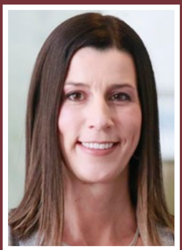
BEST'S REVIEW® ISSUES & ANSWERS:

• Homeowners

• Captives

Interviewed Inside:



Sarah Griffin
Nationwide

Rob Walling
Pinnacle Actuarial Resources

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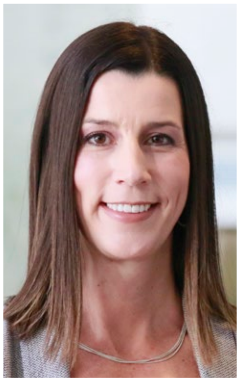
Predict, Prepare and Protect

Sarah Griffin, Senior Vice President, Nationwide Personal Lines Product and Underwriting, said her company sees a real opportunity to help homeowners prepare, rather than just react, through the right education and protection. Following are excerpts from an interview.

Nationwide®

Sarah Griffin
Senior Vice President, Nationwide Personal Lines Product and Underwriting



"While we can't eliminate every risk, our goal at Nationwide is to help people feel better prepared when events do happen, reduce severity, and shorten recovery time."

Scan or click to watch an interview with Sarah Griffin.

What's made shifting weather patterns a subject of household economics?

First, events have become more frequent, more intense, and less geographically predictable. Some communities that had lower historical exposure are now experiencing some pretty significant losses. The second thing is that land use, population growth, and population movement are resulting in more people and more infrastructure being exposed to hazards. You've got this increasing weather volatility and then more people in exposed areas. What used to feel unlikely to happen is now impacting more and more households.

How should the industry think about balancing actuarial reality with community resilience?

It's a complex topic to navigate. It's important to recognize that there are additional contributing market factors—things like inflation, reinsurance costs, aging infrastructure, supply chain disruptions, legal system abuse, and fraud. These are all compounding the issue. But the variability, frequency, and severity of weather events is probably one of the more noticeable factors, especially to the average consumer. Every carrier is facing decisions about how to adequately price for that risk volatility and where and how much risk they can responsibly carry. That's why this conversation has to extend beyond pricing to preparedness, prevention, and community resilience.

How can you make preparation more actionable?

It's a great question because resilience can sound really abstract until that weather event hits your own neighborhood or home. Many people live in areas that have not historically been exposed to flooding, microbursts, or extreme wind. They lack that lived experience or the instincts for how to prepare. Preparation works best when it feels like a commonsense checklist rather than a long technical manual, and when it's tied to specific, simple actions like moving belongings to higher ground, securing outdoor items, or adjusting where vehicles are parked. All of those can make a meaningful difference.

What will a successful insurance response to weather volatility look like 10 years from now?

I think a successful response means we've improved our ability to anticipate severe weather events. We would see lower loss severity and faster recovery for individual households and entire communities. Preparedness would become much more routine. People would understand how to make their homes more resilient, what to watch for in weather forecasts, and what actions to take before severe events occur—even in places that haven't historically experienced those hazards. Insurance should be a leader in resilience—not the sole solution, but a catalyst working with homeowners, communities, regulators, and researchers to address these broader systemic issues so we can better protect people and their property. As home technology and resilience solutions continue to advance, Nationwide's role, in partnership with our agents, will continue to help customers understand their options and feel confident navigating them. Longer term, it will take industrywide adoption of the codes, technologies, and behaviors that help reduce losses to improve affordability and availability.

Alternative Markets | Enterprise Risk Management | Legislative Costing | Litigation Support | Loss Reserving | Predictive Analytics | Pricing and Product Management | Reinsurance

Commitment Beyond Numbers

You have unique strategic goals. We provide tailored solutions to your business challenges.

As a full-service actuarial firm, our mission is simple: we provide professional expertise and superior customer service. Through data-driven research presented with clear communication, we work hard to provide substantial value to your business. **You can trust Pinnacle's commitment** to look beyond today's numbers in planning for tomorrow.

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Canadian Captive Contender

Rob Walling, Principal and Consulting Actuary with Pinnacle Actuarial Resources, said the province of Alberta is demonstrating an encouraging, business-forward approach to captive insurance. Following are excerpts from an interview.

Rob Walling

Principal and Consulting Actuary, Pinnacle Actuarial Resources

"Alberta's business-friendly approach is contributing to its success as a captive domicile."

Scan or click to watch an interview with Rob Walling.

Are you surprised at the pace of captive insurance adoption in Alberta?

I've been surprised and pleased by the pace of the growth in the domicile, but just as impressed by the relative smoothness of the growth. We've seen a number of new domiciles that stop and start, with regulators having trouble figuring out how to regulate captives, or captive managers going through growing pains. We haven't seen that here, as Alberta has seen fairly smooth and steady growth in captive formations.

What advantages does an onshore Alberta domicile offer?

Up until the passage of the Alberta captive law, most Canadian businesses that wanted to form a captive were looking offshore to Cayman or Barbados. There were a number of offshore domiciles that catered to Canadian businesses and tried to make it as easy as possible to do business there. But it's hard to replicate your home domicile. So, for Canadians, Alberta is simply offering less frictional cost and the ability to stay in country.

What's the regulatory environment like for captives in Alberta?

It reminds me of some of the U.S. domiciles that are very approachable by businesses and captive owners. I see a lot of what I'll call "negotiating to yes." Not approving everything as it comes in, but also not saying flat out "no." If the domicile sees a captive with good potential, they'll work with the captive manager, the captive owner, the actuary and the other involved parties to create a final product for approval that meets or exceeds regulatory muster. They are very much open to creative ideas in order to get the captive to fit the regulatory framework.

How is Pinnacle Actuarial Resources positioned to work with Alberta captives?

We take new domiciles quite seriously, and we work with both new captive managers that are setting up a new domicile and existing captive managers that we've had success with in an established domicile. The growth of the Alberta market and in Canada more broadly, has been exciting, and we've moved to contribute, long term, to that growth. In the spring, we formed a subsidiary, Pinnacle Actuarial Resources of Canada, specifically as our business in Canada. We think it's important to have a subsidiary in Canada to address the Alberta captive and the broader Canadian property and casualty insurance markets. We have also announced the acquisition of Bermuda firm Ordinance Holdings with the client renewal rights of Canadian actuarial firm Grape Bay Actuarial Consulting. We feel that having a Canadian presence through Pinnacle Actuarial Resources of Canada and serving this book of Canadian business into Pinnacle Actuarial Resources of Canada highlights our commitment to the domicile and the market, and we think it gives us a strong foundation for even more growth in Canada.