

BEST'S REVIEW® ISSUES & ANSWERS:

Specialty Coverage

Interviewed Inside:



Kristin Stein
PHLY



Marcy Pelecky
Nationwide

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PHLY's Underwriting Edge

Kristin Stein, VP of PHL Y E&S Insurance Solutions, spoke with *Best's Review* about how insurers are adapting their underwriting strategies and identifying new opportunities for growth. Following are excerpts from an interview.



PHILADELPHIA
INSURANCE COMPANIES

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How are changing market conditions impacting PHL Y's portfolio mix and underwriting approach in 2026?

We're definitely feeling the effects of the softening property market, especially as rates continue to decrease. We're seeing it most on our property renewal retention rates, where increased competition and easing rates are reshaping buyers' expectations in that segment of business. Our portfolio has always been anchored in liability. Property and package were added to complement and round out our core liability book of business. As the market shifts, we're leaning further into our strength in liability. We're writing more package and monoline liability business and focusing heavily on rate adequacy to keep pace with inflationary pressures.

How is PHL Y E&S responding to these market shifts?

We're doing our best to stay grounded, balanced, and disciplined in our approach. Because liability drives our E&S strategy, we're able to adjust our product mix without overexposing ourselves to the volatility of the property business. We're actively managing rate, focusing on quality submissions, and ensuring our pricing reflects today's loss cost realities. That helps keep our portfolio healthy while still supporting our brokers with the solutions they rely on us for.

Where are you seeing opportunities to expand the PHL Y product platform?

One of the biggest growth opportunities for us has been expanding into manufacturing products on an admitted basis. This has always been a class we've written successfully on a non-admitted basis, but because we have the underwriting expertise, we've been able to expand it into the admitted market using PHL Y's nationwide footprint. It's been strategic and seamless. We recognized there were certain regions—particularly the Southeast and Midwest—where this business was expected to be written on admitted paper. We had to think outside the box to determine how we could grow that business and help PHL Y expand its platform. By expanding into admitted manufacturing, we've created an opportunity to better serve customers and provide the broader product base they're looking for.

Kristin Stein

VP of PHL Y E&S Insurance Solutions

"At PHL Y E&S, we maintain a disciplined approach that allows us to stay competitive without compromising our underwriting integrity."



Scan or click to watch an interview with Kristin Stein.

Small business is becoming a highly competitive segment across the insurance industry. What is PHL Y doing to differentiate itself?

Small business is probably the most competitive segment because it's profitable, sticky, and every carrier is trying to write as much small business as possible. Retentions are strong, margins are healthy, and customer expectations are higher than ever. To be successful in this space, it really comes down to three things: speed, ease of doing business, and having a strong digital platform. To help us stay ahead of the market, we partnered with Slice in 2022. Slice is a technology-driven company that has provided us with an online platform allowing customers to receive near-instant turnaround results. For us, it's focused on small contracting risks, including artisan trade contractors and general contractors. It's available nationwide except in New York, Louisiana, and Kentucky, and it allows designated partners to quote, bind, and issue policies within minutes. Since launching Slice, it's been a major differentiator for us in the small-business space. Because of that success, we're now expanding the platform to include small-business commercial real estate. That will help ensure we stay ahead of demand in such a fast-growing and highly sought-after segment.

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

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Nationwide E&S/Specialty Programs

Precision Protection

Marcy Pelecky, SVP, Casualty and Professional Liability Programs, Nationwide E&S Specialty, spoke with *Best's Review* about how growing risk complexity is driving demand for highly specialized insurance products. Following are excerpts from an interview.



Nationwide®

What do we mean by specialty coverage and products?

When we talk about specialty coverages, we're really talking about insurance solutions built for risks that are simply too nuanced to fit into one-size-fits-all products. These are often industry-specific or distribution-specific exposures where unique underwriting expertise, claims handling approaches and risk management strategies are required. At Nationwide E&S Specialty, that means combining deep underwriting expertise with partners who truly understand their market segment and are willing to collaborate with us as a carrier to build a clear appetite, specific underwriting guidelines and coverage structures that support those unique risks.

What changes has your team seen in the market related to specialty insurance products in recent years?

I think the biggest change has been the growing sophistication of buyers and distribution partners. They're demanding more precision. They want products that truly fit the exposure, rather than repackaged standard forms that may or may not meet their needs. We're also seeing increased demand in areas where traditional markets have begun pulling back because of claims trends, economic pressures or operational complexity. That broad-brush approach just isn't as effective anymore. As a result, the market is moving toward narrower underwriting focus, more specialized coverage designs and a greater reliance on data and expertise.

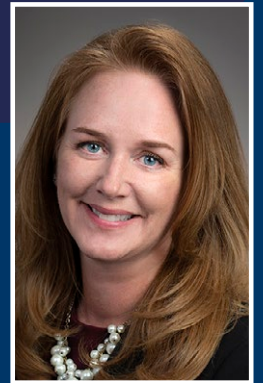
What's causing this shift toward specialization?

A lot of it is driven by coverage gaps and the fact that many modern exposures no longer fit neatly inside traditional insurance models. The things we insure today are often risks we weren't even contemplating three years ago. At the same time, the standard market is tightening and retreating from some specialized areas. Exposures are becoming more complex. Healthcare delivery is evolving. Construction risks continue to change. Climate change is impacting how we evaluate risk across industries. All of that requires more tailored solutions. Customers are also more sophisticated. They gravitate toward carriers and program administrators that can build solutions.

Marcy Pelecky

SVP, Casualty and Professional Liability Programs
Nationwide E&S Specialty

"At Nationwide, we're continuing to invest heavily in specialization, deepen our expertise and stay open-minded about targeted solutions that solve real customer problems."



Scan or click to watch an interview with Marcy Pelecky.

How is Nationwide E&S Specialty Programs working to address these risks and bring new products to market?

Our model is built around partnering with program administrators who have deep expertise in their niche markets and who view Nationwide as a true capital partner. They value not only our financial strength but also our underwriting expertise, claims capabilities and data resources to help make better decisions. On average, our program relationships last more than 10 years. I believe the industry average is closer to five years, so we really view these partnerships as long-term commitments. When we enter into a partnership, we focus heavily on defining a very clear appetite for the program. We make sure underwriting guidelines support both the program administrator's goals and our own portfolio management objectives. We also emphasize data integration on both sides. We have data, they have data, and together we can use it to make transparent, informed portfolio decisions. That approach helps us build products that are targeted, scalable and unique. For us, emphasizing clear appetite and underwriting discipline is essential. Our goal isn't simply innovation. It's disciplined innovation. As we move forward, winning carriers won't just claim to be specialty carriers—they'll demonstrate deep expertise and alignment between claims, underwriting and program administration.

