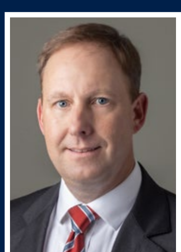
BEST'S REVIEW® ISSUES & ANSWERS:

- Casualty Market
- Surplus Lines
- Artificial Intelligence
- Mutual Success

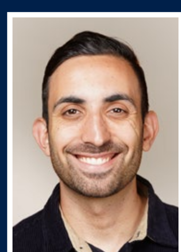
Interviewed Inside:

Jayson Taylor
MSIG USA



Patrick Albrecht
WSIA

Vikas Acharya
Xceedance



Amir Prodensky
Strada

Brad Ash
ISMIE

Russ Johnston
Nationwide

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Rethinking Casualty

Jayson Taylor, Head of Casualty at MSIG USA, said by focusing on long-term portfolio quality and partnership, the company is well positioned to support brokers and clients as the casualty landscape continues to evolve. Following are excerpts from an interview.

Jayson Taylor
Head of Casualty at MSIG USA

"As innovation continues to accelerate, MSIG USA's balanced approach helps us provide thoughtful underwriting solutions for an increasingly dynamic casualty landscape."

How is today's casualty risk environment shaping underwriting strategy across the excess and surplus markets?

What we are seeing is more than a typical market cycle. While market conditions will always evolve, many of the forces influencing casualty risk, including increasing claim severity, changing litigation trends, and more complex operations, are long-term shifts rather than short-term fluctuations. That requires insurers to think beyond pricing and focus on building sustainable portfolios that can perform through changing market conditions. MSIG USA's approach is grounded in data and a clear understanding of our appetite.

How are large infrastructure, manufacturing, and energy investments changing casualty risk?

The scale and complexity of today's projects are changing the casualty landscape. Large infrastructure, manufacturing, and energy investments often involve multiple contractors, evolving technologies, and more intricate contractual relationships, all of which can increase liability exposures. Underwriters need to understand not only the individual risks, but also how those risks interact across an entire project. MSIG USA is evaluating these complex exposures from multiple perspectives. We're using advanced analytics to assess operational practices, contractual risk transfer, and emerging trends. This allows us to deliver expert underwriting solutions while supporting clients as they take on increasingly sophisticated risks.

How are emerging technologies influencing casualty risk, not just for insurers but for the businesses they insure?

Emerging technologies are creating new opportunities for businesses, but they're also introducing liability exposures that are still evolving. Whether it's AI-enabled decision-making, automation, connected equipment, or increasingly digital operations, many organizations are adopting technologies faster than historical loss experience can develop. That creates new questions about accountability, product liability, completed operations, and operational risk. At MSIG USA, we view this as another example of why underwriting expertise remains essential. We combine data and analytics with experienced judgment to evaluate how new technologies may change a client's risk profile, rather than relying solely on historical trends.

MSIG USA recently expanded its excess and surplus capabilities with the launch of MSIG Specialty Insurance America Inc. What opportunities does that create for brokers and clients navigating today's casualty market?

Today's casualty market requires greater innovation and flexibility as businesses encounter increasingly complex and specialized risks. Expanding our E&S capabilities allows MSIG USA to better serve brokers and clients whose exposures may not fit within the admitted market, while applying the same disciplined, data-driven underwriting philosophy across our specialty platform. The result is a broader set of solutions backed by experienced casualty underwriters who understand complex industries and evolving liability risks. That enables us to respond more effectively to broker needs and continue to build long-term partnerships with our clients.

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The Specialty Advantage

Patrick Albrecht is WSIA Chair and President of Associated Insurance Administrators Inc. Following are excerpts from an interview.

The surplus lines segment continues to experience growth, but how much is it growing?

Through midyear 2026, the 15 states with surplus lines stamping offices reported an increase of 2.8% in surplus lines premium over the prior year, with a 16.9% increase in items. Those 15 states account for almost two-thirds of all surplus lines premium volume, making the report a valuable indicator of the overall U.S. surplus lines market. The stamping office report also offers insights into the performance of specific lines of business and which of those are driving growth. Liability (non-professional) continues to represent the largest segment of the total premium and increased 11.2% over the same period last year. Property remains the second-largest segment at 28.5% with premium 13.7% lower than midyear 2025. Residential, homeowners and other personal property experienced growth, but represent only 6.1% of the market in these states.

Patrick Albrecht
WSIA Chair and President of Associated Insurance Administrators Inc.

"As risks grow more complex, the value of specialty insurance only accelerates."

How significant is surplus lines becoming within the overall property/casualty market?

The surplus lines market also continues to increase as a percentage of the overall property/casualty market. According to an AM Best 2025 Market Segment Report, direct written surplus lines premium was $129.8 billion in 2024, with 12.3% growth over the prior year. That represents 12.3% of the overall property/casualty market and 25.7% of the commercial lines market, and surplus lines insurers' market share has more than tripled since 2000. We anticipate that the 2026 Market Segment Report released in September will reflect continued growth through 2025. Together, these two reports offer valuable insights into the current state of the market, which remains strong, with signs of moderating growth, through midyear 2026.

What makes the wholesale, specialty and surplus lines insurance segment stand apart and how does that benefit insureds?

The wholesale distribution system delivers incredible value to retail agents and their insurance clients. WSIA member wholesale brokers, MGAs and program administrators offer a high level of technical expertise. They also have access to specialty underwriters and markets that are not accessible in the standard market, and they specialize in underwriting complex, non-standard risks and crafting innovative coverage options tailored to the unique needs of each insured. This specialization allows risks typically deemed too challenging for the standard market to be managed with flexible, competitive solutions. On top of these other value-added benefits with a wholesaler, we can add cost as an advantage. Analyses by Conning Inc., in 2016 and 2021, have confirmed that wholesale distribution does not increase the transaction cost for the insured. As a result, retail agents can confidently recommend wholesale solutions knowing that their clients can purchase innovative, customized solutions for complex risks that are also cost-effective. We anticipate a 2026 update to that analysis will find the same.

About WSIA

- Is a nonprofit association of insurance professionals and specialty market leaders dedicated to the wholesale distribution system.
- Is the only industry trade association that supports the entirety of the wholesale, specialty and surplus lines industry.
- Serves more than 760 member firms representing nearly 1,600 offices and tens of thousands of industry professionals.
- Provides world-class member services including networking, education, talent development, legislative advocacy and promotion of the value of wholesale distribution.

What Separates Agentic AI Hype From Business Impact

Vikas Acharya is Senior Vice President of Global Products and Technology Solutions at Xceedance. Following are excerpts from an interview.

xceedance

Vikas Acharya

Senior Vice President of Global Products and Technology Solutions at Xceedance

"Efficiency tells you the technology is working. Business outcomes tell you whether it's creating value."

What separates insurers realizing real value from those still stuck in the proof-of-concept stage?
The difference is rarely the AI. It's the willingness to redesign how work gets done. Organizations that struggle to move beyond pilots often treat AI as a technology initiative. Those realizing meaningful business value are reengineering workflows, clarifying decision rights, and integrating AI into core operations. The breakthrough comes not from the model itself, but from transforming the process around it and creating the conditions for adoption at scale.

How should insurers prioritize agentic AI investments to achieve the fastest and most sustainable ROI?
This is one of the most common questions we hear in boardrooms and leadership discussions. The answer starts with business value, not technology. Organizations that see the fastest returns focus on processes with high transaction volumes, significant manual effort, and clear decision rules. These are the areas where agentic AI can remove friction at scale while allowing human experts to focus on exceptions and judgment-intensive work. The goal isn't to deploy AI in the most innovative area. It's to target the operational bottlenecks where efficiency, consistency, and speed translate directly into measurable business outcomes.

What are the most common mistakes insurers make when adopting agentic AI?
One of the biggest mistakes is treating agentic AI as a technology initiative rather than a business transformation effort. Success depends as much on process redesign, governance, and adoption as it does on the technology itself. Another common challenge is unclear accountability. When ownership is split across functions, outcomes often suffer. Organizations also tend to underinvest in human oversight, pursuing full autonomy when the real objective should be the right level of autonomy for each task. The most successful programs have a single accountable leader with responsibility for both technology delivery and business outcomes, ensuring AI is embedded into the way work gets done rather than deployed alongside it.

As insurers are investing more than ever in agentic AI, what metrics should they be using to evaluate its success?
Most organizations begin with operational metrics such as cycle time, throughput, and cost per transaction, and those remain important. However, insurers should evaluate agentic AI primarily through its impact on business outcomes. The most meaningful measures include underwriting accuracy, quote-to-bind ratios, loss ratio performance, retention, service quality, and broker satisfaction. These indicators demonstrate whether AI is improving decision-making, enhancing customer and broker experiences, and driving profitable growth. Operational efficiency confirms that the technology is functioning as intended. Improvements in risk selection, business performance, and the ability to scale without proportional headcount growth demonstrate that it is creating enterprise value.

Strada

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Two-way phone messaging

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Chat
Live chatbot on website portals

Browser Automation
Navigate carriers portal

Document Processing
Read and ingest data

AICPA SOC
SOC 2 TYPE II CERTIFIED

GDPR

HIPAA COMPLIANT

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Strada Scales AI Success

Amir Prodensky, CEO of Strada, said the organizations that will lead are treating artificial intelligence as an operational lever rather than a technology project. Following are excerpts from an interview.

Strada

Amir Prodensky
CEO of Strada

"AI adoption is about compounding learnings and building initiatives on top of one another. For some organizations, it's an existential moment that will shape their competitiveness for decades to come."

Where is the insurance industry today in its adoption of AI?

The insurance industry has reached a point where it has realized AI is working in production in the right use cases. As a result, organizations are racing to determine their strategy, roadmap, and what the next five years will look like. Earlier this year, we published survey results based on conversations with insurance industry leaders about AI deployments. We found that only 11% of insurers have deployed AI at scale in production. The remainder have either deployed it in limited use cases or are still in the pilot phase. We also found that more than three-quarters of deployments underdeliver on expectations. That's why we spend a lot of time helping clients determine how to run the right AI pilots, where to focus them, and how to build from one successful deployment to many across the organization.

What have insurers discovered once they've moved AI initiatives from pilot programs into live production environments?

We actually don't separate pilots from production. We prefer taking pilots directly into production because that's where you can test real-world edge cases. During deployments, we typically identify a critical use case, integrate it with core systems, complete security reviews, and test it in a real operational environment. That's the only way to truly battle-test AI. Once you've proven it works in production, the conversation shifts from whether AI works to how you scale it across the entire organization.

What distinguishes the organizations that will lead through the next phase of AI adoption from those that risk being left behind?

The differentiator is treating AI as a true operational transformation rather than a small improvement project. This needs to be a board-level priority. Leadership must do more than set strategy. They need to stay actively involved, ensuring initiatives are progressing, being measured correctly, and receiving the resources they need. The leaders are also moving quickly and deliberately. AI adoption is about compounding learnings and building initiatives on top of one another. Many of the largest carriers, brokers, and TPAs are making this a priority because they recognize the magnitude of the opportunity. For some, it's an existential moment that will shape their competitiveness for decades to come.

How is Strada helping carriers, brokers and MGAs address these challenges and turn AI opportunities into practical business results?

We're an enterprise AI platform purpose-built for the insurance industry. We combine conversational AI with back-office automation, allowing customers to automate claims, servicing, and underwriting workflows end-to-end. Central to that is deep integration with legacy systems. Whether that requires connecting through APIs, browsers, spreadsheets, or other interfaces, we have the capabilities to make those connections work. The goal is organization-wide transformation that improves operational efficiency, reduces expense ratios, lowers loss ratios, and drives better claims outcomes. But operational metrics are only half the picture. Insurance touches the lives of millions of people every day, and better customer experiences drive the retention and loyalty that sustain it.

Growth Through Diversity

Brad Ash, Chief Underwriting Officer for ISMIE, said the forces of consolidation and the growing presence of private-equity money within healthcare have affected all medical professional liability carriers. Following are excerpts from an interview.

Brad Ash
Chief Underwriting Officer for ISMIE

"Our data shows that policyholders who participate in our Risk Rewards program are 22% less likely to experience a claim resulting in a payment."

How has diversification helped ISMIE strengthen its position as a carrier?

ISMIE was founded more than 50 years ago by physicians and for physicians, and today we're a mutual insurance company owned by our policyholders. Taking care of them remains our top priority. Consolidation and the growing presence of private equity in healthcare have reduced the number of independent medical practices available for insurance, prompting us to deploy capital in other areas. That has meant a thoughtful expansion into risks beyond our core MPL business. Most of these initiatives have produced lower expense and loss ratios, contributing positively to our top and bottom lines while benefiting both physician and nonphysician policyholders.

What are the most significant challenges ahead for MPL carriers and what's ISMIE doing to address them?

The biggest challenge is continued consolidation within healthcare, both hospital-acquisition of physician practices and the infusion of private-equity money into medical practices, combined with a national physician shortage, leaving fewer physician practices available for insurance. Regarding hospitals, we've often seen them struggle with physician practice business operations, so in many cases, they keep MPL coverage with ISMIE because physicians know how we underwrite, handle claims, and deliver patient safety and risk management services. Regarding private equity, we've been successful in demonstrating to investors the long-term value that ISMIE brings to the table. As examples, in 2025, our policyholders received favorable defense verdicts in 93% of cases that went to trial. In addition, policyholders participating in our Risk Rewards program are 22% less likely to experience a paid claim and 18% less likely to experience a claim overall.

What are some of the trends you see on the horizon?

Technology significantly reshapes medicine, from wearable devices influencing treatment of chronic health conditions, to artificial intelligence and its impact on medical liability. Medical practices continue to remain vulnerable to cyberattacks. The continuing national physician shortage, which is creating healthcare deserts in both rural and urban communities—all of these are trends impacting MPL carriers.

ISMIE recently expanded outside of its MPL core to augment its business. What areas of growth are you exploring and why?

ISMIE has been and always will be, at its core, an MPL writer. However, we must acknowledge the challenges and additional pressures currently facing MPL carriers. Our expertise in professional liability, built on the foundation of protecting careers, reputations, and businesses, has applicability outside of healthcare. In addition, ISMIE has very strong financial resources. Comfortability in this field of taking risks, paired with ISMIE's strong financials, has made expanding professional liability protection into other professions, such as lawyers, accountants, and insurance agents and brokers, a natural fit for us. In addition, we've been successful in translating our expertise into a healthy and very diverse presence within the assumed reinsurance space. We do look for assumed reinsurance opportunities that do not correlate with our MPL and healthcare professional liability book of business.

Mutual Success

Russ Johnston, President of Commercial, E&S and Specialty at Nationwide, said that one of the company's fundamental pillars is its trusted brand and reputation people can rely on. Following are excerpts from an interview.

Nationwide®

Russ Johnston

President of Commercial, E&S and Specialty at Nationwide

"You can't sell trust to a customer if you don't have a trusting relationship with your partner. We're blessed with having partners with whom we've built those relationships over decades."

How do you define mutual success?

Mutual success starts with creating relevant, beneficial and, most importantly, sustainable solutions. Nobody wants a solution that's here today and gone tomorrow. It's also important to operate and partner with companies that have a level of resilience. The solution could be great, but if the partner isn't going to be around tomorrow on either side of the transaction, that doesn't help the customer at all. Lastly, when you create the right partnerships, it naturally leads to innovation. We see that everywhere. We see it in our MGA relationships. We've been in that business for over 40 years, and we're always working together to create new and innovative solutions.

What qualities do you look for when developing a partnership with an MGA, wholesaler or brokerage firm?

Two fundamental things: trust and commitment. When I look across all the different channels, we're not only doing business with the same firms for decades—we've been doing business with the same people for decades. In some cases, it's two or three generations. At the end of the day, when you're delivering a solution to a customer that's going to respond in their time of need, we're selling trust.

How is Nationwide's mutual heritage an advantage in a partnership?

It's a huge advantage. For us, we have two constituents we worry about: our associates and our customers. The vast majority of companies in the industry have a third constituent they have to worry about, and that third constituent is focused on what's going to happen quarter to quarter. We think about what's going to be sustainable over the long term. A classic example is what we did in reinsurance last year. We made a big play to double down in reinsurance. From one year to the next, reinsurance can be volatile, but it's a critical part of the industry. There's real value for customers who need reinsurance. To me, that's a classic example of putting a bet on the long term, where others perhaps have to be a bit more near-sighted.

Where do you see the greatest opportunity for Nationwide to bring even more value to the market through strategic partnerships?

I see us doing it today and into the future across a whole host of different areas. First, I'll start with our personal lines business. We have a major strategy in personal lines centered on connecting with our agents and partners and bringing solutions to customers we define as protectors—customers who are looking for a partner to help them minimize or even completely avoid losses, whether through telematics or smart home technology. We think there's a lot of runway there and a tremendous opportunity to meet customer needs. When I think about our commercial and specialty business, we've got really strong capabilities from Main Street to Wall Street in terms of the customers we serve and the products we can deliver. But we haven't yet done it in as strategically connected a way as we can. Delivering more solutions to the same customers we already serve is a massive opportunity for us. Lastly, you saw us double down on reinsurance last year. Those customers have needs beyond the four corners of the United States. They're doing business around the globe, and I think there are opportunities for us to support them internationally as well. So I think there is a great deal of opportunity ahead.