insurance Company	020643	A a+	Stable Stable	A a+	Stable Negative	Ohio, USA
Under Review	P	Wolverine Mutual Insurance Company	003237	C++ u b u	Positive Positive	C++ b	Negative Negative	Michigan, USA
EUROPE, MIDDLE EAST & AFRICA								
Outlook Changed	P	Alwyn Insurance Company Limited Arch Capital Group Ltd.	093497	A+ aa-	Stable Positive	A+ aa-	Stable Stable	Gibraltar
Outlook Changed	P	Arch Insurance (UK) Limited Arch Capital Group Ltd.	077102	A+ aa-	Stable Positive	A+ aa-	Stable Stable	United Kingdom
Assigned	P	Fortegra Belgium Insurance Company NV Tiptree Inc.	043512	A- a-	Stable Stable			Belgium
AMERICAS								
Assigned	L	Chubb Seguros de Vida Chile S.A. Chubb Limited	078411	A+ aa-	Stable Stable	NR nr		Chile
Rating Withdrawn	P	Newpoint Reinsurance Company Limited NFG SA	043011	NR nr		B+ u bbb- u	Negative Negative	St. Kitts and Nevis

Holding Companies

Rating Action	Company Name	AMB#	Current		Previous		Domicile
			ICR	Outlook/ Implications	ICR	Outlook/ Implications	
Outlook Changed	Arch Capital Group Ltd.	058459	a-	Positive	a-	Stable	Bermuda
Outlook Changed	Arch Capital Group (US) Inc	050318	a-	Positive	a-	Stable	Delaware, USA

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Nonlife); L = Life; H = Health; T = Title; C = Composite.
Opinion Modifiers: u = Under Review; sf = Structured Finance; i = Indicative Credit Rating Modifier; s = Syndicate Credit Rating Modifier

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to disprove or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

For the most current version, visit www.ambest.com/ratings/index.html. BCRs are distributed via the AM Best website at www.ambest.com. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Guide to Best's Credit Ratings" available at no charge on the AM Best website. BCRs are proprietary and may not be reproduced without permission.

Copyright © 2025 by A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED.

Version 121719

LEVERAGE YOUR BEST'S CREDIT RATING



Showcase your financial strength with a BestMark for Rated Insurers on your website and promotional materials.



Our Insight, Your Advantage®



25-BM02A

GUIDE TO BEST'S ISSUER CREDIT RATINGS – (ICR)

A Best's Issuer Credit Rating (ICR) is an independent opinion of an entity's ability to meet its ongoing financial obligations and can be issued on either a long- or short-term basis. A Long-Term ICR is an opinion of an entity's ability to meet its ongoing senior financial obligations, while a Short-Term ICR is an opinion of an entity's ability to meet its ongoing financial obligations with original maturities generally less than one year. An ICR is an opinion regarding the relative future credit risk of an entity. Credit risk is the risk that an entity may not meet its contractual financial obligations as they come due. An ICR does not address any other risk. In addition, an ICR is not a recommendation to buy, sell or hold any securities, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser. An ICR may be displayed with a rating identifier or modifier that denotes a unique aspect of the opinion.

Best's Long-Term Issuer Credit Rating (Long-Term ICR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Exceptional	aaa	-	Assigned to entities that have, in our opinion, an exceptional ability to meet their ongoing senior financial obligations.
Superior	aa	aa+ / aa-	Assigned to entities that have, in our opinion, a superior ability to meet their ongoing senior financial obligations.
Excellent	a	a+ / a-	Assigned to entities that have, in our opinion, an excellent ability to meet their ongoing senior financial obligations.
Good	bbb	bbb+ / bbb-	Assigned to entities that have, in our opinion, a good ability to meet their ongoing senior financial obligations.
Fair	bb	bb+ / bb-	Assigned to entities that have, in our opinion, a fair ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Marginal	b	b+ / b-	Assigned to entities that have, in our opinion, a marginal ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Weak	ccc	ccc+ / ccc-	Assigned to entities that have, in our opinion, a weak ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Very Weak	cc	-	Assigned to entities that have, in our opinion, a very weak ability to meet their ongoing senior financial obligations. Credit quality is very vulnerable to adverse changes in industry and economic conditions.
Poor	c	-	Assigned to entities that have, in our opinion, a poor ability to meet their ongoing senior financial obligations. Credit quality is extremely vulnerable to adverse changes in industry and economic conditions.

* Best's Long-Term Issuer Credit Rating Categories from "aa" to "ccc" include Rating Notches to reflect a gradation within the category to indicate whether credit quality is near the top or bottom of a particular Rating Category. Rating Notches are expressed with a "+" (plus) or "-" (minus).

Best's Short-Term Issuer Credit Rating (Short-Term ICR) Scale

Rating Categories	Rating Symbols	Category Definitions
Strongest	AMB-1+	Assigned to entities that have, in our opinion, the strongest ability to repay their short-term financial obligations.
Outstanding	AMB-1	Assigned to entities that have, in our opinion, an outstanding ability to repay their short-term financial obligations.
Satisfactory	AMB-2	Assigned to entities that have, in our opinion, a satisfactory ability to repay their short-term financial obligations.
Adequate	AMB-3	Assigned to entities that have, in our opinion, an adequate ability to repay their short-term financial obligations; however, adverse industry or economic conditions likely will reduce their capacity to meet their financial commitments.
Questionable	AMB-4	Assigned to entities that have, in our opinion, questionable credit quality and are vulnerable to adverse economic or other external changes, which could have a marked impact on their ability to meet their financial commitments.

Long- and Short-Term Issuer Credit Non-Rating Designations

Designation Symbols	Designation Definitions
d	Status assigned to entities (excluding insurers) that are in default or when a bankruptcy petition or similar action has been filed and made public.
e	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
f	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
s	Status assigned to rated entities to suspend the outstanding ICR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
nr	Status assigned to entities that are not rated; may include previously rated entities or entities that have never been rated by AM Best.

Rating Disclosure: Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

For the most current version, visit www.ambest.com/ratings/index.html. BCRs are distributed via the AM Best website at www.ambest.com. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Guide to Best's Credit Ratings" available at no charge on the AM Best website. BCRs are proprietary and may not be reproduced without permission.

Copyright © 2025 by A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED.

Version 121719

Biomechanists Can Play a Vital Role in Injury Liability Claims Lawsuits, Providing Key Testimony

Biomechanists can be expert witnesses when it comes to complex cases or something as simple as deciphering the direction in which the victim fell, according to Grace Oswald, a consultant with S-E-A Ltd.

Biomechanists—experts who study anything from human cells to human movement—can prove to be invaluable experts in injury liability claims lawsuits, according to Grace Oswald, a biomedical/biomechanical consultant with S-E-A Ltd. In the *Best's Insurance Law Podcast* episode "Biomechanics and Impact on Cases," Oswald said that biomechanists can testify in not just complex cases, but even something as simple as someone falling forward as opposed to backward in a video frame.

S-E-A Ltd., a multidisciplinary forensic engineering, fire investigation and visualization services company specializing in failure analysis, is a qualified member in Best's Recommended Expert Service Providers — Forensic Engineering Experts. The organization has aided in litigation investigations for more than 50 years.

Oswald earned her master's degree in biomedical engineering from Ohio State University. At S-E-A, she helps resolve unwitnessed falls and vehicle accidents that involve bicyclists and pedestrians, among other areas, according to the company. Following is an edited transcript of Oswald's interview with John Czuba, managing editor, Best's Insurance Professional Resources.

Do any specific cases come to mind where there are objective signs of injury, such as acute fractures or rapid onset brain bleeds or hematomas?

One of my first cases that I worked here at S-E-A actually had this objective sign of an acute entry. In the subject case, there was a claim that a ladder spontaneously failed while an individual was on it, allegedly resulting in the individual falling backward and landing directly on their feet and suffering a broken femur.

When we received the X-ray films for the broken femur, we were able to determine that the two ends of the broken femur were not shoved toward each other, which is a very clear indication that there was a lack of compressive loading going on.

If you think about it, if you're experiencing a force

from the feet upward, you would expect the femur to be broken in such a way that the two ends almost get forced past each other. Further analysis of the X-ray displayed a V-notch fracture pattern in the femur, which is very indicative of three-point bending.

By doing a comprehensive review of the evidence, we were able to determine that the femur was essentially broken across the rung of the ladder, which then subsequently resulted in the ladder being overloaded and failing.

Are there other types of cases that you feel biomechanists are perhaps underutilized?

When I talk about scald cases, I'm referring to cases in which there is an allegation of a burn as a result with water or a liquid that is mostly water. Think coffee or tea or something like that. In these instances, we have a two-pronged approach: a qualitative assessment of the burn pattern and a quantitative assessment of the burn severity.

This qualitative assessment of the burn pattern really examines if the burn pattern lines up with the incident as it is being alleged. For example, if somebody is stating that they were holding on to a coffee cup and it exploded, resulting in burns, but they only have burns on the palm of their hand, that doesn't really make sense. In that scenario, you would expect to see burns on the forearm and even on the feet, if somebody was not wearing shoes.

This quantitative assessment of burn severity really analyzes the severity of the burns—first-degree, second-degree, third-degree—based on a function of the liquid temperature and the exposure time. **BR**

— John Czuba



Grace Oswald

Best's Insurance Professional Resources

The following company is a newly qualified member in Best's Recommended Insurance Adjusters:

International Claims Adjusters Inc.

23951 Craftsman Road, Suite A
Calabasas, CA, USA, 91302
310-410-8800



Scan to view profile.



Scan to listen to the *Best's Insurance Law Podcast* episode "Biomechanics and Impact on Cases."

Leading Large Language Model Platforms

Examine Insurance Industry's AI Risks



“These risks aren’t hypothetical; they’re already popping up as AI gets deeper into insurance,” according to Grok 3.

Best’s Review asked three artificial intelligence-based, large language model programs: What are some of the biggest risks associated with insurers using AI? The following are excerpts from some of the responses:

ChatGPT-4o

Insurers using AI stand to gain a lot in terms of efficiency and accuracy, but there are several major risks they have to manage carefully.

Overreliance & Automation Bias: Staff may overly trust AI outputs and stop performing critical checks, especially in high-volume tasks like claims processing or fraud detection. Risk: Wrongful denials or approvals, missing fraud cases, customer dissatisfaction.

Model Drift and Performance Decay: Over time, AI models may become less accurate due to changes in behavior, markets, or the environment (called “drift”). Risk: Decisions based on outdated insights, increasing errors over time.

Ethical Concerns: Using AI to nudge behavior (e.g., discouraging high-risk policyholders), or dynamic pricing that penalizes vulnerable populations, raises ethical flags. Risk: Negative media coverage, consumer backlash, long-term brand erosion.

Google Gemini 2.0 Flash

The integration of AI into the industry presents significant risks.

Lack of Transparency and Explainability: “Black box” AI algorithms can make it difficult to understand how decisions are made. This lack of transparency can raise concerns about fairness and accountability. Consumers may be less likely to trust decisions made by AI if they cannot understand the reasoning behind them. Impact: Difficulty in auditing and ensuring compliance. Challenges in addressing customer complaints and disputes. Potential for legal challenges to AI-driven decisions.

Cyber Risks: Increased reliance on AI

systems can create new vulnerabilities to cyberattacks. Malicious actors could manipulate AI algorithms or exploit weaknesses in AI-powered systems. Impact: Disruption of operations and financial losses. Compromised data security and privacy. Damage to reputation.

Grok 3

Insurers using AI face several significant risks that could impact their operations, customers, and reputation.

Bias and Discrimination: AI systems often rely on historical data to make predictions, like setting premiums or assessing claims. If that data reflects past biases—say, unfairly higher rates for certain demographics—the AI can perpetuate or even amplify those inequities. This could lead to legal trouble, regulatory fines, or public backlash.

Data Privacy: Insurers handle sensitive personal info, from health records to driving habits. AI needs lots of data to work well, but collecting, storing, and processing it raises the risk of breaches or misuse. If customers feel their privacy’s been violated—or if a hack happens—it could erode trust and trigger lawsuits.

Regulatory Compliance: Laws around AI are evolving fast. Insurers might unintentionally cross lines—like using AI in ways that regulators later deem unfair or discriminatory. Fines and forced overhauls could follow, especially in places like the EU with strict rules like [General Data Protection Regulation].

Customer Pushback: Not everyone’s thrilled about AI deciding their insurance fate. If people think it’s cold, impersonal, or unfair—say, jacking up rates based on some algorithm they don’t understand—they might ditch the insurer for a competitor that feels more human.

BR

—Staff Reports

MASTHEAD

BACKSTAY

Background illustrations on both mastheads are of HMS Victory. To learn more about The Nelson Collection at Lloyd's, visit www.ambest.com/nelson.

AM Best Business Development

Representative	Mobile Phone	Email Address	Office	Area Covered
RATING SERVICES				
Brad Mazur, Managing Director	+1 908 268 0763	brad.mazur@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Brendan Tyne, Director	+1 908 323 1412	brendan.tyne@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Todd Burrows, Senior Account Manager	+1 908 268 5642	todd.burrows@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Daniel Giunta, Account Manager	+1 908 455 6249	daniel.giunta@ambest.com	USA (NJ)	BMU; CAN; CAR; USA & US Territories (PR & VI)
Nick Charteris-Black, Managing Director	+44 7515 575290	nick.charteris-black@ambest.com	London	EMEA
Edem Kuenyehia, Director	+44 7894 833399	edem.kuenyehia@ambest.com	London	Sub-Saharan Africa
William Mills, Senior Director	+44 7710 967283	william.mills@ambest.com	London	Europe
Riccardo Ciccozzi, Director	+44 7718 975239	riccardo.ciccozzi@ambest.com	London	Europe
Róisín Gallagher, Associate Director	+44 7751 400495	roisin.gallagher@ambest.com	London	Europe
Carlos De la Torre, Managing Director	+52 55 7903 5420	carlos.delatorre@ambest.com	Mexico City	LATAM & CAR
Rob Curtis, Managing Director	+65 9633 6118	robert.curtis@ambest.com	Singapore	AP
Johnathan Wong, Market Development Manager	+65 8940 9780	johnathan.wong@ambest.com	Singapore	AP
KaiJun Chan, Market Development Manager	+65 9824 2401	kaijun.chan@ambest.com	Singapore	AP
Judy Li, Market Development Manager	+65 9636 3678	judy.li@ambest.com	Singapore	AP
Simon Saensurin, Marketing & Events Lead	+65 8907 0874	simon.saensurin@ambest.com	Singapore	AP
Vasilis Katsipis, General Manager	+97 1529 841419	vasilis.katsipis@ambest.com	Dubai	MENA; South & Central Asia
Learn about AM Best Rating Services: www.ambest.com/aboutratingservices				
INFORMATION SERVICES				
Learn about AM Best Information Services: www.ambest.com/aboutinformationservices				
Advertising Services				
Bryan Martyn, Senior Director	+44 7970 799332	bryan.martyn@ambest.com	London	EMEA, AP & US Territories (AS, GU & MP)
Arthur Snyder IV, Senior Director	+1 908 894 8040	arthur.snyderIV@ambest.com	USA (NJ)	BMU; CAN; CAR; LATAM; USA & US Territories (PR & VI)
Aidan Porter, Associate Director	+44 7702 947679	aidan.porter@ambest.com	London	UK
Brian McGoldrick, Senior Account Manager	+1 908 894 9552	brian.mcgoldrick@ambest.com	USA (IL)	USA (West, Midwest, Southwest, Southeast Regions)
Suzanne Ruffa, Account Manager	+1 908 399 6275	suzanne.ruffa@ambest.com	USA (NY)	BMU; CAN; CAR; LATAM; USA (Northeast Region) & US Territories (PR & VI)
Learn about Advertising Services: www.ambest.com/aboutadvertising				
Professional Resource Services				
Doug Doremus, Associate Director	+1 908 229 9965	doug.doremus@ambest.com	USA (NJ)	AP; BMU; CAN; CAR; EMEA; LATAM; USA & US Territories (AS, GU, MP, PR & VI)
Lori Sadukas, Associate	+1 908 255 8991	lori.sadukas@ambest.com	USA (NJ)	USA (Eastern Region)
Learn about Professional Resource Services: www.ambest.com/aboutprofessionalresources				
Ratings, News & Data Analytic Services				
Arthur Snyder IV, Senior Director	+1 908 894 8040	arthur.snyderIV@ambest.com	USA (NJ)	BMU; CAN; CAR; LATAM; USA & US Territories (PR & VI)
Maryrose Paar, Director	+1 908 894 8039	maryrose.paar@ambest.com	USA (PA)	BMU; CAN; CAR; LATAM; USA & US Territories (PR & VI)
Brian Schlesinger, Associate Director	+1 908 894 9586	brian.schlesinger@ambest.com	USA (NJ)	BMU; CAR; LATAM; USA (Eastern & South Central Regions) & US Territories (PR & VI)
Kellie Bodmer, Senior Account Manager	+1 908 328 6098	kellie.bodmer@ambest.com	USA (NJ)	BMU & USA (NY)
Jay Eihausen, Senior Account Manager	+1 908 894 9587	jay.eihausen@ambest.com	USA (IL)	USA (Mid-Western Region)
Debbie Giordano, Account Manager	+1 908 335 0938	debbie.giordano@ambest.com	USA (PA)	USA (Mid-Atlantic Region)
Sue Kjaer, Senior Account Manager	+1 908 894 9557	sue.kjaer@ambest.com	USA (MA)	USA (New England Region)
Mark Kuhlman, Senior Account Manager	+1 908 894 9561	mark.kuhlman@ambest.com	USA (TX)	USA (Western Region & TX)
Patrick McCahill, Senior Account Manager	+1 908 268 0765	patrick.mccahill@ambest.com	USA (NJ)	USA (South Atlantic Region & NY)
Jennifer Rudy, Senior Account Manager	+1 732 266 8644	jennifer.rudy@ambest.com	USA (MI)	CAN & USA (North Central Region)
Sutton Wescott, Account Manager	+1 908 698 2960	sutton.wescott@ambest.com	USA (IL)	USA (IL)
Bryan Martyn, Senior Director	+44 7970 799332	bryan.martyn@ambest.com	London	EMEA; AP & US Territories (AS, GU & MP)
Aidan Porter Associate Director	+44 7702 947679	aidan.porter@ambest.com	London	UK
Darren Hewitt, Account Manager	+44 20 7397 0303	darren.hewitt@ambest.com	London	EMEA; AP & US Territories (AS, GU & MP)
Learn about Ratings, News & Data Analytic Services: www.ambest.com/ratingsnewsdataanalytics				
Redistribution Services				
Arthur Snyder IV, Senior Director	+1 908 894 8040	arthur.snyderIV@ambest.com	USA (NJ)	BMU; CAN; CAR; LATAM; USA & US Territories (PR & VI)
Bryan Martyn, Senior Director	+44 7970 799332	bryan.martyn@ambest.com	London	EMEA; AP & US Territories (AS, GU & MP)
James McMyne, Associate Director	+1 908 399 1550	james.mcmyne@ambest.com	USA (NJ)	BMU; CAN; CAR; LATAM; USA & US Territories (AS, GU, MP, PR & VI)
Bill Carey, Account Manager	+1 908 328 3303	william.carey@ambest.com	USA (NJ)	BMU; CAN; CAR; LATAM; USA & US Territories (AS, GU, MP, PR & VI)
Learn about Redistribution Services: www.ambest.com/aboutredistribution				
Regulatory Filing Application Services				
Joli Orr, Account Manager	+1 908 442 6148	joli.orr@ambest.com	USA (NJ)	USA & US Territories (AS, GU, MP, PR & VI)
Learn about Regulatory Filing Application Services: www.ambest.com/aboutregulatoryfilingsoftware				

DELIVERING MORE | FROM APPLIED®



©2025 Applied Underwriters, Inc. The service insurance companies collectively referred to as North American Casualty Group (AMC) #1186831 each have an AMC Best Financial Strength Rating of 'A-'. Insurance plans protected U.S. Patent No. 7,908,157.



Risk is everywhere. In everything. With Applied Underwriters by your side, the gears of commerce, innovation, and exploration keep turning. Experience the unrivaled heart and unwavering service that only Applied delivers.

Learn more at auw.com or call (877) 234-4450.