

# BEST'S REVIEW® ISSUES & ANSWERS:

- Brokers
- AI
- Asset Management

## Interviewed Inside:



**Aaron Hillebrandt**  
Pinnacle Actuarial Resources



**Subramanian Sankaran**  
Xceedance



**Amar Reganti**  
Wellington Management

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# Broker Relationships

Aaron Hillebrandt, Principal and Consulting Actuary for Pinnacle Actuarial Resources, spoke with *Best's Review* about the importance of brokers and broker relationships. Following are excerpts from an interview.



## Why are brokers so important in the property and casualty space?

Brokers play a vital role in the ecosystem and represent their clients' best interests, securing insurance coverage that best suits any given situation. Working with insurance service providers, including underwriters, TPAs, loss control firms, safety consultants, attorneys and actuaries, brokers understand the role each provider plays and how each helps their clients make better informed business decisions about risk mitigation and financing. Risk identification and management are strategic imperatives for insurers and insureds. Effective brokers understand this and work to establish relationships with skilled actuarial service providers that make the best possible partners for their clients.

## Why is that relationship between brokers and actuaries so important?

Brokers commonly prepare premium, loss and exposure data to be analyzed by the actuary. Providing context about changes in operations and real-world circumstances impacting the client, a broker can provide invaluable insight into the manner in which the actuary interprets the underlying data. Providing context as regards changes in operations can be invaluable to the actuary's review. I view brokers as essential business partners that ensure clients get the best possible service and arrive at better business decisions.

## What are the keys to a good actuary and broker relationship?

Communication is at the heart of the relationship between brokers and actuaries. As brokers work for what's best for their clients, actuaries need to keep brokers in the loop with respect to the status of client projects. No one likes surprises, and actuaries must sometimes report adverse news, such as worsening loss ratios. Or if an actuary fails to help a client understand proper capital deployment—a common situation we have seen firsthand. Recently, a broker came to us with a company whose previous service provider failed to show them that they had excessive reserves and idle capital. We were able to develop and communicate a new solution for the client. But ensuring that all of those impacted, whether client or broker, are aware of any nuances is absolutely critical to the relationship and any work being done on behalf of the client.

## Aaron Hillebrandt

Principal and Consulting Actuary  
Pinnacle Actuarial Resources



"I view brokers as essential business partners that ensure clients get the best possible service and solutions for the best business outcomes."

Scan or click to watch an interview with Aaron Hillebrandt.

## What advantages do brokers offer captive insurance companies?

Insurance companies and insureds in all sectors and of all sizes avail themselves of broker services. But captive insurance is a unique, dynamic and exciting sector. It can be very entrepreneurial. Those seeking a captive insurance solution might not always have actuarial resources to counsel them through the captive insurance company life cycle. Establishing a captive insurance company requires a specific level of expertise that a broker experienced in the market segment might be in a unique position to provide. It's a real competitive advantage and we continue to serve brokers and their clients in collateral review, captive insurance company formation, due diligence for mergers and acquisitions, reserving, predictive analytics and others. The growth in partnership between broker and actuary is a productive trend and is being leveraged by many clients to take their risk management program to the next level. When an actuary delivers great service to a client and, by extension, a broker, all benefit.

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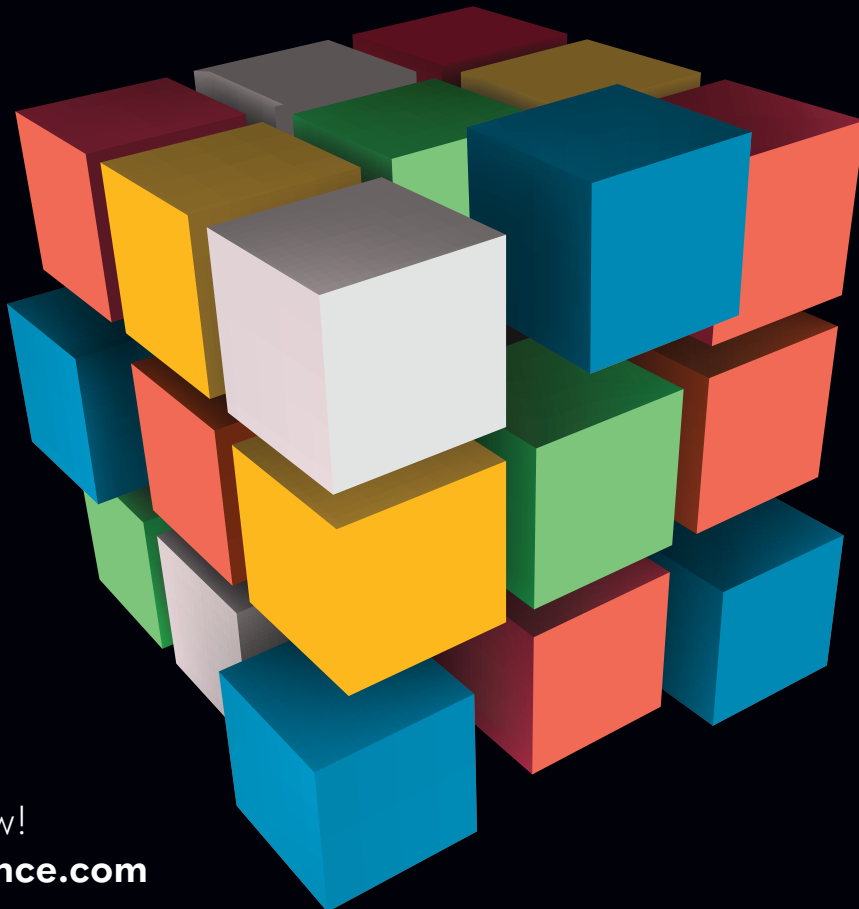
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# Stronger Ops Equal Smarter AI

Subramanian Sankaran, Chief Operating Officer at Xceedance, said artificial intelligence is a multiplier, and if operations are fragile, AI multiplies fragility. “But if operations are strong, AI multiplies speed, accuracy and growth,” he said. Following are excerpts from an interview.



## Why should insurers stop thinking “AI first” and start thinking “operations first”?

I would actually frame it differently: operations first and AI always. About a decade ago, when insurers rushed to adopt robotic process automation, many faced the same challenge of layering technology onto workflows that were fragile to begin with. If you place AI on top of noisy data, manual handoffs, and exception-heavy processes, you don't create efficiency, you multiply fragility. The smarter approach is to invest in invisible infrastructure: strong data pipelines, orchestration layers, APIs, and governance. That foundation allows AI to scale reliably across underwriting, claims and policy servicing. Companies that have taken this route have seen premium growth of 10%-15%, onboarding costs cut by 20%-40%, and more accurate claims decisions. Operations first ensures AI always delivers.

## What operational gaps in underwriting, claims, or policy servicing most commonly undermine AI initiatives?

The most common gaps stem from fractured workflows and poor data hygiene. Underwriting often struggles with fragmented risk data and inconsistent codification, which slow down cycle times and prevent AI from generating consistent outcomes. In claims, manual handoffs, inconsistent documentation, and unstructured histories limit AI's effectiveness in fraud detection or triage. Policy servicing suffers from siloed CRMs, document-heavy routines, and limited straight-through processing, all of which degrade the training data that AI relies on. The result is that insurers end up with pilots and proofs of concept that fail to scale. That's why the principle remains constant: Without operational discipline first, adding AI simply accelerates the inefficiencies that already exist.

## How can insurers build connected, AI-ready workflows in environments that are still reliant on legacy systems?

The key is horizontal modernization. Insurers shouldn't try a massive rip-and-replace approach, which is expensive and disruptive. Instead, focus on progressive orchestration that allows AI to plug into workflows while legacy systems continue to evolve. Step one is to standardize and expose, wrapping core systems with APIs across policy, claims, billing, and customer entities. Step two is to stitch and stabilize, connecting modern and legacy apps with middleware, which enables automation of microtasks and creates

## Subramanian Sankaran

Chief Operating Officer  
Xceedance



“For insurers to get it right, they need to adopt an approach of operations first, AI always.”

Scan or click to watch an interview with Subramanian Sankaran.

clean, auditable data for AI. Step three is to optimize for outcomes, not just isolated fixes. By looking at the end-to-end process, insurers can drive stronger ROI while building a future-ready foundation for AI adoption.

## What does it take to evolve insurance teams from task executors to effective AI supervisors?

This evolution requires three big shifts. First, humans must stay in the loop. Teams need to be reskilled to guide AI handling exceptions, interpreting data, and overseeing ethical use. The second shift is cultural. Traditionally, insurers manage through activity metrics. AI success demands outcome-based management, where humans focus on judgment calls and high-impact decisions while AI handles routine work. For example, some carriers now use generative AI to draft claimant emails, which humans then review and approve, improving tone and efficiency. The third shift is change management. Carriers need to invest in playbooks, training, and QA loops. By continuously refining outputs and workflows, insurers can transform staff from task executors into empowered AI supervisors.



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# Yield of Dreams

Amar Reganti, Fixed Income and Global Insurance Strategist at Wellington Management, argues that while insurers are benefiting from higher yields right now, they should ensure that they are getting diversification across their entire spectrum of investments. Following are excerpts from a recent conversation with Reganti.

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## What primary macro drivers are you watching right now?

I'm focused on three key macro drivers. First is the evolving trade landscape. Current tariff levels are far from the highs announced on "Liberation Day," but they still are among the highest we've seen in nearly 90 years, with the potential to impact U.S. growth and inflation. Second is inflation, which has proved more persistent than markets expected. I anticipate it will gradually continue to rise above 3%, well above the Federal Reserve's 2% target. Third is the Fed's ability to balance its dual mandate of full employment and price stability. With a weakening labor market on one side and sticky inflation on the other, the Fed faces a difficult policy environment.

## What should insurers prioritize given today's economic environment?

It's twofold: I think insurers should enjoy the benefits of higher yields but also seek diversification. Insurance companies are now able to achieve book yields that just several years ago seemed substantially out of reach. In addition, there's a wide variety of opportunities in fixed income markets they may be able to take advantage of to provide some cushion against macro volatility, such as in agency MBS, CMBS, long-dated tax-exempt munis, parts of the CLO market, and private credit. I think it makes sense for insurers to look across the spectrum of private and public assets to ensure they're diversified and sourcing credit risks from multiple sources.

## What are the biggest fixed income risks facing insurers today?

Markets have actually been well behaved in recent months, from both an interest rate and credit spread standpoint, and the private sector of the U.S. economy is in generally good shape. But we always have to consider where current views could be wrong. For example, what if there is credit risk percolating in parts of the market that are more opaque and could have spillover effects? While not my base case, I think we also have to consider risks like an equity market downturn that could spill into spread markets and drive defaults higher; a shift from what currently might be called "stagflation light" to "stagflation heavy," if there is an exogenous shock due to energy prices or conflict, reminiscent of the 1970s; and U.S. institutional degradation, including concerns about the Fed's independence.

## Amar Reganti

Fixed Income and Global Insurance Strategist  
Wellington Management



"Insurance companies are now able to achieve book yields that just several years ago seemed substantially out of reach."

Scan or click to watch an interview with Amar Reganti.

## How does Wellington help insurers navigate a volatile economic environment?

Wellington's breadth across public and private asset classes helps us to calibrate investment strategies for each insurance client, whether that's driven by their liabilities or specific portfolio goals. It's not just about investment expertise, but also the vehicles through which we offer that expertise and the ways we can structure solutions that can potentially make insurance investing easier—such as separately managed accounts tailored to insurers or rated note feeders, which have become more common in the insurance landscape. In all of these cases, Wellington seeks to help insurance clients achieve their objectives across market environments.

