

# BEST'S REVIEW® ISSUES & ANSWERS:

- Environmental
- Programs

## Interviewed Inside:



**Melissa Mulhern**  
Philadelphia Insurance Companies



**Brooke Shirazi**  
Nationwide E&S Specialty

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# An Environmental Shift

Melissa Mulhern, Assistant Vice President of Environmental Underwriting at Philadelphia Insurance Companies, said their underwriters work with agents and brokers to help them understand that environmental risk includes operational risks not just limited to preexisting contamination. Following are excerpts from an interview.



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## What are some common misconceptions about the need for environmental coverage?

The biggest misconception is that clients, agents and brokers assume that environmental insurance is only a concern for heavy industrial operations, meaning manufacturing sites or properties that people assume are inherently contaminated. In reality, environmental exposures can impact nearly every sector. Even a routine business could face a costly pollution claim from a minor spill or a potential mold incident. We need to make clear that environmental risk exists without hazardous substances. It shouldn't be thought of as a discretionary purchase in today's world. The General Liability policy has a pollution exclusion, and there are also restrictions in a property policy that limit mold coverage. Clients should be aware of these coverage limitations and fill in any coverage gaps with an environmental insurance policy.

## Why do nonindustrial-type clients purchase those policies?

It goes back to how the policy defines contaminant, which is a lot broader than people realize. It could be as simple as any solid, liquid, gaseous, or thermal irritant or pollutant, or it could include less obvious exposures such as odor, mold, silt or sediment, facility borne viruses and bacteria, Legionella, even methamphetamines. A lot of these are nontoxic substances, but they can cause damage when they're released unexpectedly. At PHLY, our modern and broadened form incorporates the expanded definition of contaminant that captures those additional exposures previously mentioned, but that's not always the case and highlights where coverage differentials can be meaningful.

## What impact is climate having on environmental policy?

Climate change in the past few years has been discussed in the context of property insurance, but increasingly, frequent and severe weather events are also driving significant environmental losses and liabilities. Historically, the policy was designed around high-severity industrial risks, but with today's policies focusing more on operational risks, severe weather events—especially in areas that are prone to winter freeze events, severe convective storms, and flooding—have proven to yield more frequent and severe

## Melissa Mulhern

Assistant Vice President of Environmental Underwriting  
Philadelphia Insurance Companies



“Operational risks can also include focusing on insured sustainability practices as well as understanding how today's weather patterns can impact a business from an environmental standpoint.”

Scan or click to watch an interview with Melissa Mulhern.

environmental claims. Environmental insurance can help a business manage the financial fallout of these weather events.

## Are there additional benefits to purchasing environmental insurance?

Yes. A client's environmental, social and governance strategy can be a great way to consider the additional benefits of environmental insurance. In today's world, there's a growing awareness of sustainability. If a company has a pollution incident, we all know about it. Think about the BP oil spill, for example. We all know of that, and we associate a company name with it. There's serious reputation damage at stake and severe economic damages if a company is responsible for a pollution release. Modern forms are now including ideas like an ESG strategy in addition to a traditional risk management strategy in the event that there's a pollution event. There's data access that we all previously didn't have, and we see it on a daily basis. It all propels the need for companies to consider their environmental impact and also address inevitable events through insurance. Hopefully, that's with a partner like PHLY, because truly, PHLY has been focused on ESG-aligned underwriting for many years, which makes us a strong partner for clients.

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<sup>1</sup> Rating affirmed 04/12/25. Fifth highest of 21 ratings. <sup>2</sup> Rating affirmed 11/07/25. Third highest of 13 ratings. <sup>3</sup> Rating affirmed 10/28/25. Sixth highest of 21 ratings. <sup>4</sup> Based on revenue, FORTUNE magazine (June 2, 2025).

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**Nationwide E&S/Specialty Programs**

# Program for Success

Brooke Shirazi, Vice President of Property and Ocean Marine Programs at Nationwide E&S Specialty, said policyholders benefit from the program offerings and the program administrator space because of the deep expertise they bring to the table in that segment and their clear understanding of what the insured needs in order to address risk concerns. Following are excerpts from an interview.



**Nationwide®**

## What is a program in P/C insurance?

A program in the P/C industry is an insurance product for a niche segment of the market. It requires specialized industry knowledge and underwriting expertise, which is needed to serve insureds with the appropriate coverage for their unique risk characteristics. Programs are generally owned and managed by program administrators, and they underwrite on behalf of the insurance carrier.

## How large is the programs market in the U.S. today?

The programs market in the U.S. is growing tremendously. According to the Target Markets 2025 market study that was recently published, the program market space is estimated to be just over \$110 billion in direct written premium, and that number is up 40% since 2022.

## How does the program model differ from traditional insurance offerings?

The program model differs from the traditional market space and the amount of expertise that our program administrators bring to the table. Typically, they have deep knowledge about the industries and the groups that they serve, which is necessary to meet their needs that are usually not met in the traditional market space. Those program administrators bring a unique partnership to the field of programs and the insurance market space with product development, risk management, and customer service added at their core.

## What role do they play in enabling carriers like Nationwide to enter niche markets or offer specialized coverage?

They play a very important role. We are always looking to see who is advancing their insurance delivery model and making sure that the protection services of a particular segment are met or that they have a level of expertise needed to appropriately service that particular insurance segment. When we think about underwriting expertise and how we've leveraged programs to deploy in the market—could be as simple as classes of business that we don't currently serve and utilizing that expertise that they have to deploy to a market such as small airports or those who operate family restaurants.

## Brooke Shirazi

Vice President of Property and Ocean Marine Programs  
Nationwide E&S Specialty



“We’re seeing program administrators innovate on the prevention technology aspect, which is part of their service offering. It’s important to ensure policyholders can sometimes be spared the hassle of something that’s going wrong, so prevention is top of mind.”

Scan or click to watch an interview with Brooke Shirazi.

## How does this model drive innovation and change in the greater P/C insurance industry?

The innovation that I see most around the P/C industry space is how we embed insurance at the point of sale of another product, data and insights, analytics, and then the prevention aspect of the insurance market product and how we deliver that to the market.

## How does Nationwide determine an ideal program to bring to market?

We consider many different criteria when we look at a program administrator utilizing our paper. One of the hallmarks of the program administrator and the carrier relationship is the desire for a long-term partnership. Trust between those two entities is critical. Second to that is the importance of the segment and the expertise that is presented. Of course, there's a lot more to it than that, but those are the two most important aspects that we think of when we say what is an ideal program.

