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BEST'S REVIEW®

February 2025 • Volume 126 • Issue 2

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AM BEST'S MONTHLY INSURANCE MAGAZINE

In Pursuit of Innovation

For many insurers, innovation moves from 'nice to have' to core competency.

Pages 36-49



**Best's Review
Online Archives**

Jeff O'Shaughnessy,
President of Portfolio
Risk Solutions at Hartford
Steam Boiler Group



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An Innovation Snapshot

Best's Review explores insurance industry innovation, including initiatives at Hartford Steam Boiler Group, American Family Life Insurance and Sentry Insurance Group. This issue also includes rankings of the largest surety insurers and the largest insurers based in the Middle East/North Africa.

The cover of *Best's Review* this month displays Jeff O'Shaughnessy, president of portfolio risk solutions for Hartford Steam Boiler Group, holding a remote sensor that monitors commercial and residential buildings for water leaks and frozen pipes.

It's an example of an innovation developed by Hartford Steam Boiler, one of several companies interviewed by *Best's Review* for a feature about the insurance industry's increased focus on innovation.

February is Insurance Innovation Awareness Month. For an industry that's often been viewed as resistant to change, there's been a fair amount of innovation in recent years.

In "Leading AI Platforms Delve Into Insurance Industry Innovations Across Product Lines," *Best's Review* asked artificial intelligence platforms about insurance industry innovation and they each came up with a surprisingly long list of examples.

Best's Review columnist Lance Ewing also discussed some of the recent industry innovations in his column, "Atari 2600 or iPhone? Innovation Can Spring From Unusual Sources."

Best's Review, in a special section on innovation, reported on the launch of new innovation hubs and spoke with Dawn Miller, chief commercial officer, Lloyd's, and chief executive officer of Lloyd's Americas, about Lloyd's Lab. Coverage also included a panel discussion on artificial intelligence from the WSIA Annual Marketplace in San Diego.

Insurance industry leadership is also a focus in the February issue. The American Property Casualty Insurance Association is scheduled to host its seventh annual Emerging Leaders Conference from Feb. 2-4 in Tampa, Florida. The conference will

bring together 248 professionals from the global insurance sector.

While the industry works to develop the next generation of leadership, *Best's Review* also paid tribute in this issue to executives who died or announced their retirement in 2024. Some of the industry leaders who passed away in 2024 included UnitedHealthcare CEO Brian Thompson and former Arch Capital Chairman and CEO Constantine "Dinos" Iordanou.

In "Weekly Lunches and No Silos: A Life Insurance Chief Executive's Hands-On Philosophy," John Barrett, chairman, president and CEO of Western & Southern Financial Group, looks back at his 37-year tenure with the Cincinnati, Ohio-based company.

The February issue also includes rankings of the largest Middle East/North Africa insurers and the largest surety insurers.

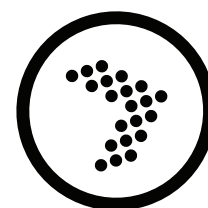
Note: A ranking of the World's Largest Insurers based on net premiums written, published in the January issue of *Best's Review*, has been updated to include a footnote about Assicurazioni Generali. The footnote explains that the decline in Generali's net premiums written is driven mainly by a change in accounting standard with 2022 based on IFRS 4 net premiums written and 2023 based on IFRS 17 insurance service revenue. The decline also may include some artificial impact from using different exchange rates.

BR

Patricia Vowinkel
Executive Editor
patricia.vowinkel@ambest.com

What's Coming Up

The March issue of *Best's Review* will focus on insurers that rely on the independent agent channel. It also will include rankings of the largest India insurers, the largest crop insurers and the largest captive insurers.



INNOVATION

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Best's Review's special section examines progress and initiatives in an industry that's often viewed as resistant to change. Indeed, there is a surprisingly long list of examples. The section includes the launch of new innovation hubs; an interview about Lloyd's Lab; and a panel discussion on artificial intelligence.



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Insurers Discover Value in Innovation Culture

AM Best's *Scoring and Assessing Innovation* criteria measures innovation as part of its overall ratings methodology as staying ahead of the game becomes more necessary than ever for insurers. The assessments have shown there is opportunity in innovation.



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Innovation Hubs Attract Interest, Support From Insurance Companies

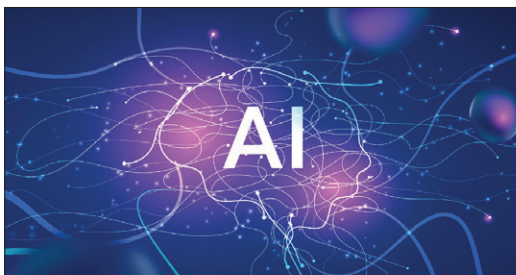
Pooling talent, investment, real estate and technology with a dash of entrepreneurial drive aims to spark digital transformation in businesses. Prudential, AIG and Howden are the latest companies supporting these ventures to give themselves a competitive edge.



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Lloyd's Chief Commercial Officer: Accelerator Nurturing More Than 100 New Insurance Startups

Lloyd's Lab has raised \$1 billion of capital for those companies, said Dawn Miller, chief commercial officer, Lloyd's, and chief executive officer of Lloyd's Americas.



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Tech Panel: AI Will Displace Jobs but Also Create Opportunities for Upskilling

Insurers are anticipating how the industry will apply artificial intelligence and its impact on the workforce, a panel at the WSIA Annual Marketplace in San Diego told AM Best TV.



LIFE INSURANCE

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Weekly Lunches and No Silos: A Life Insurance Chief Executive's Hands-On Philosophy

John Barrett, chairman, president and chief executive officer, Western & Southern Financial Group, looks back at his 37-year tenure during which a regional insurance company transformed into a diversified financial services enterprise.

INSURANCE LEADERS

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In Memoriam: Insurance Industry Leaders of 2024

UnitedHealthcare CEO Brian Thompson and former Arch Capital Chairman and CEO Constantine "Dinos" Iordanou were among the industry executives who died last year.

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Changes at the Top: Industry Leaders Announce Retirement Plans in 2024

Executives at Prudential Financial, Manulife, Arch Capital, Northwestern Mutual and State Farm, among others, said they intended to step down.



WORKERS' COMPENSATION

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Montana Insurance Commissioner Grants First 'Sandbox Waiver' to Workers' Comp Program

Montana State Fund's program is granting premium waivers of up to \$10,000 for a potentially smoother transition after a premium audit, the state says.



MENA INSURERS

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Trust Re CEO: Regional Insurers Should Resist Foreign Expansion, Focus on Local Opportunities

There are plenty of services that regional reinsurers are unable to provide, said Yassir Albaharna, group chief executive officer of Trust Re.

BEST'S RANKINGS

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Largest Surety Insurers – 2025 Edition

Ranked by 2023 direct premiums written.

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Largest MENA Insurers – 2025 Edition

Ranked by 2023 gross premiums written.

Visit news.ambest.com for a full listing of Best's Rankings.

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Cover photo by Casey Montague/AM Best

Insurance Industry's Rising Talent To Gather in Tampa

The American Property Casualty Insurance Association is set to host its seventh annual Emerging Leaders Conference in Tampa, Florida, this month. The conference will bring together 248 promising professionals from across the global insurance sector. The event, scheduled for Feb. 2-4, coincides with two significant milestones: the 10th anniversary of Insurance Careers Month and the Insurance Careers Movement.

Selected professionals represent more than 90 organizations in four countries: the United States, Spain, the United Kingdom, and Bermuda. The conference comes at a critical time for the industry, which, according to the U.S. Bureau of Labor Statistics, faces the imminent retirement of approximately 400,000 insurance professionals in the coming years.

"Recruiting and developing exceptional talent continues to be a top priority for executives and within the broader industry," said David A. Sampson, APCIA president. "The 2025 Class of Emerging

Leaders represents some of the best and brightest future leaders in property casualty insurance."

The conference, jointly organized by APCIA, the Insurance Careers Movement, and AM Best, aims to provide a networking and leadership development platform. Programming will include executive insights and specialized training tailored to address the insurance sector's evolving needs.

The timing is particularly relevant as the industry grapples with an estimated 515,000 job openings in the finance and insurance sectors. "This conference, marking a decade of the Insurance Careers Movement's commitment to developing talent, serves as a crucial stepping stone for the next generation of insurance leaders," said Marguerite Tortorello, the organization's executive director.


Attendees from AM Best will include Greg Dickerson, John Kane and Erik Miller. AM Best TV will cover the event. **BR**

February Insurance Industry Events

Feb. 2-4: **American Property Casualty Insurance Association (APCIA) Emerging Leaders Conference**, Tampa, Florida. 

Feb. 3-5: **Inter-Company Marketing Group (ICMG) Annual Conference**, Tampa, Florida.

Feb. 3-5: **Medical Professional Liability Association (MPL) CEO/COO Meeting**, Scottsdale, Arizona.

Feb. 3-6: **Verisk Elevate 2025**, Salt Lake City, Utah. 

Feb. 4-5: **Cyber & Risk Insurance Innovation Europe 2025**, London.

Feb. 4-5: **CatIQ Connect Conference**, Toronto. 


Feb. 4-5: **Insurtech Slopes 2025**, Vail, Colorado.

Feb. 5: **Cyber Insurance Awards Europe**, London.

Feb. 5-7: **2025 World Captive Forum**, Orlando, Florida.

Feb. 5-7: **2025 National Association of Independent Insurance Adjusters (NAIIA) Southwest Conference**, Catoosa, Oklahoma.


Feb. 5-7: **Crop Insurance and Reinsurance Bureau (CIRB) Annual Meeting**, Bonita Springs, Florida.

Feb. 7: **Artemis ILS**, New York, New York. 

Feb. 9-12: **2025 Crop Insurance Industry Annual Conference**, Bonita Springs, Florida.


Feb. 9-13: **National Association of Catastrophe Adjusters (NACA) Annual Convention**, Little Rock, Arkansas.

Feb. 10-11: **Florida Association of Insurance Agents (FAIA) Women in Insurance Summit**, Palmetto, Florida.

Feb. 10-13: **Private Placements Industry Forum**, Miami Beach, Florida. 

Feb. 10-14: **Miami Reinsurance Week, including Independent Network of Latam Insurance Professionals and others**, Miami, Florida.

Feb. 11: **Gen-AI in Insurance**, London.


Feb. 11-13: **National Association of Mutual Insurance Companies (NAMIC) Claims Conference**, Orlando, Florida. 


Feb. 12: **AM Best's Insurance Market Briefing - Grand Cayman**, Cayman Islands. 

Feb. 12-14: **Florida Insurance Market Summit**, Orlando, Florida. 

Feb. 18-19: **AHIP 2025 Executive Leadership Summit**, Phoenix, Arizona.

Feb. 20-22: **American Bar Association's Insurance Coverage and Litigation Conference**, La Jolla, California.

Feb. 23-25: **APCIA Executive Roundtable**, Naples, Florida. 

Feb. 23-26: **American Council of Life Insurers (ACLI) ReFocus 2025**, Las Vegas, Nevada. 

Feb. 24-27: **Reinsurance Association of America (RAA) 2025 Cat Risk Management**, Orlando, Florida.

Feb. 26: **29th Annual St. John's Insurance Leader of the Year Awards Dinner**, New York, New York. 

Feb. 26-27: **2025 NAIIA Southeast Conference**, Orlando, Florida.

February Insurance Industry Events (continued)

Feb. 27: **Lighthouse Collective LIIFT Conference**, San Francisco, California.



Scan for a full list of conferences and events.

✓ Attending 🏢 Exhibiting 🗣️ Speaking 🏠 Hosting ⭐ Sponsoring Video

February Economic Calendar

Feb. 4: U.S. Job Openings and Labor Turnover Survey (JOLTS) for December 2024.

Feb. 4: U.S. Full Report - Manufacturers' Shipments, Inventories, and Orders for December 2024.

Feb. 7: U.S. Employment Situation for January.

Feb. 9: Ecuador General Election.

Feb. 12: U.S. BLS Consumer Price Index for January.

Feb. 12: U.S. Real Earnings for January.

Feb. 12: U.S. Business Formation Statistics for January.

Feb. 14: U.S. Import and Export Price Indexes for January.

Feb. 17: Presidents' Day (U.S. holiday).

Feb. 19: U.S. New Residential Construction (Building Permits, Housing Starts, and Housing Completions) for January.

Feb. 23: Germany Snap Federal Election.

Feb. 24: Anniversary of the 2022 Russian invasion of Ukraine.

Feb. 24: Written comments due for the March 6 hearing on proposed regulations governing practice before the IRS.

Feb. 26: U.S. New Residential Sales for January.

Feb. 27: U.S. 2nd Estimate of the Gross Domestic Product (GDP) for the fourth quarter of 2024.

February Is Insurance Innovation Awareness Month

Innovation can be a key to an insurer's survival. Efforts to track innovation have shown insurers need to remain competitive and differentiate themselves among current and prospective customers. Coverage begins on page 36.

FIND OUT WHAT **INSURANCE INDUSTRY EVENTS** ARE ON THE HORIZON

Best's Calendar is a complimentary online resource that provides important information on insurance industry meetings, webinars and conferences.

Scan the QR code to see upcoming events and get the latest conference information.



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Prudential Financial Names International Executive as Next CEO, Fills New Global Head of Insurance and Retirement Post

Arch Capital Group names successor to retiring chief executive officer, Hannover Re appoints CEO and AIG taps permanent chief risk officer.

Andrew Sullivan is set to become Prudential Financial Inc.'s next chief executive officer, effective March 31.

Sullivan, who currently serves as the company's executive vice president and head of international businesses and global investment management, will succeed Charles F. Lowrey, the company announced. Lowrey will remain as the board of directors' executive chairman for 18 months, working with the company's board and supporting and advising Sullivan.

"As we approach the 150th anniversary of Prudential's founding, now is the right time to elevate the next generation of leadership, and I look forward to continuing to support Andy in my role as executive chairman," Lowrey said in a statement.

Sullivan joined the company in 2011 and has since held successive leadership positions, including heading all of the firm's U.S.-based businesses, according to



Andrew Sullivan

a company statement. He currently oversees both the company's international insurance segment and



Caroline Feeney

the firm's \$1.4 trillion global investment management business.

Sullivan's new role was among several leadership changes that Prudential announced.

Caroline Feeney, who has led Prudential's U.S. business since 2021, will see her role expanded to include the newly created role of global head of insurance and retirement, the company said. Effective

March 31, Feeney will oversee Prudential's domestic and international insurance and retirement businesses.

Also as of March 31, Robert Falzon will step down from his role as vice chair; he will retire effective July 11, Prudential said. During his 42-year career at the company, he served as executive vice president and chief financial officer.

—Anthony Bellano

Principal Financial COO Steps Into New Role as President and CEO

Deanna Strable, Principal Financial Group's president and chief operating officer, was named president and chief executive officer, effective Jan. 7, the carrier said. She succeeded Dan Houston, who continues to serve as executive chairman of the board, Principal said.

Strable also joined Principal's board.

She was appointed



Deanna Strable

COO in August 2024 after serving as chief financial officer from 2017 to 2024. Prior to that, Strable was the president of Principal's workplace benefits and insurance business, the company said.

Houston had been CEO since 2015 and held several leadership roles during his 40 years with the company. During that span, he navigated business issues from the financial crisis to industry reform and through the COVID-19 pandemic.

During Houston's tenure,



Dan Houston

Principal's market capitalization grew to more than \$20 billion from \$13 billion as he focused its strategy on the highest value opportunities and growth drivers, Principal said.

Arch Capital Names Successor After CEO Retires

Arch Capital Group Ltd. appointed Nicolas Papadopoulos to succeed Marc Grandisson as chief executive officer and member of the board of directors.

Grandisson, who served as CEO since 2018 and had been with Arch since 2001, decided to retire from the company, Arch said.

Papadopoulos had served as the president and chief underwriting officer of Arch and CEO of Arch Worldwide Insurance Group since Jan. 1, 2021. From September 2017 to December 2020, Papadopoulos was chairman and CEO of Arch Worldwide Insurance Group and CUO for property/casualty operations. From July 2014 to September 2017, Papadopoulos was chairman and CEO of Arch Reinsurance Group at Arch Capital Group Ltd.

He joined Arch Re Bermuda in December 2001 and held a variety of underwriting roles there, according to a company statement.



Nicolas Papadopoulos

CVS Appoints New President and CEO

CVS Health Corp. named David Joyner president and chief executive officer after Karen Lynch stepped down from her position in an agreement with the company's board of directors.

Joyner also joined the board of directors, the company said in a statement. Board Chairman Roger Farah was named executive chairman.

"The board believes this is the right time to make a change, and we are confident that David is the right person to lead our company for the benefit of all stakeholders, including customers, employees, patients, and shareholders," Farah said in a statement.

Joyner was most recently executive vice president, CVS Health, and president, CVS Caremark, the company



David Joyner

said. The executive, with 37 years of health care and pharmacy benefit management experience, led the pharmacy services business, which provides solutions to employers, health plans and government entities and serves approximately 90 million members through Caremark, CVS Specialty and other areas.

During the company's second-quarter conference call in August 2024, Lynch announced she was immediately taking over the health care benefits business from Brian Kane, who served as executive vice president of CVS Health and Aetna president since September 2023 before being let go.

Humana CFO Steps Down; Successor Announced

Humana Inc. appointed Celeste Mellet to succeed Susan Diamond as chief financial officer, effective Jan. 11.

Diamond stepped down after an 18-year career at Humana, including more than three years as CFO, and will serve in an advisory role through the end of the year to ensure a smooth transition.

Mellet was CFO of Global Infrastructure Partners, an infrastructure fund manager recently acquired by BlackRock. Prior to joining GIP, she was CFO, senior managing director and executive vice president of Evercore, responsible for the firm's financial, strategy, tax, information technology and facilities functions.

Before joining Evercore, Mellet was Fannie Mae's executive vice president and CFO, responsible for corporate strategy and financial management functions. She also spent more than 18 years at Morgan Stanley, last serving as global treasurer and previously head of investor, creditor and counterparty relations. Mellet also was previously an equity research analyst covering financial, media, and gaming and lodging, according to a company statement.



Celeste Mellet

Hannover Re Taps CEO; HDI Global SE Names CFO

Hannover Re named Clemens Jungsthöfel to succeed Jean-Jacques Henchoz as chief executive officer.

Henchoz decided not to extend his contract. The company said he will leave the executive board of Hannover Re on March 31 but will remain closely associated with the company. Christian Hermelingmeier also was named to succeed Jungsthöfel as chief financial officer of Hannover Re. All appointments are effective April 1.

Henchoz has led Hannover Re since 2019. During this time, Hannover Re's market capitalization has almost doubled to about €29 billion (\$31.2 billion) thanks to strong, profitable growth, according to the company statement. Over the past six years, the return on equity has averaged 14.7%.

Jungsthöfel has been the CFO of Hannover Re and the corporate and specialty insurer HDI Global, as well as a partner at auditing and consulting firm KPMG, where he exclusively advised primary insurance and reinsurance companies. He is an auditor, tax consultant and qualified insurance agent, the company said.

Hermelingmeier has been CFO at HDI Global since September 2020. He is also chairman of the board of directors of HDI Reinsurance Ireland SE. During Hermelingmeier's time as CFO, the international share of the corporate and specialty insurer's business rose from 50% to 75% of premiums. At the same time, the group result increased significantly, the company said. He was previously head of controlling for Talanx Group's Private and Corporate Insurance Germany division.

Following Hermelingmeier's appointment, Stefan Pasternak was named CFO of HDI Global SE. Pasternak has an international career spanning 25 years within the Munich Re Group, 17 of which were in leadership positions. Pasternak currently is CFO at Great Lakes Insurance SE, a primary insurer specializing in complex risks within Munich Re. Prior to that, he was CFO at ERGO



Clemens Jungsthöfel



Jean-Jacques Henchoz

Grubu in Türkiye as well as at ERGO DAUM in South Korea; he also worked in London and Milan, according to an HDI Global SE company statement.

AIG Makes Interim Chief Risk Officer's Role Permanent

American International Group Inc. appointed Christopher Schaper as chief risk officer of AIG.

Schaper will continue to report to Peter Zaffino, AIG chairman and chief executive officer, and will continue to serve on AIG's executive leadership team.

Schaper held the role of CRO on an interim basis since September 2024, while also serving as AIG's global chief underwriting officer.

As CRO, Schaper will oversee AIG's global enterprise risk management organization, including the company's risk management strategy, policies and practices.

He will continue to serve as global CUO, in an interim capacity, until a successor is appointed, the company said.

Schaper became AIG's global CUO in 2023. Previously he was CEO of AIG Re, as well as CEO of both Validus Re and AlphaCat. He joined AIG in 2019 from Marsh McLennan.

Schaper also served in senior leadership roles at Montpellier Re Ltd., Endurance Specialty Insurance Ltd., and GE Capital, according to a company statement.



Christopher Schaper

HDI Global Hires Chief Claims Officer for UK and Ireland

HDI Global named Tom Major chief claims officer for the United Kingdom and Ireland, effective Feb. 7.

Major also becomes a member of the executive team,

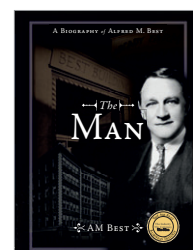
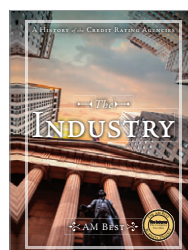
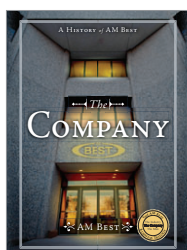
AM Best Business Trilogy

AM Best details the history of AM Best, the history of credit rating agencies, and the life of Alfred M. Best.

The Company—A History of AM Best

The Industry—A History of Credit Rating Agencies

The Man—A Biography of Alfred M. Best



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reporting to Stephanie Ogden, HDI's chief executive officer, UK and Ireland.

Major joins HDI from Allianz, where he served as U.K. head of claims at Allianz Commercial, leading a large team of London Market claims experts with responsibility for a portfolio that covers nine lines of business.

In his 12 years spent at Allianz, Major held a variety of roles across underwriting and claims, according to a company statement.



Tom Major

Aon Taps Two Executives for Global Leadership Roles

Aon plc appointed Anne Corona as chief executive officer of enterprise clients and global chief commercial officer.

The appointment is part of the firm's strategy to advance its commercial capabilities by deepening commercial alignment, integration of data and analytics and service excellence globally to better service clients, the company said.

Aon also named Emma Crookes as global head of the insurance vertical. Crookes most recently led Aon's U.K. insurance vertical.

In her new role, Corona will work with Aon's enterprise client group leaders and regional chief commercial officers as the firm continues to evolve its next-generation Aon client leadership strategy to deliver integrated solutions to clients to help them protect and grow their businesses, according to a company statement.

Corona brings experience from her nearly 25-year career with Aon, most recently serving as CEO of Asia-Pacific, based in Singapore. She has demonstrated exceptional leadership and strategic vision, building momentum and unity in the region, driving innovation



Anne Corona



Emma Crookes

and growth by enhancing the firm's capability across all solution lines and fostering key client relationships, the company said.

Corona has focused her career on serving large, global clients and brings a holistic and integrated view to how the firm delivers more for its clients while identifying, onboarding, training and developing opportunities for client-facing talent. She will continue to be a member of the Aon executive committee, according to the company.

Crookes will expedite the development of Aon's client leadership model to bring such capabilities to insurers in a coordinated way across the firm, the company said. She will work with more than 20 segment teams across five regions to explore common themes across insurer segments to bring deeper insights and the ability to execute more relevant solutions aligned to clients' strategic goals.

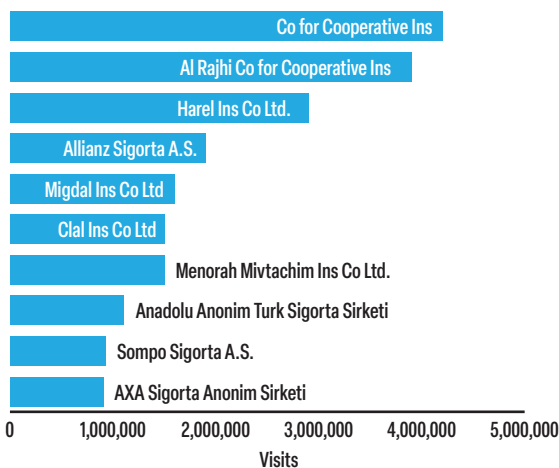
Crookes also will sit on the global growth committee of reinsurance solutions to help drive results and collaboration, according to a company statement.

She will work in close collaboration with Joe Peiser, chief executive officer of commercial risk solutions for Aon and executive sponsor of the insurance vertical, and Lambros Lambrou, CEO of human capital for Aon, to embed the insurance vertical across all solution lines and regions, the company said.

BR

Web Traffic: Visits to MENA Insurer Sites

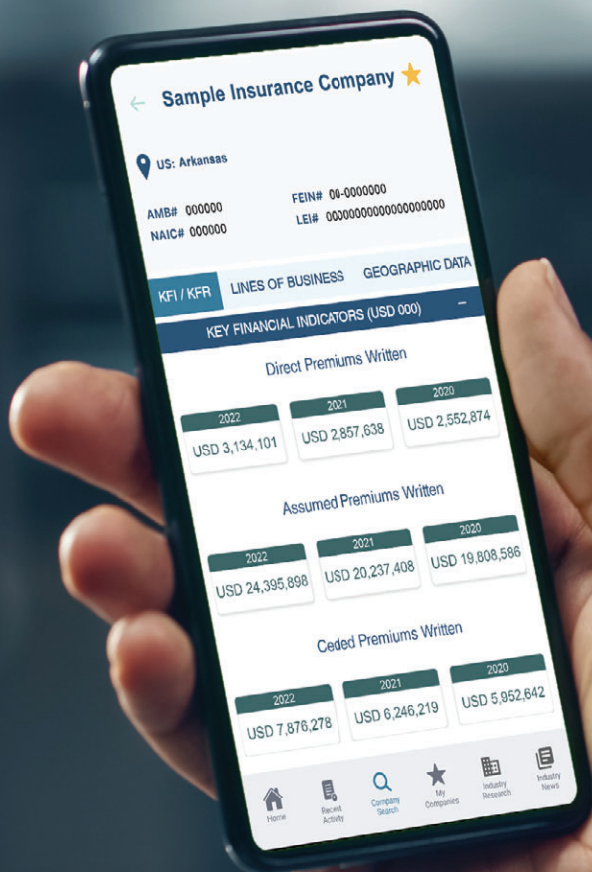
The Company for Cooperative Insurance (Tawuniya) leads web analytics provider Semrush's ranking of most-visited MENA insurer sites.



Source: www.semrush.com.
Reported traffic for December 2024.



Scan for a full listing of Best's Rankings.



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'Build vs. Buy' in the Digital Age

Most insurers use a combination of buying and building a technological foundation to improve efficiency, recoup their investment and manage the total cost of ownership.

By **Bill Pieroni**

The perennial question of “build vs. buy”—whether to develop proprietary applications or acquire third-party solutions—has been argued among insurance stakeholders for as long as any of us can remember. As with most things in life, the correct answer is, “It depends.”

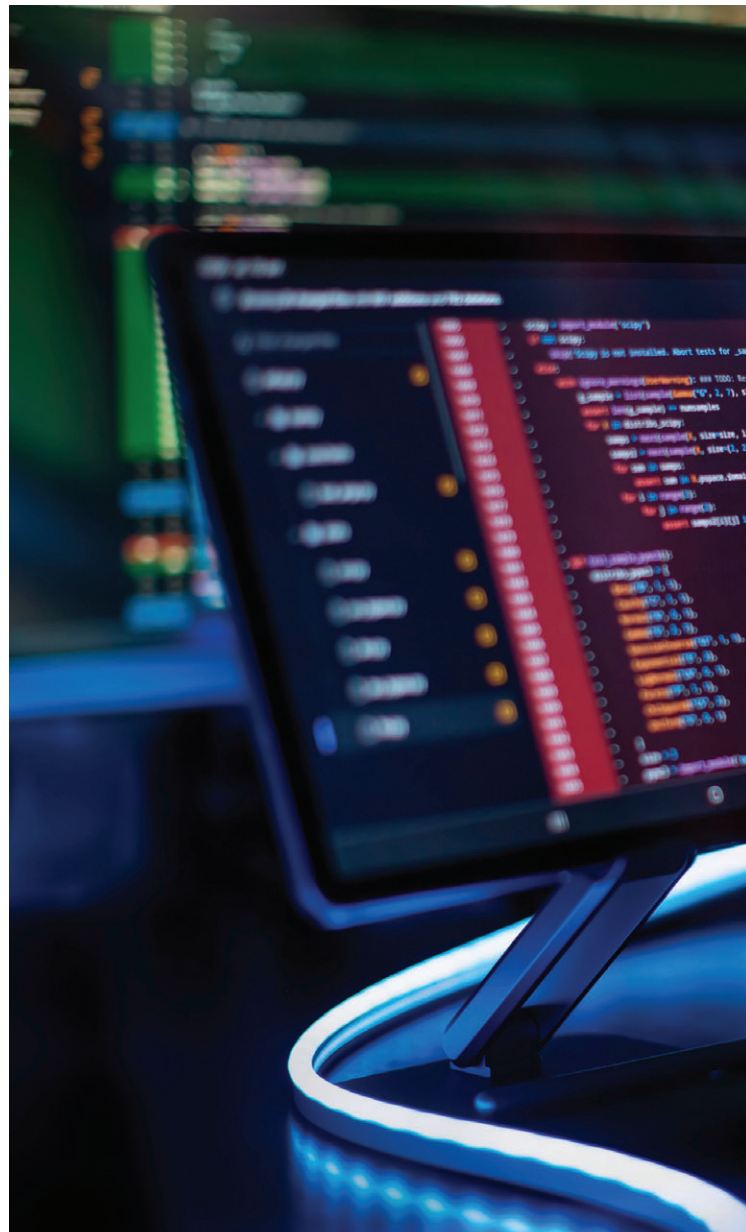
The Case for 'Build'

Nothing fits quite like tailor-made. Bespoke software is specifically designed to meet an organization's particular needs. Custom solutions often lower the cost, risk, and time of integration with existing systems and workflows. They can offer scalability and adaptability as requirements evolve, and potentially enable unique competitive advantage.

The total cost of ownership in this case can be higher in the short term, but may ultimately be lower in the long term if the software significantly improves operational efficiency or increases degrees of freedom. Ongoing in-house maintenance and support also can increase TCO, but also increases the ability to extend and refine the software over time.

The Case for 'Buy'

To keep up with the speed of digitalization, insurance organizations need to move faster than ever before. Third-party solutions that can be implemented practically “right off the shelf” offer



compelling speed-to-value. Acquired software also typically has a materially lower initial cost, with pricing models that are accessible for businesses of all sizes, as well as lower time and risk of deployment.

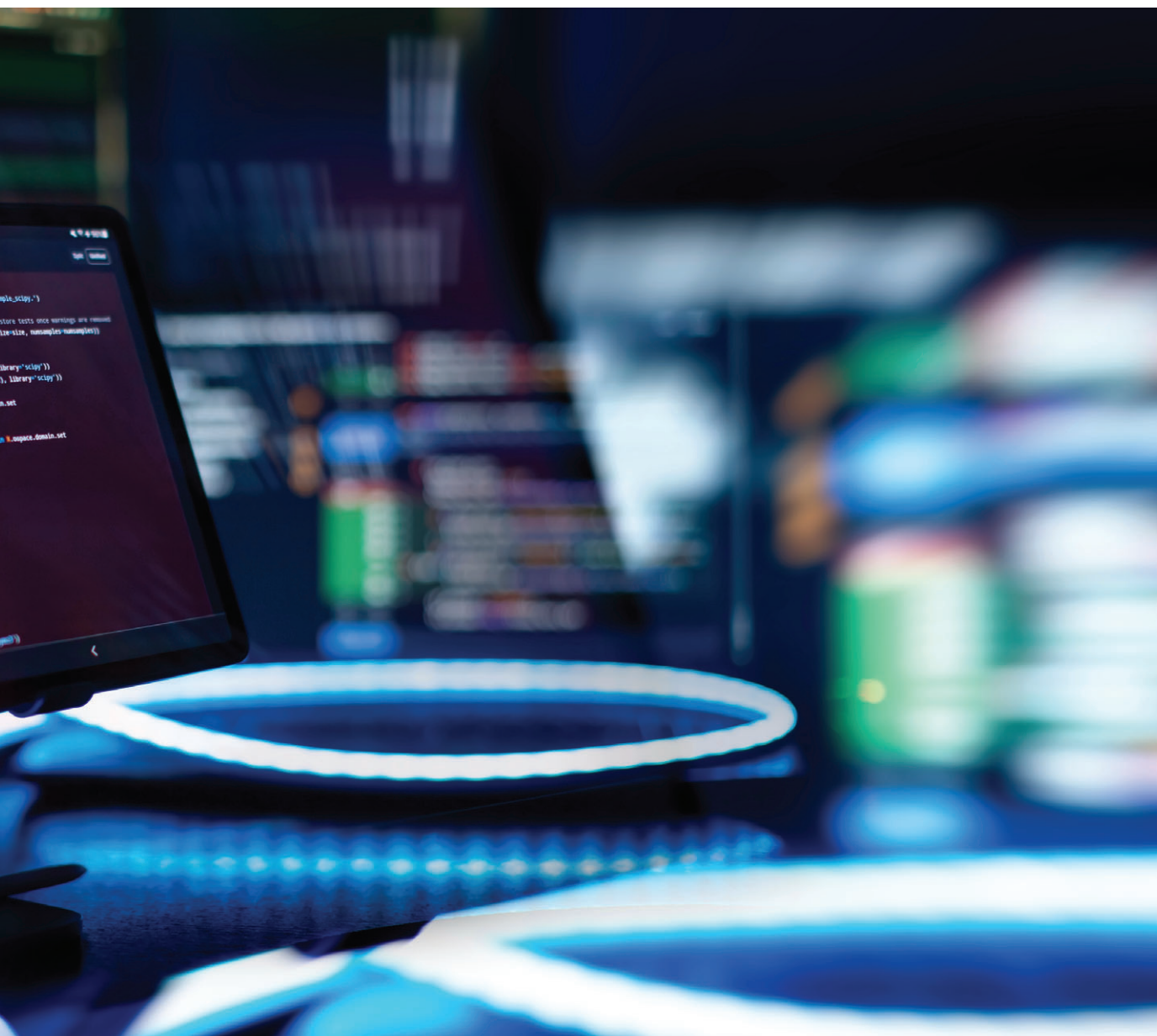
Third-party software also can provide a level of standardization that is beneficial for training, compliance and interoperability. Buyers are dependent on the software provider for updates, security and support but become part of a user community that collectively drives innovation and shares its cost.

Build, Buy and the Digital Journey

In 2000, the global spend mix for insurers was 90% internal versus 10% third-party—now it's



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55% versus 45%. For the foreseeable future, most insurers will execute some combination of building and buying. However, the annual *ACORD Insurance Digital Maturity Study* of 210 large insurers has revealed some interesting differences based on organizational digital maturity.

Roughly half of the carriers studied, those with “Digital Aspirations,” are in the middle of the digital maturity curve. Overall, these insurers are evenly split between build and buy, focusing on deployment cost, functionality, and ease of integration.

Those with the highest and lowest levels of digital maturity are both more likely to buy third-party software—but their profiles are strikingly different. “Digital Laggards” build only 20% of

their solution portfolio internally, accounting for only 15% of spend. They are characterized by a more superficial, reactive use of data, and are likely to focus on low-cost business support and compliance considerations, such as claims payment, endorsement trackers, and regulatory reporting.

Top “Digitally Mature” firms, on the other hand, develop 30% of their portfolio in-house, but devote fully 40% of their application spend to these efforts. They adopt a digital, data-first approach, prioritizing capabilities such as predictive underwriting, real-time claims insight, and stakeholder engagement. This focus on technology that enables differentiation, agility and flexibility is the hallmark of forward-thinking firms that are successfully adapting to the digital age. **BR**

Atari 2600 or iPhone? Innovation Can Spring From Unusual Sources

Customer-focused carriers could be innovation drivers, but they need to be careful about what they deliver to solve their clients' needs. Sometimes, transformative innovations are overlooked, as Apple's creators found.

By **Lance Ewing**

When Atari Inc. was a powerhouse in the late 1970s with video games like Pong, Breakout, and its ubiquitous 2600 console, co-founder Nolan Bushnell had an opportunity to own one-third of a startup company founded by two young college dropouts for \$50,000.

Bushnell declined the investment opportunity, which was focused on computer hobbyists. He wasn't alone, as other in-the-know Silicon Valley investors passed, too.

Those dropouts were Steve Jobs and Steve Wozniak and they were pitching Apple Computer, which was worth more than \$3 trillion by the end of 2024. Or so the story goes.

Embracing creativity, new ideas and innovation has not normally been associated with the staid insurance industry. In the last 25 years, however, the insurance and risk professions have aggressively adopted technology.



Best's Review columnist **Lance Ewing** is vice president of enterprise risk management at Cotton Holdings Inc. He is also a former president of the Risk and Insurance Management Society. He can be reached at bestreviewcomment@ambest.com.



Thus, the birth of the term “insurtech.” However, that technology for the insurance industry came from human thought on how to create efficiencies, enhancing a new insurance product and providing speed in the claims process, personalized predictive analytics, blockchain for fraud identity and a myriad of other changes to the at-times stodgy business of insurance.

For insurance carriers seeking innovation, many consult with their customers or risk professionals. Carriers asking their customers about the outcomes that they are seeking is important as they are aware of the pain points and the needs for a newer or creative niche insurance product or dashboard client experience.

Their input can lead to customer-centric innovations that better address their challenges, whether purchasing a policy, resolving a claim, adding coverage or waiting on hold for a live customer-



service representative. Insurance companies look for customer innovation through various channels such as industry focus client roundtables, company websites seeking ideas, data analytics based on complaints and compliments and client-only innovation platforms.

However, carriers that are looking for future innovations should be cautious and seek customer ideas focused on results and not rely on customers for solutions. Tapping into customer innovation thoughts can certainly generate enormous value, but capturing that value is not in any way a simple or straightforward process. For carriers, new product development is often challenging because the “results” information (what the customer wants) and the “solutions” information (how to meet those needs) rests with the carrier.

Those two may not intersect. Additionally, carriers should be attentive when considering feedback from customers, as biases, inaccuracies

or incomplete truths require careful analysis and interpretation before making any significant decisions for innovation.

That is not to say that clients are not looking for future innovation to meet their needs and want input.

“Innovation drives progress, competitiveness, and growth in virtually every aspect of life, and insurance and risk management are no different,” states Gary A. LaBranche, CEO of the Risk and Insurance Management Society. “Risk managers want carriers to push boundaries, invest in new tools, have new ideas emerge and develop new strategies to not only navigate adversity but to strengthen resiliency.”

Carriers are constantly looking for new ways to enhance market share and wallet spend. They should not discount the ideas of their customers, or perhaps even two college dropouts with a novel product concept.

BR



Weekly Lunches and No Silos: A Life Insurance Chief Executive's Hands-On Philosophy

John Barrett, chairman, president and chief executive officer, Western & Southern Financial Group, looks back at his 37-year tenure during which a regional insurance company transformed into a diversified financial services enterprise.

by John Weber

John Barrett has helped propel a small life insurance company based in Cincinnati, Ohio, from a Midwestern outlet at the dawn of the fax machine to a major national player facing the emergence of artificial intelligence. And he's made

sure Western & Southern has stayed relevant along the way by deploying a modest, small-town, hands-on style.

Barrett, who has served as chief executive officer of Western & Southern Financial Group since 1994 and as president since 1989, has seen the 137-year-old life insurance company double in size every five years for the past 16 years. He's done it by migrating

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the company “up the food chain,” he said, and building an efficient, world-class back office.

Barrett, a Cincinnati native, spoke with AM Best TV about his long tenure. Following is an edited transcript of the interview.

How did you end up at Western & Southern?

I graduated from the University of Cincinnati. I went to New York with the idea of going there for two years, and I stayed 16. My idea was to go up, get an education, and then go on into formal education at a good business school. But I was at the Bank of New York the whole time when I got there. The culture, the people, the leadership, the business opportunity, the education was unbeatable, especially for me.

I felt like I had a hundred mentors. I felt like I had a thousand friends. And I just took to it. I moved through the ranks at the Bank of New York. ... A business opportunity came up and I went to see the CEO to tell him about it. He said, “Stick with me and I’ll make it interesting.” And I said—the guy’s name was Carter Bacot, he was a wonderful guy—“Carter, I never want to be in a position that I can’t move higher because I’m lacking some basic skill or whatever.” He said, “OK, stick with me. I’ll make it interesting.”

A year later, he calls me and he said, “We’re going to go into the credit card business and we’re going to do it in Delaware, and I’d like you to go down and do it. While you’re at it—you’re a good corporate lender—you can take, you know, six or seven states of the business we have with you, so you have both.” I went down to Delaware and we started in December of 1983, and when I left in May of ’87, we had gone from \$131 million to over \$5 billion in assets. It was the most profitable unit within the Bank of New York. It was great. What a wonderful experience.

Now you’ve been at Western & Southern—you said 37 years. That’s about half your life?

That’s right.

What have been some of the biggest changes in business that you’ve seen over the years?

Lots of changes. People’s values have changed. The life insurance business has tremendously

changed. It’s really more life and retirement. The tenets of it are based on good, solid, quality investing; really good actuarial work, so you’re not making mistakes on the products you offer; and then great customer service. To do all of those, you have to have a great corporate culture.

The first thing I wanted to do when I was at Western & Southern for 2 1/2 years as a CFO—I got to go around and see everything we were doing. Back then, we were a home service company, and I could see that home service was not a growth business. As a matter of fact, we’re 11 businesses now, and as far as our six income-producing, insurance-related entities, it’s now the smallest. But we never de-emphasized it, just went with faster growth areas.

First, we did distribution through banks. Then we bought some more life companies. Then we started a mutual fund. We bought an annuity company or two. Then we just migrated our way up the food chain until we brought these companies in.

We had built a world-class back office, so we typically ran the back office from home, but we didn’t disturb the distribution units. They still had presidents, they still had people, employees and whatnot. But we were able to really economize on the back-office costs and offer each other, each other’s products, and that’s worked beautifully.

At the heart of it, life insurance really still is a relationship business after all these years, right?

Oh, absolutely. Life insurance has got to be a relationship business. You can sell lots of things. But if you want to keep them, you had better have relationships.

You’ve presided over some extraordinary growth and you did it through two major events. We had the financial crisis of 2008 and the pandemic. How were you able to do that?

Yes, the financial crisis of 2008 was a barn burner. We got caught like everybody else with investments that went deeply underwater quickly. But we being different—we’re different from the average bear. We run the highest capitalized balance sheet that I know of, so when the pandemic hit, we got hit, too. We took \$550 million of hits, of write-

downs. That hurt—hurt badly.

However, we're different from most guys. We looked at that and we said, "How in the world did we approve"—because we approve all of our investments once a week in a committee and talk about them. These were double-A and triple-A rated securities—"how did this happen?" It was, "Oh, mortgages never go down below a certain amount." This time, they did.

We took a good look at that, and we said, well, if these were good investments in September of 2008, maybe they'll be good investments again in September of 2010, and so we didn't panic. We held on to them. The investments did come back. But in that period of time we also went to the guys who sold them to us and checked the reps and warranties, and we ended up settling with each of them for a nice tidy sum. We not only got all of our money back because the eventual return of the value to the bonds, but we were also paid for our pain and suffering.

Did that impact how you do business long term?

No, and we made that judgment. Other people said if you sue certain people, they'll never do business with you again. We do business now more with all of them than we ever did, and we're all still great friends. It was business.

How would you describe your management style?

Hands-on. There was a time when I had 22, 23 direct reports. I'm now down to about probably, legitimately six, but people might say it drifts to eight or nine because I'm still involved with the businesses. But the way we run our business, we have no silos. You do have corporate structures that are different. You do have CEOs of various units. But with pretty much of a centralized back office and a centralized computer operation, it makes sense for everybody to be in touch all the time.

Every Monday, we have about an hour-and-a-half to two-hour lunch. The top 22 people in the

company every Monday. Every Wednesday, seven or eight top executives who are involved with the investments meet for an hour or two. Then in between there we have other committees that meet at least every month that are involved with risk management, all of our intelligence operations. These different committees meet. I go to all of them, and so do a lot of people. What happens is we all know what's going on. If something happens, it's next man up. Somebody else can step up and do it.

Do you ever worry that a hands-on style can be confused with micromanaging?

I don't. There's too much. If you want to micromanage, you go nuts. But also, if you inspect what you expect, you get much better results. If your people and their people and their people and their people know people are looking, everybody does a better job.

Where do you see the life industry headed?

Consolidation driven by expense savings, driven by the need to earn certain returns, and also driven by inefficiencies. Many companies are terribly inefficient. They will get better, and not all of it will be fun. But for the people who have a good culture, it can be fun. You've got to have a good culture. Not every company does.

You think about this: In the Fortune 500, the average CEO has his or her job for less than four years. That's not a long time to set a strategy. That's not a long time to see a strategy through. When you think like that, do you invest in the long term or are you thinking about those bonuses? Our deal is different.

BR

"Life insurance has got to be a relationship business. You can sell lots of things. But if you want to keep them, you had better have relationships."

John Barrett
Western & Southern
Financial Group

AM Best TV



Scan to watch the interview with John Barrett.

In Memoriam: Insurance Industry Leaders of 2024

UnitedHealthcare CEO Brian Thompson and former Arch Capital Chairman and CEO Constantine “Dinos” Iordanou were among the industry executives who died last year.

Jonathan Bloomer



Jonathan Bloomer, non-executive chairman of Hiscox Ltd., died on Aug. 19 in the sinking of a yacht off the Italian coast. He was 70.

“It is with profound sadness that the board of Hiscox Ltd. confirms that its chair, Jonathan

Bloomer, and his wife, Judy, died in the tragic sinking of the *Bayesian* off the coast of Sicily,” the group said in a statement.

According to Bloomer’s obituary published in *The Telegraph*, Bloomer was chairman of Morgan Stanley International, former chief executive of the Prudential insurance group—and a defense witness in the U.S. trial in which the tech entrepreneur Mike Lynch was acquitted of fraud. Evidence given by Bloomer in the San Francisco fraud trial was reportedly crucial to Lynch’s successful defense.

Bloomer was born in West Bromwich, England, on March 23, 1954, with his twin brother, Jeremy, to Derick Bloomer and his wife Audrey, née Hill. Educated at Halesowen School, he went on to study physics at Imperial College London and to qualify as a chartered accountant with Arthur Andersen, joining the partnership in 1987 and rising to be senior partner of its European insurance practice, his obituary said.

Bloomer had a reputation for straightforwardness, decency and attention to detail. Colleagues described a gentle, understated man, perhaps more suited to chair and committee roles than to the limelight he attracted during a roller coaster tenure at Prudential plc, where he was finance director from 1995 and chief executive from 2000 to 2005, according to *The Telegraph* obituary.

He became a partner at Arthur Andersen before

going on to become chief financial officer and then chief executive officer of Prudential. Following this, he was an operating partner at Cerberus Capital Management, the U.S. private equity and alternative investor, a role he held between 2006 and 2012. Since 2012, Bloomer had pursued a successful portfolio career, with a range of largely financial services companies.

Bloomer joined Hiscox in June 2023.

Aki Hussain, group CEO of Hiscox, said, “We are deeply shocked and saddened by Jonathan and Judy’s tragic deaths. Our deepest sympathies go out to their family and friends at this devastating time.”

Will Bloomer



Will Bloomer, Howden Group chief corporate and legal affairs officer, died unexpectedly in March.

Bloomer, who joined Howden in 2012, had a very significant hand in everything from the largest and most transformative

mergers and acquisitions and equity transactions to his tireless drive to develop the company’s employee ownership structure from 200 employee shareholders to more than 5,000 today, the company said in a statement.

He was a brilliant lawyer with a commercial mind, and a friend to many people, according to a statement by David Howden, chief executive officer, Howden Group.

Bloomer joined Howden after 12 years with Heath Lambert, later Gallagher Heath, having started his career as a solicitor with Cameron McKenna.

“We will miss his whip-smart counsel, extraordinary encyclopedic general knowledge, indomitable and acerbic sense of humor, and his huge heart,” the statement said.

Randall Goss

Randall Goss, founder and former chairman and



chief executive officer of U.S. Risk Insurance Group, died on Feb. 13, the company said.

Goss, of Dallas, was raised in San Angelo, Texas, attended Southern Methodist University on a full athletic scholarship

playing football for his favorite SMU Mustangs and graduated summa cum laude in business administration. He went on to start U.S. Risk in 1986, growing it from a single office to a leader in specialty insurance products, with 18 domestic and international branches and a network of more than 6,000 retail producers, according to his obituary.

Goss' imposing stature was belied by his warm and affectionate nature. He cared deeply for others and was involved with many Dallas charities, including the Dallas Children's Advocacy Center, the Dallas Zoo and the American Heart Association.

William "Bill" Gunter Jr.

William Dawson "Bill" Gunter Jr., former Florida congressman, state treasurer and insurance commissioner in the 1960s through the 1980s, died at his Tallahassee home on April 8. He was 89.

Gunter served in the Florida Senate, the U.S. Congress, and in the Florida Cabinet as insurance commissioner, state treasurer and fire marshal for 12 years, his obituary said.

A fourth-generation Floridian, born July 16, 1934, Gunter grew up working on the family dairy farm near Live Oak in Suwanee County, excelling in student politics, sports and academics. During his senior year in high school, he was a page for U.S. Congressman Charles Bennett and in college, he was elected national president of the Future Farmers of America, traveling the country and Europe during his term, culminating in a meeting with President Dwight D. Eisenhower in the Oval Office, according to his obituary.

Gunter in 1959 joined State Farm Insurance, becoming regional agency manager in 1961, his obituary said.

Inspired by Florida Gov. LeRoy Collins, Gunter ran for and was elected to the Florida Senate in 1966. He supported Gov. Reubin Askew's reforms that enhanced public access to government meetings and records. As the senator representing the Orlando area, he sponsored the Disney Bill in 1967 and was an early

supporter of the establishment and growth of Florida Technological University, now the University of Central Florida.

He worked to simplify the citizen initiative process in the Florida Constitution and advocated for education and prison reforms. In 1972, Gunter was elected to the U.S. Congress from Florida's 5th District. He served on the House Agriculture and Science and Astronautics committees, and the Energy Subcommittee, where he promoted solar and other sustainable energy sources, according to his obituary.

In 1976, Gunter was elected state treasurer, insurance commissioner and fire marshal. He pioneered insurance reforms, including "excess profits" laws refunding more than \$100 million to consumers and significantly lowering rates. In 1981, he became president of the National Association of State Treasurers and in 1983, he was elected president of the National Association of Insurance Commissioners.

Louise Hagerty

Hagerty Classic Marine Insurance co-founder Louise Hagerty died on Feb. 4. She was 88.

Born March 23, 1935, in Pontiac, Michigan, to Charles and Helen (Bloom) Kucera, Hagerty grew up in and was inspired by the beauty of Leelanau County. From humble beginnings, she emerged as a competitive student, later graduating as class valedictorian from Maple City High School in 1953, according to her obituary.

Hagerty's time at Michigan State University, highlighted by a memorable train trip to the 1956 Rose Bowl, ignited her lifelong passions for travel and sports. She was always supporting the value of physical fitness, team sports and her beloved Spartans, her obituary said.

She and husband Frank Clayton Hagerty settled in Traverse City, raising three children and building multiple businesses. Louise Hagerty balanced family life with growing their flagship venture, Hagerty Marine Insurance, from the basement of their family home on Old Mission Peninsula. Under her focused leadership as chief executive officer, Louise Hagerty brought all three of her children back to Traverse City to work in, and eventually to lead, the business.

Constantine "Dinos" Iordanou

Constantine "Dinos" Iordanou, former chair and chief executive officer of Arch Capital Group, died on June 16 at the age of 74.



Growing up on the Eastern Mediterranean island of Cyprus, Iordanou was given plenty of freedom. His father was a police officer who hated to micromanage. “He was a results-oriented type of individual,” Iordanou told

Best’s Review in an October 2015 interview.

Iordanou came to the United States in 1969 at age 19. The plan was simple: find a job and put himself through college. After a 17-day boat trip, he arrived in New York with a suitcase in his hand and \$250 in his pocket. He phoned home to let his family know he had made it to America.

“The first words out of my mouth were, ‘Dad, I have arrived. I’m safe,’” Iordanou recalled. “His first words were, ‘Did you register at school yet? And did you get a job?’”

Iordanou got a job pumping gas and enrolled in English language classes. He was accepted to New York University and earned a degree in aerospace engineering. After a stint at Pratt & Whitney working on jet engines, Iordanou went to American International Group Inc., which was looking to hire trainees with an engineering background. He was brought on board to evaluate submissions for satellite insurance coverage.

“I didn’t have any experience, but at least I could go and research the reliability of different rockets—the Delta 3914, Delta 3912—and advise the underwriters as to the probabilities of failure when they were launching these vehicles,” Iordanou said. “I was an engineer helping in the underwriting process.”

Iordanou’s early efforts got him noticed at AIG. He earned a spot in what AIG called its “fast-track” program.

“That meant that instead of working 40 to 50 hours a week you have to work 80 hours a week,” Iordanou said. “They would give you the opportunity to spend time in other units—the actuarial department, the accounting department—but it was over and on top of your day job.”

Iordanou’s success at AIG landed him an offer from Berkshire Hathaway as president of its commercial casualty division. He then went on to various positions at Zurich before joining Arch in 2002. He was named chief executive officer of the company in 2003 and chairman in 2009. He retired in September 2019.

Alan Kirshner

Alan Kirshner, former chairman of the board and



chief executive officer of Markel Group Inc., died on March 17, at 88.

Kirshner joined Markel in 1960 and played a substantial role in transforming the company from a privately held regional insurer to a family

of businesses with global reach, the company said in a statement. He joined the board of directors in 1978 and became chairman and CEO in 1986, the same year Markel became a public company. Kirshner served as CEO through 2015, became executive chairman in 2016, and then became chairman emeritus in 2020. Over that period, the company grew from less than 300 associates to more than 20,000, according to the company.

Kirshner was the lead author of a cultural creed that the company calls the Markel Style. The statement stands unchanged since being written in 1986 and, according to the company, captures the values that define Markel Group’s culture: zealous pursuit of excellence, sense of humor, honesty, disdain for bureaucracy, and commitment to communities. Kirshner reinforced the latter with his own community investments, including starting the Faison School for autistic children and the Partnership for the Future program to help students in underserved communities attend college, the company said.

“Words alone cannot express my gratitude for having been his friend and partner for the last 64 years,” said Vice Chairman Tony Markel. “He was the consummate leader ... kind, caring, generous, respectful, and above all a great listener. As the author of the Markel Style, his legacy is assured endurance.”

Michael Mee

Lincoln Financial board member Michael Francis Mee died on Sept. 13, in Cape Cod, Massachusetts. He was 82.

Among his various board duty assignments, Mee most recently served as chair of the compensation committee of the Lincoln National Corp. board of directors.

“We are deeply saddened by the passing of our board colleague, Michael Mee. Michael’s long-tenured service to Lincoln was invaluable,” Lincoln Financial Chairman, President and Chief Executive Officer Ellen Cooper said in a statement.

Mee grew up in Boston and was a graduate of St. Columbkille School in Brighton and an avid Red Sox fan. He completed his undergraduate degree at Bentley University in 1966 and earned his MBA at the University of Minnesota in 1968.

Mee enjoyed sharing his intellectual gifts and was deeply committed to education, learning and giving back. In 2012, he and his wife, Judy, established the Mee Family endowment at Bentley University, with the annual recognition of a full-time professor with exceptional research contributions that enhance the university's scholarly standing.

Mee attended Massachusetts Institute of Technology's Sloan School Senior Executive Program in 1984 and was a member of the board of directors at several corporations: Collagen Corp. (1981-1985), Ferro Corp. (2001-2010) and Lincoln Financial (2001-2024), the obituary said.

Wayne Metcalf



The Hawaii House of Representatives said Wayne Metcalf, former Hawaii State Senator, representative, and insurance commissioner, died on April 6 in Bend, Oregon, after a brief illness. He was 71.

Metcalf devoted his career to public service in Hawaii. He served as Hilo's state representative from 1984-1992 and as the senator from 1997-1998.

As a legislator, he advocated for fairness and equity in policies and laws. He was thoughtful and dedicated to serving his constituents and the state, the statement said.

Metcalf also was widely recognized for his knowledge and expertise in the insurance industry and was appointed by then-Gov. Ben Cayetano to serve as the Hawaii state insurance commissioner from 1994-1997, and again in 1999-2002, according to the statement.

After leaving office, Metcalf continued his public service as a per diem district and family court judge of the 3rd Circuit, State of Hawaii. He also worked for the United Nations and the International Monetary Fund, the statement said.

After moving to Washington state, he again jumped into public service and was tapped to serve as special deputy insurance commissioner, from 2003-2008, by the Washington insurance commissioner.

Leslie Robinson



The Bermuda Captive Network said Leslie Robinson, former Bermuda Captive Conference chair, died suddenly at age 57.

Robinson was a Bermuda government senator and was senior vice president, head of underwriting and claims

in WTW's Bermuda office, which she joined in 2018. She previously worked for the Bermuda Monetary Authority. She had more than 33 years of experience in the financial services sector in Bermuda.

Robinson was known for her commitment to the Bermuda captive industry and leaves behind a legacy of advocacy and dedication that transcends her role, marking a significant loss for her colleagues and the broader community, according to the BCN.

The BCN said Robinson's influence on Bermuda's captive industry extended well beyond her professional accomplishments. The BCN said she was a true champion for Bermuda's captive industry. She became a senator and Junior Minister of Economy and Labor and Public Works, in 2022.

Appointed to the Senate by Premier David Burt, Robinson was known for her commitment to empowering Bermudians, especially in areas of social equity and economic reform. Her appointment to the Senate came as a recognition of her long dedication to bettering the lives of others. A proud Bermudian, she used her platform to advocate for underrepresented communities, bringing a compassionate voice to issues impacting families, young people and the economically disadvantaged. Colleagues and constituents alike knew her as a thoughtful leader with a sharp mind and an unwavering commitment to fairness and integrity, according to *The Royal Gazette*.

"This is an unimaginable tragedy which has shocked so many of us to the very core. Bermuda has lost an eminently qualified professional woman, who had chosen public service in addition to a busy career in the private sector. Leslie answered the call to serve without hesitation, and this exemplified her selfless nature and commitment to this community. It is heartbreaking to now mourn her loss, and I express sincere condolences to her family at this truly difficult time," Burt said.

Robinson was also a founding member of WeSpeak,

an organization dedicated to encouraging young women to build confidence and leadership capabilities.

Josue “Joe” Robles Jr.



Josue “Joe” Robles Jr., former chief executive officer of USAA and retired general of the U.S. Army, died on July 4 at the age of 78.

Robles was the eldest of nine children. He was born in Rio Piedras, Puerto Rico, in 1946. When Robles

was 3 years old, he moved with his family to Lorain, Ohio, where his father, Joe Sr., worked in a steel mill. As a teenager, Robles worked in the same mill (“a hot, dirty, and dangerous place”), according to his obituary.

In 1966, he joined the U.S. Army and attended Artillery Officer Candidate School at Fort Sill, Oklahoma, where he earned commission as a second lieutenant in 1967, the obit said.

After tours in the Republic of Korea and the Republic of Vietnam, for which he was decorated for service and bravery in combat, the Army sent Robles to Kent State University in Ohio to earn a degree in accounting, and later to Indiana State University for a Master of Business Administration. From there, Robles graduated from the Army General Staff College, the Spanish General Staff College and, finally, the Naval War College in Newport, Rhode Island. Robles worked at the Pentagon as a colonel in the Army Budget Office.

In 1986, at the age of 42, he was promoted to brigadier general and assigned as assistant division commander with the 1st Cavalry Division, where he distinguished himself in Operation Desert Shield/Desert Storm Iraq (1990-1991). Returning to the Pentagon as director of the Army Budget Office, Robles was promoted in 1993 to major general in command of the 1st Infantry Division, at Fort Riley, Kansas, according to the obituary.

Robles became USAA chief financial officer in 1994 and CEO and president in 2007. During his tenure at USAA, Robles and his team raised the membership and profits to unprecedented levels. He was popular with his staff and the rank-and-file members of USAA. He also served in many civic projects and charitable works. Finally, in 2015, after suffering from Parkinson’s disease for several years, Robles retired.

Eric Salsberg

Eric P. Salsberg, vice president, corporate affairs and corporate secretary for Fairfax Financial Holdings Ltd., died on May 2 at home.

Salsberg joined Fairfax in 1988 after acting as counsel to Fairfax on every major transaction it undertook since its founding in 1985. According to the company, Salsberg provided strategic advice and guidance on countless transactions undertaken by the company over the years.

“For all of Fairfax’s history, Ricky has acted as our consigliere and has always represented the true heart and soul of the company. He loved Fairfax and we would not have achieved the success we have without him. Ricky was our partner, trusted friend, and indispensable adviser for 38 years, and all of us here at Fairfax loved him, as did his family, friends, neighbors, and business colleagues,” Prem Watsa, chairman and chief executive officer of Fairfax, said in a statement.

Edward Smith



The chairman and chief executive officer of Union Labor Life Insurance Co., Edward M. Smith, 69, died on Jan. 3 from leukemia with his family at his side.

Smith joined Ullico in 2007 as executive vice president. He was named president in 2008 and CEO

in 2011, according to his company bio.

At the time he was hired, the company was facing serious financial obstacles, which were only exacerbated by the ensuing recession. Smith assembled an experienced management team, fought to give them the resources they needed, and worked hard to redouble the company’s commitment to the labor movement, the company said.

Rather than play it safe, Smith offered bold leadership and strategic ideas to move the company forward, it said. As there was no labor-friendly infrastructure investment fund in the marketplace, Smith set out to start one. His deep network of relationships, and practical understanding of the labor world, helped him and his investment team raise the capital necessary to launch the fund.

More than a decade later, the Ullico Infrastructure Fund is a pillar of the company’s five-year run of success and profits, according to the company.

Smith was proud of running a profitable company, but he was adamant Ullico would do it the right way. Smith urged his insurance team that when there's a close call and when possible, lean in favor of the claimant, arguing that as labor's company, Ullico should favor protecting union members.

During Smith's tenure, Ullico enhanced its insurance program for union leaders and benefit plan trustees and grew its union-supporting commercial real estate financing fund.

Under his leadership, Ullico generously gave back to the community, donating millions of dollars each year to philanthropic causes, it said.

Internally, Smith insisted the company take care of its employees. He built a culture that put people first. In addition to offering a robust benefits package, he maintained a personal touch, sending birthday cards each year to every employee, the company said.

He believed in treating people with dignity. As Smith would say, "It's all about the people."

Brian Thompson



UnitedHealthcare Chief Executive Officer Brian Thompson was shot and killed on Dec. 4 outside a Manhattan hotel less than two hours before a scheduled investor call in what police said was a targeted attack.

Thompson, 50, was shot at 6:40 a.m. outside of the Hilton hotel in midtown Manhattan and pronounced dead about 30 minutes later at Mount Sinai West hospital.

UnitedHealthcare, the insurance subsidiary of UnitedHealth Group, is one of the largest health insurance carriers in the United States and provides coverage to over 47 million members domestically, according to BestLink data. It also serves another 5.5 million people internationally, primarily in South America.

"We are deeply saddened and shocked at the passing of our dear friend and colleague Brian Thompson, the CEO of UnitedHealthcare," UnitedHealth said in a statement. "Brian was a highly respected colleague and friend to all who worked with him."

Thompson, a resident of Minnesota, was in New York to take part in an investor conference.

Shalen De Silva, managing partner of health care consultancy Slayer Consulting, said as a startup founder, he once attended an event where Thompson was a guest speaker who discussed the importance of humility, patience and trust in his own rise to the top of UnitedHealthcare.

"I reached out to him personally because his words struck a chord and he graciously spent a good hour chatting with me frankly and broadly about career and life that left a mark," De Silva said. "I didn't know him well, but his death has got me shook."

Thompson became CEO of UnitedHealthcare in April 2021. Prior to that, he had served in other executive capacities with the company and its parent, UnitedHealth Group Inc., over two decades.

In an April 2021 statement announcing his appointment as UnitedHealthcare's top position, UnitedHealth Group CEO Andrew Witty cited his experience, relationships and values as making him well suited for the role.

As CEO of UnitedHealthcare, the statement said, Thompson intended to "drive continued growth across the global, employer, individual, specialty and government benefits businesses while continuing the company's focus on ensuring access to high-quality, affordable health care."

Thompson was born in Ames, Iowa, according to his obituary. He began his professional career in 1997 as a practicing CPA at PricewaterhouseCoopers LLP, where he worked as a manager in the Transaction Advisory Services group of the Audit practice.

In 2004, he joined UnitedHealth Group in corporate development, working on key mergers and acquisitions for the organization, according to the obituary.

He served as the chief financial officer for each of the three benefits divisions of UnitedHealthcare and then became chief executive of UnitedHealthcare's Medicare & Retirement business, followed by CEO of Government Programs, where he dedicated his time to the health and well-being of seniors, the economically disadvantaged and the medically underserved.

He was named honorary co-chair of the 2026 Special Olympics USA games.

Other executives who passed away include:

Ramaswamy Athappan, CEO and chairman, Fairfax Asia Ltd.

Ronald Hicks, former Equitable financial adviser. **BR**



Changes at the Top: Industry Leaders Announce Retirement Plans in 2024

Executives at Prudential Financial, Manulife, Arch Capital, Northwestern Mutual and State Farm, among others, said they intended to step down.

Bret Ahnell, FM



Bret Ahnell plans to retire as chief operating officer at FM in March, after 38 years of leadership at the commercial property insurer, the company said.

Randy Hodge was appointed to succeed

Ahnell, effective Dec. 1, 2024. Hodge joined FM in 1990 and has held numerous staff and operations roles, including field engineer; group manager field engineering; account manager; assistant client service manager; client service manager; operations manager, Atlanta; and senior vice president, chief underwriting officer.

Jennifer Bell, Aon



Aon plc said Jennifer Bell planned to step away from her role as chief executive officer of North America and retire at the end of 2024. Aon in May said Bell had been appointed to the role of executive chair of North America.

For more than 33 years, Bell held leadership roles at Aon and in the broader risk industry. Before serving as North America CEO, Bell served as regional managing director of the central region, regional managing director for the northeast region and resident managing director, president and chief operating officer of Cleveland, according to a company statement.

Aon appointed Lori Goltermann, chief executive officer of regions and enterprise client group, to take on direct leadership of the firm's North American region, effective May 2024.

Jacques Bonneau, PartnerRe



PartnerRe Ltd. said Jacques Bonneau planned to retire from the company, effective April 1, 2024. Bonneau had been appointed president and chief executive officer in 2020.

Prior to joining PartnerRe, Bonneau had been CEO of Ace/Chubb Tempest Re Group and group chief underwriting officer of Chubb Ltd.

PartnerRe said it named Philippe Meyenhofer to succeed Bonneau as CEO and take his place on the board of directors. As part of the transition, Jon Colello, chief executive, P&C Americas, was appointed to assume the added role of president of PartnerRe.

Meyenhofer joined PartnerRe in 2010 from Transatlantic Re and has held positions of increasing leadership since that time, most recently as a member of the executive leadership team and CEO, specialty lines.

Ellen Charnley, Marsh



Marsh said Ellen Charnley, president of Marsh Captive Solutions, planned to retire at the end of 2024. Marsh, a business of Marsh McLennan, said it appointed Will Thomas-Ferrand to succeed Charnley, effective Jan. 1.

Thomas-Ferrand has 20 years of experience with the firm and has held various roles of responsibility within Marsh's captive business. Prior to being named international practice leader, he led Marsh's captive business in Malta and previously spent seven years largely working with U.S. clients in Bermuda, according to a company statement.

Bret Conklin, Horace Mann Educators Corp.

Horace Mann Educators Corp. said Bret Conklin



announced his intention to retire later in 2025 and transitioned to the role of executive vice president, financial transformation, effective Oct. 1, 2024. Prior to that, he served as executive vice president and chief financial officer.

The company appointed Ryan Greenier to succeed Conklin, effective Oct. 1, 2024. Greenier was to join the company's executive officer team and was to report to Marita Zuraitis, president and chief executive officer, the company said.

Conklin joined Horace Mann in 2002 as senior vice president, controller and chief accounting officer.

John Dacey, Swiss Re



Swiss Re said John Dacey, group chief financial officer, plans to retire on March 31 after 12 years of service.

Dacey will continue to represent Swiss Re as a nonexecutive director on the boards of FWD and CPIC, the company said.

Dacey joined Swiss Re in October 2012 and was appointed group chief strategy officer and a member of the group executive committee as of November 2012. He was appointed group chief financial officer effective April 2018. Prior to Swiss Re, he worked for Axa and Winterthur Insurance, as well as McKinsey & Co. and the Federal Reserve Bank of New York.

The company said Anders Malmström will succeed Dacey, effective April 1.

Malmström will join Swiss Re in early 2025 from Athora Holdings, a European savings and retirement services group, where he has served as group CFO since May 2021.

Bill Donnell, National Council on Compensation Insurance Inc.

The National Council on Compensation Insurance Inc. said Bill Donnell, president and chief executive officer, planned to retire in February after nine years with the organization. NCCI's



board elected Tracy Ryan to succeed Donnell as NCCI's new president and chief executive officer, effective Jan. 6.

Donnell came to NCCI in 2015 and is credited with leading the organization

toward a more forward-looking, innovative and thought-leading role within the industry, NCCI said. Donnell has over three decades of industry experience specializing in P/C insurance/reinsurance in both global and domestic U.S. leadership roles.

Immediately before joining NCCI in December 2015, he was the president of Swiss Re's property/casualty reinsurance business.

Ryan was president and CEO of Allianz Commercial, North America & Latin America. She also served in various leadership positions during her 27 years with Liberty Mutual Insurance, including most recently as president of global risk solutions, North America, according to the company.

Roy Gori, Manulife Financial Corp.



Manulife Financial Corp. Chief Executive Officer Roy Gori intends to retire on May 8, and the top executive in Asia will succeed him, according to a company statement.

Phil Witherington, currently CEO of

Manulife Asia, was appointed to succeed him at that time, and he will also join the board of directors.

To support the transition, Gori agreed to serve as an adviser through Aug. 31, the statement said.

"We've delivered superior operating results, de-risked our business, and become a digital customer leader in our industry," said Gori in a statement.

Gori was appointed in 2017, and during his tenure, he has focused on fostering a sharper focus on customers and a movement toward digital innovation. He first joined Manulife in 2015 as president and CEO for Asia, where he was responsible for operations in 12 markets across the region as well as driving Manulife's strategy there.

Prior to that, he began his career at Citibank in 1989 and took on progressively more senior roles, the company said.

Arshil Jamal, Great-West Lifeco



Great-West Lifeco announced the retirement of Arshil Jamal from his position as president and group head, strategy, investments, reinsurance and corporate development. Jamal had been with the company for more than 25 years,

serving in a variety of roles, including nine years as the company's president and chief operating officer, Europe and reinsurance, the company said.

Effective Feb. 16, 2024, David Harney, president and chief operating officer, Europe, assumed expanded accountabilities to include the company's capital & risk solutions segment.

Harney was appointed president and COO, Europe, for Great-West Lifeco in February 2020. Prior to that, he was EVP and CEO of Irish Life Group since 2016.

Martin Klein, Athene



Athene Holding Ltd. announced in late October 2024 that Martin Klein, executive vice president and chief financial officer, had informed the company of his intention to retire from the CFO role.

Athene planned to initiate a search for a new CFO. Klein was to remain in his role until his successor was in place to ensure a seamless transition. He planned to assume the role of senior adviser, where he will continue to provide guidance to the firm, the company said.

Klein has more than 30 years of experience and has served as Athene's executive vice president and CFO since 2015.

Klein is responsible for overseeing financial management, including enterprise finance, reporting, tax, actuarial, internal audit, and risk functions. He also helps develop and execute

strategic operating decisions across the company, according to his company bio.

Prior to joining Athene, Klein was employed by Genworth Financial Inc., joining in 2011 as executive vice president and CFO, and also served as Genworth's acting president and chief executive officer during most of 2012.

Charles F. Lowrey, Prudential Financial Inc.



Prudential Financial Inc. in December 2024 said Charles F. Lowrey will step down as chief executive officer. He will be succeeded by Andrew Sullivan, effective March 31.

Lowrey was to remain as the board of directors' executive chairman for 18 months, working with the company's board and supporting and advising Sullivan.

Sullivan joined the company in 2011 and has since held successive leadership positions, including heading all of the firm's U.S.-based businesses, according to a company statement.

Jeff Lueken, Northwestern Mutual



Northwestern Mutual said Chief Investment Officer Jeff Lueken planned to retire at the end of 2024 after 36 years with the company.

Lueken's retirement follows a successful career providing leadership during a period of significant growth for the general account, underpinned by new asset classes, expansion of deal networks, establishment of third-party asset management platforms and technology transformation.

Prior to being CIO, Lueken led Northwestern Mutual Capital, the private securities team that invests in private bonds and private equities that have generated attractive returns for the portfolio, the company said. Jeb Bentley was to succeed Lueken as executive vice president, chief investment officer, effective Jan. 1. Bentley had been vice

president, wealth and investment management.

Bentley joined Northwestern Mutual in 2004 and held several leadership and investment roles for Northwestern Mutual's general account investment portfolio across investment strategy, public and private markets.

David McElroy, American International Group Inc.



American International Group Inc. said David McElroy planned to retire from the leadership of AIG's general insurance unit, effective May 1, 2024.

McElroy agreed with AIG to accelerate his retirement date for personal reasons. McElroy joined AIG in 2018 as president and chief executive officer of Lexington Insurance Co. and was CEO of general insurance from August 2020 to December 2023 and chairman of general insurance since Jan. 1, 2024.

"David McElroy joined AIG at a pivotal time as we began the multiyear effort of improving our underwriting performance and refining our risk appetite," Peter Zaffino, AIG chairman and CEO, said in a statement. "Thanks to the hard work and determination of our entire team, AIG is now widely recognized as a leading global insurer by our clients, distribution partners and many stakeholders."

Tony Melia, Gallagher Re



Tony Melia, Gallagher Re chief executive officer, international, retired in 2024 after a career of more than 40 years, the company said. Dirk Spenner was named to succeed Melia, effective June 1, 2024.

Spenner joined Willis Re in 1996 and moved to Gallagher Re in 2021.

Karen Morton, Liberty Mutual Insurance

Liberty Mutual Insurance said Karen Morton, executive vice president and chief compliance officer, planned to retire at the end of March.



Morton held multiple leadership roles during her nearly 20-year career at Liberty Mutual, including deputy general counsel for the litigation and coverage group. She joined the company in 2006 as vice president

and assistant general counsel for employment, benefits and corporate services, according to a company statement.

Under Morton's leadership, the team developed a unified, global approach to compliance, enhanced data utilization to mitigate organizational risk and created the award-winning Liberty Legal Academy, the company said.

Liberty Mutual said it appointed Nicole Arangio to succeed Morton, effective April 1.

Arangio served as the chief compliance officer for global risk solutions, the company's global commercial and specialty (re)insurer and international insurance operations, and compliance enablement, where she has led a team that effectively manages and coordinates compliance activities across global locations.

Susan Neely, American Council of Life Insurers



American Council of Life Insurers President and Chief Executive Officer Susan Neely announced that she would retire from association leadership at the end of 2024 after a 30-year career as an association executive.

In 2018, the ACLI's board of directors named her president and CEO of the association. In this role, she steered public policy and advocacy on behalf of the ACLI's members and the 90 million families who rely on the life insurance industry for financial protection and retirement security, the ACLI said in a statement.

Neely spearheaded organizational reforms and led the establishment of programming to communicate the vital role life insurers play in helping Americans navigate financial shocks through all stages of life, it said.

Her accomplishments include overseeing efforts in support of two significant bills that brought needed reforms to the retirement security system. SECURE, which was enacted in 2019, and SECURE 2.0, enacted in 2022, greatly expanded workers' access to employer-based retirement plans and options for generating lifetime income through annuities, according to an association statement.

Prior to association leadership, Neely was a senior adviser to two members of Congress as well as Gov. Terry Branstad of Iowa. She was one of the first women nationally to manage a statewide political campaign. Years later, Neely was elected as the first woman president of both the 105-year-old Washington Rotary Club and the 113-year-old University Club of Washington, D.C., the association said.

Michael Paquette, Employers Holdings Inc.



Employers Holdings Inc. said Michael Paquette, executive vice president and chief financial officer, planned to retire in March. Michael Pedraja planned to join the company as executive vice president and chief financial officer

(designate), effective Feb. 3.

He will assume the role of EVP and CFO effective on or about March 31. Pedraja will serve as a member of Employers Holdings' executive leadership team and will be charged with leading the financial and investor relations functions of the business, the company said.

Paquette has served as executive vice president, chief financial officer and treasurer of Employers Holdings since January 2017. He has served on the board of directors of the Illinois Insurance Guaranty Fund since June 2019, according to his company bio.

Pedraja has more than 30 years of experience as a corporate financial services leader in various insurance-related roles. Most recently, he served as group CFO for Ariel Re Services, a leading reinsurance underwriter. His professional career spans roles from senior vice president and treasurer of the Allstate Corp. to insurance-focused investment banker at Aon Securities, Barclays and Credit Suisse, according to a company statement.

Wayne Peacock, USAA



USAA said Wayne Peacock plans to retire as president and chief executive officer in the first half of 2025 after a 36-year career at the company.

Peacock has been with USAA since 1988 and has led strategy, marketing, member service teams, technology, shared services and corporate real estate.

Peacock was named president and CEO in 2020. Prior to becoming CEO, he served as president of the property and casualty insurance group.

Michael Pickel, Hannover Rück SE and E+S Rückversicherung AG



The Supervisory Boards of Hannover Rück SE and E+S Rückversicherung AG said Michael Pickel planned to retire from the executive board on Dec. 31, 2024, after 25 years at Hannover Re.

He has been with Hannover Re and E+S Rück since 2000 when he joined the executive boards of both companies from Gerling Globale Rückversicherungs-AG in Cologne, Germany.

Thorsten Steinmann was named to the executive board, effective Sept. 1, 2024.

Steinmann also was appointed to head E+S Rück, the Hannover Re subsidiary responsible for the group's German business, as chief executive officer effective Jan. 1, and will be responsible for markets in continental Europe at Hannover Re, according to the company.

Steinmann joins the company from Swiss Re, where he was most recently responsible for the reinsurance business in Germany, the Nordics, Austria, Central and Eastern Europe, the Netherlands, and Switzerland, the company said in a statement.

Bob Quane, Beazley

Beazley said Bob Quane decided to retire as chief underwriting officer.



Quane, an industry veteran with more than 30 years of underwriting leadership experience, joined Beazley as chief underwriting officer in 2021, the company said.

He previously worked at Axis Capital, where he was chief underwriting officer of the insurance segment. Quane's experience included 22 years at AIG, where he held various senior roles.

Beazley appointed Paul Bantick to succeed Quane as chief underwriting officer. The appointment took effect in October 2024. Bantick was to report to Adrian Cox, CEO of Beazley, the company said.

Matt Rider, Aegon



Aegon said Matt Rider, chief financial officer, retired in September 2024 after more than seven years with the company.

Rider will continue to serve as a member of the board of Transamerica on a nonexecutive basis, the company said.

Prior to joining Aegon, Rider was chief administration officer at ING, where he was responsible for finance and risk for ING's insurance and asset management operations. Rider's appointment as Aegon's chief financial officer marked a return to the Aegon Group, as he managed Reinsurance Valuation at Transamerica from 1992 to 1994.

Aegon said it appointed Duncan Russell to succeed Rider, effective Sept. 1, 2024. Russell joined Aegon as chief transformation officer in 2020. Prior to Aegon, he worked at Admiral Group plc, where he last held the position of CFO of Admiral Financial Services.

Jerry Rivers, Everen Specialty Ltd.

Everen Specialty Ltd. said Jerry Rivers, senior vice president and chief operating officer, will retire on March 31 after 19 years with the company.

Since Rivers joined the organization in 2005,



Everen Specialty and its leadership team have successfully executed numerous strategic initiatives, realigning the business for continued growth, according to the company.

Frank Schaar, Deutsche Rückversicherung AG



Frank Schaar, chief executive officer of Deutsche Rückversicherung AG, planned to retire at the end of June, the Supervisory Board of Deutsche Rückversicherung AG said in a statement.

Achim Bosch was appointed to succeed Schaar, effective July 1.

Schaar has been at the helm of the reinsurer since February 2018.

Bosch has been a member of Deutsche Rück's board of executive directors since the beginning of 2019.

Bosch joined Deutsche Rück on Jan. 1, 2019, as chief underwriting officer and was responsible for the nonlife international division in this role. He began his career at Concordia in Hanover and continued it at General Reinsurance AG in Cologne, where he was appointed to the board of executive directors in 2008.

John E. Schlifske, Northwestern Mutual



Northwestern Mutual said John E. Schlifske, who has spent 14 years as chief executive officer, planned to retire on Dec. 31, 2024, in accordance with the company's long-standing mandatory retirement age policy. Schlifske has 37 total years

of service at the company.

The company said Tim Gerend was appointed to succeed Schlifske as the company's next CEO,

effective Jan. 1.

Under Schlifske's leadership, Northwestern Mutual experienced historic performance while accelerating its evolution from an insurance company into a provider of comprehensive financial planning, according to the company. During Schlifske's tenure as CEO, Northwestern Mutual's exclusive distribution system grew from approximately 6,000 to nearly 8,000 advisers, the company said.

Gerend previously had been executive vice president, chief distribution officer at Northwestern and assumed the role of president as part of the transition.

Gerend joined Northwestern Mutual in 2002 as an attorney.

Mark Silverstein, Somo



Somo said Mark Silverstein decided to retire from the role of chief investment officer after more than 18 years with the business.

Somo appointed Thomas Leone as chief investment officer, effective Oct. 1, 2024.

Leone joined Somo from PartnerRe, where he worked for 11 years, most recently as chief investment officer, according to a company statement. He began his career in financial services more than 20 years ago and has since held roles in portfolio management and trading.

Patrick Tannock, Association of Bermuda International Companies and Axa XL Insurance, Bermuda



Patrick Tannock, chairman of the Association of Bermuda International Companies and chief executive officer of Axa XL Insurance in Bermuda, planned to retire in 2024 after a career of more than four decades in the

commercial insurance and reinsurance industry.

Tannock played an instrumental role in the successful evolution of Bermuda's international

business sector, particularly the Bermuda insurance market, from his days as a broker with Marsh & McLennan and underwriter at Ace Bermuda (now Chubb) to his leadership position at Axa XL, according to an Axa XL spokesperson.

Tannock joined the company in February 2010 as president and country manager of its insurance operations, XL Insurance (Bermuda) Ltd. Prior to joining Axa XL, Tannock spent 10 years with insurance broker Marsh & McLennan and 16 years with Ace.

Richard Taylor, HDI Global



HDI Global said Richard Taylor, U.K. and Ireland chief executive officer, planned to retire at the end of 2024 and move into a consultancy role for the business.

Stephanie Ogden became chief executive officer of HDI Global

U.K. and Ireland, starting Sept. 1, 2024. In her role, she planned to be acting as clients' partner in transformation.

Michael Tipsord, State Farm



Michael Tipsord, chairman and chief executive of State Farm, planned to retire in 2024, according to a message to State Farm associates.

Tipsord began his State Farm career in 1988. After serving in a variety of leadership roles, he was named vice chairman and CFO in 2004, and chief operating officer in 2011. In September 2015, Tipsord was elected CEO and president. He was elected chairman of the board of State Farm Mutual Automobile Insurance Co. in June 2016, according to his company bio.

Tipsord succeeded Edward B. Rust Jr., the longest-serving CEO of State Farm, who retired in 2015, after 30 years at the helm.

State Farm President Jon Farney was selected to succeed Tipsord as the company's next chief

executive officer. Farney formally began his role on June 1, 2024. Farney joined State Farm in 1993 and has served in a variety of executive leadership roles. He succeeded Tipsord as president of State Farm Mutual Automobile Insurance Co. on Jan. 1, 2024.

Betsy Ward, Massachusetts Mutual Life Insurance Co.



Massachusetts Mutual Life Insurance Co. said Chief Financial Officer Betsy Ward planned to retire at the end of 2024 after three decades with the carrier.

Former Thrivent Financial executive Mary Jane Fortin was appointed

to succeed Ward. MassMutual said Fortin joined its executive leadership team and became CFO on Jan. 1.

Fortin joined MassMutual after serving as president and chief commercial officer at Thrivent, leading its insurance and wealth management businesses. Prior to that, she served as president of Allstate Financial and led the go-to-market strategy for the life insurance, retirement and benefits businesses.

Fortin's past senior management roles also include American International Group Inc., Hartford and PwC, MassMutual said.

Others who announced their retirements in 2024 include:

Steve Cooper, president of commercial markets, AF Group

Chad Cundliffe, chief financial officer, Hamilton Insurance Group Ltd.

Sam Deshpande, chief information officer, Humana Inc.

Martin Eveleigh, managing director, Risk Management Advisors

Robert Falzon, vice chair, Prudential Financial Inc.

Jeff Goy, chief executive officer, Wawanesa Mutual Insurance Co.

Laurence Jones, global risk assessment director, TT Club

Vince Santivasi, head of direct markets, Zurich North America

Terry Wood, head of aviation, Axis Capital Holdings Ltd.

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Montana Insurance Commissioner Grants First 'Sandbox Waiver' to Workers' Comp Program

Montana State Fund's program is granting premium waivers of up to \$10,000 for a potentially smoother transition after a premium audit, the state says.

by Steve Hallo

The insurance regulator in Montana recently approved a "sandbox waiver," or innovation waiver, submitted by the Montana State Fund for a program to help prevent or limit "premium shock" that can occur after a workers' compensation premium audit.

This is the first time the regulator has used the innovation waiver powers granted by a 2023 state law, which allows the Commissioner of Securities and Insurance to override certain requirements of the insurance code if a company submits a formal request. The law only applies to property/casualty insurers.

"Montana is open for innovation, and the CSI

looks forward to approving other creative ideas that help Montana insureds and small businesses," Troy Downing, then state auditor and commissioner of securities and insurance, said in an October 2024 statement. A month later, Downing was elected to the U.S. House of Representatives; he was sworn in in January. Downing was succeeded as state auditor and commissioner of securities and insurance by James Brown, who won election to the position in November and took office in January.

Montana State Fund's program is granting premium waivers of up to \$10,000 for employees undergoing their first premium audit. As part of the program, which started in January, waivers of increased premiums are combined with employer education and training.

Steve Hallo is a senior associate editor. He can be reached at steve.hallo@ambest.com.

“Montana is open for innovation, and the CSI looks forward to approving other creative ideas that help Montana insureds and small businesses.”

Troy Downing

Formerly of the Commissioner of Securities and Insurance,
Office of the Montana State Auditor



The program’s continued approval is contingent upon the Montana State Fund providing the regulator with a written report, due annually on March 1 starting in 2026. The report must detail the number of policyholders who received a premium waiver during the prior calendar year, the total premium waived and the planned individual and aggregate waiver maximum for the reporting or current calendar year, according to the CSI.

“Montana State Fund is constantly exploring

new and better ways to meet the changing needs of our employers,” Holly O’Dell, Montana State Fund president and chief executive officer, said in a statement. “Reducing sticker shock from first-time premium audits through this waiver program is just part of how MSF continually looks to support Montana’s growth.”

In addition to reducing the potential for shock from a large premium increase, the program aims to eliminate inefficiency by encouraging employers to better manage their workers’ comp obligations. **BR**

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SENSOR READING: Jeff O'Shaughnessy, president of portfolio risk solutions, Hartford Steam Boiler Group, demonstrates the workings of water sensor technology. The company uses a mix of ideas from both senior management and those on the front line to formulate its innovation strategy.

Insurers Discover Value in Innovation Culture

AM Best's *Scoring and Assessing Innovation* criteria measures innovation as part of its overall ratings methodology as staying ahead of the game becomes more necessary than ever for insurers. The assessments have shown there is opportunity in innovation.

by Anthony Bellano

Innovation in the insurance industry, once looked upon as a convenience, is now seen as necessary to a company's survival. Efforts to track innovation have shown premium growth and amplified market share.

In a 2023 Best's Special Report, *Insurers Continue to Innovate, Albeit to Varying Degrees*, AM Best found that most insurers have been making moderate progress. But those leading the innovation efforts

have shown there is an opportunity to make their companies more competitive.

The report marked the third year since AM Best released its *Scoring and Assessing Innovation* criteria that reviews the progress made by its rated insurers. Although innovation capability assessments skewed toward the lower range as of year-end 2022, some companies demonstrably improved since their initial assessments in March 2021, the report said.

Bill Pieroni, chief executive officer of ACORD, said the trend shows that innovators have certain

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advantages. Customers buy from them, employees want to work for them and agents like selling their product, he said. Shareholders want to own their stock, leaders who innovate get promoted and their “companies thrive in the marketplace,” he said.

“Those organizations that were innovative—their market share has been amplified because it was a superior model,” said Pieroni. “What’s changed is that leaders, their innovation and change capacity has far surpassed where it would’ve been 30 years ago.”

AM Best: Defining Innovation in Insurance

AM Best defines innovation as “a multi-stage process whereby an organization transforms ideas into new or significantly improved products, processes, services or business models that have a measurable, positive impact over time and help the organization remain relevant and successful.”

It has used its *Scoring and Assessing Innovation* criteria as part of its ratings methodology since 2020. The assessment includes four inputs and two outputs to paint a picture of the absolute innovative assessment of each AM Best-rated company. Some of the components are described briefly below. A more complete explanation is available within Best’s Methodology and Criteria, *Scoring and Assessing Innovation*.

Leadership: Industry leaders of innovation demonstrate sponsorship of top management and support throughout the organization, including board participation. Leadership clearly states goals so everyone understands what the result should be. It supports cross-functional collaboration to identify, develop and implement new, proactive, innovative ideas.

Culture: When discussing culture, AM Best notes that successful innovators are those that have the idea embedded throughout the organization. “Organizational cultures that inspire innovation allow for risk-taking and the possibility of project ‘failure.’ The culture ... fosters ownership and transparency, while also encouraging cross-functional knowledge-sharing, recognizing that innovation flourishes in a diverse environment.”

Resources: Allocation, Strategy, and Management: For top-performing innovators, management must be fully aware of the company’s agility so it can determine how it innovates. Smaller, niche insurers may emphasize operational innovation, product design or external partnerships rather than internally develop groundbreaking and expensive technology.

Processes and Structure: AM Best says the organizations that optimize processes and structure promote organizational intelligence and encourage innovation throughout the company. Companies

clearly link their innovation strategy to specific business objectives. The company’s development plan for innovation is iterative, allowing for adjustment and refinement, and can be replicated for processes that work.

Results: Innovation needs to lead to measurable results to make the investment worthwhile. Companies that receive the highest score in this component generally will demonstrate a well-balanced mix of operational and growth-oriented innovation; the ability to respond quickly to both internal and external pressures; and an implementation strategy that appropriately balances short- and long-term initiatives, such as a mixture of incremental and transformational initiatives with various time horizons.

Level of Transformation: A company’s innovation initiatives may be fruitful, but may not be transformative or even allow the company to remain relevant or competitive. Only those companies with best-in-class processes and technology will be eligible for a higher transformation sub-component. Transformative initiatives are those that create value, improve customer engagement and experience, lead to a superior business model, or significantly enhance growth opportunities.

AM Best translates its innovation scores into five assessment categories:

Minimal: Companies that received total innovation scores of less than 12.

Moderate: Companies that received total innovation scores between 12 and 17.

Significant: Companies that received total innovation scores between 18 and 22.

Prominent: Companies that received total innovation scores between 23 and 27.

Leader: Companies that received innovation scores of 28 or greater.



Scan to view Best’s Methodology and Criteria, *Scoring and Assessing Innovation*.

“They increased premium at a much faster pace [in personal auto]. Over a five-year period, the performance between innovators and non-innovators was much higher than over 10 years, suggesting that innovation is becoming more important.”

Edin Imsirovic
AM Best



He said another big change is how important innovation has become, and how pervasive it is among top performers. “In the past, it was a source of competitive advantage. Now, it’s a baseline capability.”

Personal Auto Drives to the Front

Nowhere is this clearer than in personal auto. This segment appears to be the furthest ahead when it comes to innovative processes like automated

American Family Insurance: ‘Evolutionary, Not Revolutionary’

Tim Rowe, life operations director, American Family Life Insurance Co., said the company believes it creates innovation through its system of obtaining customer input and putting it to good use.

The company relies on customer surveys, but American Family gets input from the customers their agents and employees deal with directly. They also reward their employees for providing input from customers.

“They come up with 10 or 20 different process improvement ideas every month, and we reward them with gift certificates or thank-you days or things like that,” he said.

American Family President Todd Fancher described the process as “evolutionary, not revolutionary,” noting the company built what it considers an “express review” process in 2014 and has updated it regularly since.

Nate Korhonen, life distribution director for American Family, said the company uses a mix of partnerships and in-house innovation. “American Family has a very strong ventures team,” he said. “We meet with them frequently where they’re bringing us what they are looking at in the market, and they are looking at us to get expertise on the business side on deals they are looking to make.”

Fancher said many things “go by the wayside,” but these partnerships can give them a leg up on the industry. “We’ve partnered with external vendors to

develop a leading-edge customer experience during the purchasing process, many times before the rest of the industry,” he said.

A common refrain the company heard from potential customers was that they didn’t have time to get a medical examination as part of the process to obtain life insurance, Fancher said. That led to the implementation of the company’s

Express Review process, where the company leverages its data to get a potential customer’s medical records and prescription information without requiring them to see a doctor.

“Removing that helps get that part of the process done much more quickly. We can make that decision about the price point, as well as what policy the customer qualifies for much more easily and effectively,” said Chris Eason, associate vice president, life distribution.

The company says it was ahead of the curve in developing its Express Review tool.

“When I got here eight years ago, it was great to see that tool was already in place,” said American Family Life Chief Actuary Prakash Shimpi, whose experience included time as a managing principal for Swiss Re New Markets. “It wasn’t as if we were chasing a fictitious squirrel up a tree. We had something very tangible that we wanted to do, and there’s a method to the madness.”



Todd Fancher

claims management and the use of data to automate underwriting, according to the Best's Special Report *Highly Innovative Personal Auto Carriers Have a Significant Competitive Edge*. They also have the highest innovation scores from AM Best among the property/casualty lines of business, the report said.

AM Best's *Scoring and Assessing Innovation* criteria uses four inputs and two outputs to paint a picture of each AM Best-rated company's absolute innovative assessment. The inputs are leadership, culture, resources, and process and structure. Each component is scored from 1 to 4, with 1 corresponding to the most negative assessment and 4 the most positive. The outputs are results and level of transformation, with those components being scored on a scale of 2 to 8, with 8 being the most positive.

AM Best doesn't make innovation scores public

for each company, but the report did note that personal auto writers that have been designated as innovation "Leaders" have seen an average growth of 13.3% in net premiums written since 2018. There is a difference between innovation Leaders and non-Leaders in this segment, though. When taking into account the entirety of the personal auto segment, there has only been 5.5% growth, the report said.

Since 2018, the expense ratio for innovative companies—those with Significant, Prominent, or Leader assessments—in the auto insurance segment has been an average of 3.4 points lower than for non-innovative companies, according to the report. Companies that are able to achieve much lower expense ratios through innovation can leverage that to take up more market share, although they end up with higher loss ratios. However, because of their

Sentry Insurance Group: 'Top Down and Bottom Up'

Jim Frank, Sentry Insurance Group's chief claims and information technology officer, described the company's approach to innovation as "both top down and bottom up."

The leadership team puts together an annual plan of top priorities for the year but also gives teams of frontline employees two weeks each quarter to focus on everyday processes that can be cleaned up, Frank said.

"For example, weather comes in and we have to put an underwriting hold in certain geographies. We found that to be a very manual process," Frank said. "Developers looked at that with the business and said we can actually put a tool in place for underwriters to put that in place themselves without having to put in an IT request. Within the innovation time, they built that capability and now underwriters can more self-autonomously put holds in place."

Sentry offers cash rewards for anyone in the company who comes up with an idea the company believes has the potential for a possible patent, Frank said. An additional award is given if the company successfully acquires it.

The executive leadership team tackles longer-term issues, including a series of innovations involving efficiency and scalability in personal lines claims handling, Frank said. Sentry automated its data feeds within the claims system and built new

instrumentation, all to allow the company to know the state of a claim at any point and assess what has happened and what could happen next. This capability helped give Sentry the confidence needed to absorb The General after acquiring it from American Family Insurance in September 2024, Frank said.

Additionally, when the leadership team has an idea, it sometimes assembles a small group that

will analyze the concept and ways to implement it. The team checks in after a few weeks, the executive leadership team provides feedback, and the group continues doing its work. "We like to mix the big, multiyear projects with smaller innovative ideas," Frank said.

Sentry minimizes the use of external consulting firms or external staff as much as possible, Frank said.

"One of the things that [is necessary] is the ability to have a talent pipeline and to develop your own people," he said. "We've

spent a lot of time over the past 10 years building college-level co-ops and internships where we are working with people during their college years to come on board and stay with Sentry for a number of years. The culture is not one of high turnover and attrition. It really is folks that begin their careers at Sentry, really learn the business, really learn our systems and then are put into positions to innovate and extend and grow."



Jim Frank

much lower expense ratio, innovators still have lower combined ratios than non-innovators.

"They increased premium at a much faster pace," Edin Imsirovic, director, AM Best, said. "Over a five-year period, the performance between innovators and non-innovators was much higher than over 10 years, suggesting that innovation is becoming more important."

The reason these differences are more pronounced in personal auto is because carriers in the segment deal with large homogeneous risks, allowing initiatives to be scaled and replicated relatively easily, the report said.

"Different companies are focused on different

lines of business," Imsirovic said. "That dictates what can be done. If you have a shorter line of business, that's more prone to automation, and there's more competition. Those are the types of lines of businesses that are more pressured to innovate versus the ones that are writing policies that depend on a high level of underwriting expertise and that focus on risks that can't be automated."

Connection Between Innovation and Premium Growth

Throughout the property/casualty industry, innovators have outperformed the industry, achieving more than double the growth in net

Hartford Steam Boiler Group: 'Culture of Innovation'

Innovation has been baked into Hartford Steam Boiler Group's culture from the beginning, President of Portfolio Risk Solutions Jeff O'Shaughnessy said.

The company was founded in 1866 as a way to make steam boilers safer. Back then, boilers exploded "on a routine basis," he said, so a group mostly made up of engineers got together, designed a safer boiler, agreed to inspect them, and ultimately insured them.

"Based on our founding and based on our engineering mindset, we've always had a culture of innovation. Certainly over the past 10 years, we've had to be more thoughtful about it," O'Shaughnessy said. "We're much more purposeful around innovative thinking and challenging the status quo, where before, we did it as a default. In today's world, even that would not have been enough."

Areas where the company has become more thoughtful involve the use of artificial intelligence, the Internet of Things, and climate-related issues. A few years back, the company's CEO challenged employees to find a way to disrupt their own business by incorporating IoT sensor technology into their equipment-related coverages, O'Shaughnessy said.

"For example, a big exposure with equipment breakdown is perishable goods. Historically, when a large refrigeration wall at a 7-Eleven broke down, all that food would spoil, and you wouldn't find out until someone opened the door and it was 55 degrees in there," O'Shaughnessy said. "Now,

we have sensors that can identify early shifts in temperature or when there [are] anomalies within the operating motor of the refrigeration unit. Sensors can tell us it's going to break before it breaks."

For this advancement, HSB looked outside the company, bringing in a chief IoT person, O'Shaughnessy said.

"We were very deliberate and very focused on bringing in new and different talent that could

complement what we already had," O'Shaughnessy said. "We knew we didn't want a bunch of insurance folks building this, so we started hiring a lot more people wearing hoodies than blazers."

He said about 20% of what HSB does in the innovation space involves partnerships. An example is HSB's partnership with HelixIntel, a platform that allows insurers to manage their equipment and facilities from an equipment maintenance and housekeeping standpoint.

"We've built a lot of it," O'Shaughnessy said. "In other cases, if we think we can be proud of something developed by a third party, we'll partner, buy, or invest."

HSB also uses a mix of senior management ideas and ideas from those on the front line to help formulate an innovation strategy, according to O'Shaughnessy. "One of our product folks had identified a company that does virtual home inspections as a platform. That person brought the idea up the chain and said, 'I think this is the kind of company we should partner with.'"



Jeff O'Shaughnessy



“Those that are looking for solutions have a much more specific idea now of what they’re looking for as opposed to just [saying], ‘We need something and we need to be better and we’re not sure how.’”

Andrea Keenan
AM Best

premiums written since 2018 than non-innovators in the market, according to the report.

During the ITC Vegas 2024 conference in Las Vegas, Greg Williams, managing senior director, AM Best, said highly innovative companies see an expense ratio difference of about 3.5 to 5 points compared to non-innovative property and casualty companies. “While the loss ratio is about the same, the combined ratio is better for the innovators, and that gives them pricing flexibility,” he said.

ACORD came to a similar conclusion. ACORD examines insurer success through various studies, including analyses of value creation, intelligent growth and digital maturity. High levels of innovation are pervasive among the highest performers in these studies, Pieroni said.

“The one thing I saw was culture,” Pieroni said. “There is a correlation between being innovative and aligning culture with your strategic intent.”

He said a company’s culture is the hardest thing to change, and every company has a decision to make. “Do you develop a strategy that’s aligned with your culture, or do you develop a winning strategy and try to change the culture?” he asked. “I don’t know the answer, but my hypothesis says you better look at the culture you’ve got, and you better figure out what type of strategy that culture is going to be able to execute.”

Similarly, insurers have found that working innovation into their culture works better than chasing innovation.

“A lot of companies are looking at how to use generative AI to help internally. Other companies just look at ‘what is the problem we are trying to resolve, what are the issues we’re trying to resolve,’” Imsirovic said. “Once they decide that, they are going to be very specific and focused on finding the specific technological or non-technological solutions

for those specific problems. This laser-focused strategy tends to work better.”

Also speaking during ITC Vegas 2024, Andrea Keenan, executive vice president and chief strategy officer, AM Best, said there was less panic around needing technology and more focus on collaborative efforts between those that are looking for solutions and those that are providing them.

“Those that are looking for solutions have a much more specific idea now of what they’re looking for as opposed to just [saying], ‘We need something and we need to be better and we’re not sure how,’” Keenan said.

It starts at the top with leadership. In its 2023 Best’s Special Report, AM Best found that more frequent discussions were taking place around innovation at board meetings, and a greater emphasis was being placed on innovation throughout the organization. The study found that more chief innovation officers were being hired, an idea Pieroni finds counterproductive.

“I don’t like when carriers say, ‘Here’s our formal innovation program.’ Innovation occurs spontaneously. It just happens,” Pieroni said. “Idea generation is a learning-by-doing exercise. It evolves over time. I think it’s oxymoronic to say we have formal innovation.”

Formal or not, innovation has become a necessity in the industry. Said Pieroni: “If you’re not transforming, and if you’re not innovating, there are real problems overall with what you’re going to be able to do.” **BR**

AM Best TV



Scan to watch the interview with Greg Williams and Andrea Keenan in *AM Best at ITC: Highly Innovative Insurers Gain Market Share, Pricing Flexibility*.



GOING FOR GROWTH: Physis Investment founder and Chief Executive Officer Stefania Di Bartolomeo describes her company's sustainable investment platform during the September introduction of NJ FAST, a fintech accelerator at Stevens Institute of Technology that is supported by Prudential Financial, Plug and Play and the New Jersey Economic Development Authority.

Innovation Hubs Attract Interest, Support From Insurance Companies

Pooling talent, investment, real estate and technology with a dash of entrepreneurial drive aims to spark digital transformation in businesses. Prudential, AIG and Howden are the latest companies supporting these ventures to give themselves a competitive edge.

by William Borden

The insurance industry is seeking to encourage innovation with several initiatives to foster insurtech startups, spur new product development and enhance data and digital capabilities.

These initiatives include a fintech innovation hub in New Jersey, an investment and risk incubator in London and an innovation hub that will expand the presence of American International Group Inc. in Atlanta.

Innovation hubs help guide established companies as they seek to buy or build certain technologies, given some of the challenges that

insurers and many other industries have in hiring the brightest technological talent, said Eugenio Gonzalez, a partner at Plug and Play, a company that helps others connect to digital innovation.

"Silicon Valley is hard to replicate, but we hope that by being in the backyard of financial institutions like Prudential that we can bring a little bit of our ecosystem closer to them," said Gonzalez.

The New Jersey Economic Development Authority, Prudential Financial and Plug and Play, for example, have launched an accelerator hub focused on insurtech and fintech startups. It's known as the "Fintech Accelerator" at Stevens Institute of Technology in Hoboken, or NJ FAST, and will mark the first location on the East Coast for Plug and Play.

Photo by Allison Romero/courtesy of Plug and Play

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“Most of these innovation hubs enable incumbents to get a glance of what’s happening, so that they can eventually acquire those technologies if they’re not able to build them in-house.”

Eugenio Gonzalez
Plug and Play



These sorts of initiatives, Gonzalez said, will provide larger companies with an innovation strategy and capital and bring those companies in contact with digital startups being developed.

“Most of these innovation hubs enable incumbents to get a glance of what’s happening, so that they can eventually acquire those technologies if they’re not able to build them in-house,” said Gonzalez.

Engaging With Innovation

With Plug and Play, NJ FAST aims to deliver significant economic impact by positioning the state as a leader in the research, development, innovation and entrepreneurship of the financial and insurance technology sectors. The aim is to help entrepreneurs engage with larger companies in a fashion where they can experiment and help create more jobs in New Jersey, Gonzalez said.

Gregory Prastacos, a professor at the Stevens School of Business who advises students participating in NJ FAST, said 14 fintech companies are participating in the program, which draws from advanced MBA students as interns. Prudential Financial Chief Information Officer Bob Bastian said the startups are working on tax and regulatory compliance, wealth management and investment analytics, insurance risk and assessment, real estate and asset management, and payments, among other matters, as they strengthen pitches for investors ahead of gaining exposure to potential partners.

Generative artificial intelligence seems to be the main driver in the initial group of fintech companies in the program, Prastacos said. Select graduate students will gain entrepreneurial experience and have the opportunity to work with these startups outside the classroom, under the guidance of a

faculty adviser, to help solve real-world problems and advance the startups’ work.

Prudential is also part of the FinTech Innovation Lab, a global program for startups that is backed by some of the largest names in finance at three hubs in New York, London and the Asia-Pacific, said Scott Case, Prudential executive vice president, chief technology and operations officer. NJ FAST’s close access to large insurers like Prudential, major banks, venture capital, and a well-established tech ecosystem creates a “supportive” environment for these hubs, Case said.

With interest rates higher than a few years ago, Prastacos said it is an opportune time for startups to compete for capital in a more difficult market, since they need to make a stronger business case to attract investors. The combination of support from Stevens, Plug and Play, and the New Jersey Economic Development Authority is a great asset, but Prudential’s involvement can help guide the use cases for innovation, he said.

“Having a giant like Prudential being very interested gives us hope that we bring good results,” Prastacos said. “The innovations they’re looking for—it can be any process improvements, or other kinds of innovation that make them more efficient, or make them have more personalized contact with their customers, giving them more flexibility and a better experience.”

Fast-Tracking Development

London-based Howden, a top global insurance broker, launched Howden Ventures in October 2023 with £500 million (\$609.7 million) of delegated underwriting capacity to create an investment and risk incubator that will fast-track insurance product development. Howden said it initially

committed £10 million of new funding with a view of supporting at least five new startups.

The effort brings together funding, underwriting capital, expertise, governance and distribution in one place to foster innovation and help “improve the sector’s social impact,” Howden said in a statement.

Tom Hoad, head of Howden Ventures, leads the collaborative industry initiative that focuses on bringing forward solutions to new and emerging risks that, at the time of the launch, he anticipated would be driven by a changing climate, disruptive technology, macroeconomic uncertainty, shifting demographics and geopolitical pressures.

“Innovation is all about working together and, for the first time, Howden Ventures will assemble the most innovative thinkers in the insurance ecosystem to help solve some of the world’s most critical risks,” Hoad said in a statement. “Combining the managing general agent (MGA) model with insurtech innovation provides the ideal platform to foster collaboration, and to merge external talent, fresh thinking, new technology, funding and underwriting capacity.”

Howden Ventures points to its investment in CetoAI, the maritime technology company that helps manage machinery breakdown risk with predictive maintenance. With Howden’s investment, CetoAI’s technology will allow shipowners, operators and insurers to use live data to reduce machinery breakdowns, increase vessel utilization rates, understand operational risk in more detail and reduce performance-related emissions.

Expanding Footprints

AIG said it is consolidating and expanding its Atlanta-area footprint with a new innovation hub in an existing office building. The 180,000-square-foot facility, anticipated to open in 2026, will accommodate more than 1,000 people in Atlanta, while creating more than 600 jobs during the next five years.

AIG’s new hub will have underwriting, claims, operations, data engineering and AI based there, which will enable “teams to incubate digital capabilities, test new processes, and collaborate more seamlessly across functions, accelerating innovation to promote growth and drive scale for AIG’s core businesses,” the company said in a statement.

Georgia did not offer any grants or tax incentives to AIG for the hub, but the company



“Innovation is all about working together and, for the first time, Howden Ventures will assemble the most innovative thinkers in the insurance ecosystem to help solve some of the world’s most critical risks.”

Tom Hoad
Howden Ventures

may be eligible for tax credits, available to all employers, that are based on the number of jobs created, said Jessica Atwell, communications manager at the Georgia Department of Economic Development.

“With the Atlanta innovation hub, we are enhancing our data and digital capabilities and recruiting talent with highly sought-after expertise,” said Claude Wade, executive vice president, chief digital officer and global head of business operations and claims, AIG. “Our goal is to create a collaborative space for AIG colleagues across underwriting, claims, operations, data engineering and generative AI, enabling them to work together to create a differentiated experience for our clients and partners.”

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Lloyd's Lab

Lloyd's Chief Commercial Officer: Accelerator Nurturing More Than 100 New Insurance Startups

Lloyd's Lab has raised \$1 billion of capital for those companies, said Dawn Miller, chief commercial officer, Lloyd's, and chief executive officer of Lloyd's Americas.

by Lori Chordas

Lloyd's Lab has been described as an innovation tool that has accelerated and fostered new products and solutions. The venture has nurtured 130 companies over six years, with 97% still active in the insurance industry, according to Dawn Miller, chief commercial officer, Lloyd's, and chief executive officer of Lloyd's Americas.

Miller, who spoke with AM Best TV at the recent

Global Insurance Forum in Miami, said Lloyd's has seen over \$1 billion of capital raised for those companies, too. Following is an edited transcript of the interview with Miller.

What are some of the key challenges facing the insurance industry today, and how can innovation help address those challenges?

The entire conference that's been here at the Global Insurance Forum, and even some of the carry-on conferences that we will see here, is

Photo courtesy of Lloyd's

Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.



“One of the themes that we’ve heard from all types of companies is innovation cannot be something on the side. It has to be integrated into your business.”

Dawn Miller
Lloyd’s

all about innovation. Talent is definitely on the agenda, but even broader than that we see it’s the innovation challenge.

It’s how to shift this large-based industry that we’re in to tackle tomorrow’s challenges, and having capital coming into the industry, understanding innovative ways of working, as well. One of the things that we’ve done at Lloyd’s Lab to really help what we’d like to say is solidify our position as the center of our industry’s innovation. We created the lab six years ago.

We’ve had 130 companies go through the lab at this point. They go through doing a cohort cycle, as we call it. Some 97% of those companies are still participating in the insurance industry today. Over 85% are still in the Lloyd’s ecosystem, which is incredible. They’re providing services, they’re taking risk, all types of different partnerships. We’ve seen over a billion dollars of capital raised for those companies, as well.

From an innovation perspective, having that accelerator sitting in the heart of our industry [is good]. One of the themes that we’ve heard from all types of companies is innovation cannot be something on the side. It has to be integrated into your business. We’ve seen in the past, when you look at fintech accelerators, healthtech accelerators, those types, often people feel like it’s research or something that has to be done on the side, [it] accidentally becomes a silo, maybe the cool people do it.

How can insurance companies foster a culture of innovation and encourage forward-thinking initiatives among their employees and their partners?

We see different models. We see a model similar

to what I’ve mentioned. What we’re doing at Lloyd’s is an accelerator. You have a point in time [when] people come together to learn. They experiment in an area together with different types of colleagues—maybe it’s underwriters working with brokers, working with scientists and engineers. They’re given a task and they learn how to think differently for that period of time, and they can fail fast, succeed faster.

They take that skill set, they take it back to their business. That’s one way of doing it. We see other businesses where they say every single employee must come up with an innovative way of working, and we all work and look at those together. And maybe a winner comes out, maybe not. But that helps everyone get comfortable with the idea of innovation.

Can you share some other examples of successful innovations in insurance that have enhanced customer experience and how can these be scaled across the industry?

Absolutely. Well, I always like to say when I think about the lab, I love all my babies the same coming out of there, but out of those 130 companies, we see all sorts of solutions. We see mapping of the world’s rivers. We see cyber cloud downtime. We see scientific experimentation and risk-taking on the back of different types of clinical trials and such. We see a variety of wildfire mechanisms, looking at nat cat modeling, etc.

All of those serve to enhance the ability to take risk. Because if you can understand it, understand how to prevent part of it, recover faster, then you can break it down and understand the risk that you’re taking. It’s so incredibly important. We

shouldn't also forget the innovations that happen that allow for a stronger service provision to happen, whether it's you're saving hours and hours in your regulatory reporting at a time of a nat cat event, so those claims can be paid faster. Let's think about collating a schedule of values. These are not particularly that exciting on the front end, but it certainly saves time so that time can be spent understanding a risk, taking more risk and doing that more rapidly.

Expanding on the lab, can you tell us a little bit more about the role that it plays in fostering advancements within the insurance market and how it supports startups and new solutions? What are your future plans for the lab?

I mentioned we've got the accelerator program. There are six other programs that sit with that, different types of training and access to experts in the industry. All of that sits on one floor at Lloyd's ... What does that feel like for someone who participates in the lab? They come through, they spend 10 weeks on our marketplace. They are a lifelong member of the Lloyd's family. They have access to hundreds of underwriters, brokers, scientists, engineers, as I mentioned earlier. That community helps curate their ideas and their concepts.

There's a little bit of a pitch day, dragon's den feel to it, and they have a lot of opportunity to meet other alumni, clients of the marketplace, other executives to play out their ideas. Then once they pass through the lab, they also have investment opportunities, whether it's from the Lloyd's Central Fund or other partners from around the marketplace. And they go back to their respective regions and then we continue to curate that community as they go forward.

Can you tell us about Lloyd's global commercial strategy and how it is adapting to address emerging risks, such as cyberthreats and climate-related events, to meet the evolving needs of your clients worldwide?

Actually, one of the pillars of our commercial strategy—we're about to enter year three of that commercial strategy—one of the pillars is innovation. We've sort of covered off that and how we're looking at that space. The other pillars

are looking at some of the assets of the Lloyd's framework.

Our license network, as an example—we're able to operate in over 200 jurisdictions around the world. Our license framework is very unique. We don't have a need for some of the administrative tasks and local policies that you find in other programs. Clients can benefit from a more cost-effective multinational program. So, that's one aspect. [It] really is a nice attraction point for new entrants coming in who might say they need a light touch global network in order for them to operate.

[People are] also looking at our underwriting guidelines, our platform, our charging structure, all of that sort of how-to guide of Lloyd's to make that a little bit more user-friendly and to clear the pathways for business to flow more easily into Lloyd's. We want our best managing agents and our best underwriters to write as much business as they want, and I don't want to be the problem. We're working on that every day.

Same thing with the data we collect. We collect thousands and thousands of points of data every year. How are we using that? Can we turn that back around in different types of benchmarking tools so that the community can use that data to improve their own underwriting?

Then the last pillar is kind of a fun one. It's a little bit about using our global influence around the world to look at areas where maybe insurance penetration is not so high. Even in the backyard of the U.K., looking at Europe, insurance penetration is not as high as you might expect because at times governments were expected to take up the risk from certain natural catastrophes, etc.

We're all hitting a different era. Natural catastrophes are changing, governments' belts are a little bit tighter. There is a need for a wholesale market to be developed not only in parts of Europe, but we see it in parts of Africa, Asia, and around the world. We're definitely working within different government bodies to help expand and allow that capital and risk knowledge to flow in those markets. BR

AM Best TV



Scan to watch the interview with Dawn Miller.

AI

Tech Panel: AI Will Displace Jobs but Also Create Opportunities for Upskilling

Insurers are anticipating how the industry will apply artificial intelligence and its impact on the workforce, a panel at the WSIA Annual Marketplace in San Diego told AM Best TV.

by John Weber

Technology in the insurance industry is moving at the speed of light. From artificial intelligence to data, insurance has become a tech-focused industry. And it's had a tremendous impact on the workforce, too.

John Russo, head of E&S Binding at Navigators, a brand of The Hartford; Ernie Feirer, senior vice president, carrier practice, ReSource Pro; and Andrew Wynn, co-founder and CEO, Ascend, recently spoke to AM Best TV at the WSIA Annual Marketplace in San Diego about AI's impact on the workforce.

The panel said workers whose roles are changing or being eliminated by technology could be retrained and upskilled to fill other, particularly relationship-focused, positions in the industry. Following is an edited transcript of the interview.

What technology are you most excited about?

Wynn: This is going to be the most boring answer about a very exciting technology, I hope, but I'm—like most people here—most excited about the practical applications of AI and how that can actually impact the insurance industry. I think we've seen lots and lots of, over the past couple of years, exciting or maybe cool applications of AI

from ChatGPT, to asking a question, to planning a trip. But it's a little hard to connect to what that means for our day-to-day work. Sure, maybe you can have it draft an email response. That's great, but that doesn't make a huge difference to the sort of productivity of the industry at large. But I'm really excited about how AI will actually be applied inside of the insurance industry. One of the things that we see and where we deploy AI at my company, Ascend, is for document ingestion and reading.

Obviously, huge amounts of documents being sent back and forth, whether it's quote documents, binding documents, loss runs, forms, commission statements—and all of those things were very hard previously [to] make sense of because they're all different. The computers lacked the context to understand “hey, that's what this is and that's what it's telling me.” What's changing, I think, with AI and is very exciting just in this specific example is that AI can now get the context. It knows what to look for in those documents rather than us telling it what to look for by itself. I think there's some really exciting changes to how AI will improve the business processes of insurance. I think for a long time folks have been saying, “Hey, we have to move away from all these documents and forms.” And maybe we don't now. Maybe AI will actually allow us to continue working through that but in a much more effective and efficient manner.

John Weber is a senior associate editor. He can be reached at john.weber@ambest.com.

Russo: I agree. I also think it's going to change how underwriters think of things that a lot of times they had to gather information and find information. It's going to be right there for them. An underwriter's going to spend far more time figuring out how to make a decision versus gathering information and being much more efficient.

We're just in the early days of AI when you stop and think about it. We're almost like where things were with punch cards way back when.

Wynn: That's a little before my time, so I'm not sure about that. But I agree that we're very much in the earliest days of AI, and I think it's really exciting what's to come, but also a little bit scary.

Feirer: I have a little experience about it. It's amazing how so much information can be referred to and distilled down to underwriting answers with a high level of accuracy. The one thing that I would caution against, though, especially with the early introduction of technology, I still think there needs to be a human in the loop to a certain extent. There needs to be the validation of the results. The machine learning will improve over time, but it still needs a little bit of the old "trust yet verify."

The machine learning is going to be all about the data as well. How is that changing, and how is that impacting the insurance industry?

Feirer: Let's think about what underwriting and commercial insurance looks like today. We call, the agent calls the insured and asks them maybe 20 questions as part of an underwriting process. How much time does that take? Well, now using machine learning and AI, we can go out there, take those canned questions, look at the digital footprint of that business and the drive. [You take a look at] any of the answers to those questions in an automated fashion. These processes can be used throughout the insurance continuum. I'm looking to market to a particular type of business that fits my criteria. ChatGPT and technologies like that can get answers to those questions.

Now I need to underwrite that business. Oh, and now it's life of policy. Have there been changes in the exposure of this business? I need to do a premium audit because it's a workers' comp risk. Once again, these technologies don't have to go

through human labor-intensive processes to derive that information. Yet, please remember, trust yet verify, validate, keep a human in the loop, and help the machine learning an improvement of that process going forward.

Russo: You bring up a great point also on the digital footprint. What I'll add to that is, the question sets can change and be different for similar businesses. For years, we had static questions and that's what an underwriter would look at. You're always trying to get at how well run is your business. That question now can change and all that data brings in a different view than what you would have known over the years.

Feirer: To echo that, too, is there is the changing nature of businesses. Businesses change what they do over time. That has impact on exposure and coverage, and as stewards of the covering the risk of our insureds, we need to know that and we need to go back to our insureds and say, you know what, you need additional coverage because we don't want you to be left with a risk that's not going to be covered.

Where do you think the industry stands as far as tech adoption goes and what could it do better?

Russo: I think we're middle of the road and I'll give you why. It's really a hard question to answer on an industry as a whole because it's going to end up with some haves and have-nots as this industry moves through. You still have legacy systems, and you're on a journey from all the carriers and wholesalers changing from legacy systems to cloud-based, which enables so much more from a data and technology standpoint. That journey is one, expensive and long, and getting everyone there. But what that really does is when you complete that journey, it allows you to actually bring in everything what we've just talked about, to bring in the data, to bring in the AI for it, and that's where I actually think this industry's done a very good job, is they're embracing the AI. I am completely "trust but verify." I'm in the same place.

BR

AM Best TV



Scan to watch the interview with John Russo, Ernie Feirer and Andrew Wynn.

Best's Rankings**Largest Surety Insurers – 2025 Edition**

Ranked by 2023 direct premiums written.

(US\$ Thousands)

Rank	Company Name	AMB#	2023 Direct Premiums Written	2023 Market Share (DPW%)	2022 Market Share (DPW%)
1	Travelers Group	018674	\$1,205,711	12.59	13.16
2	Liberty Mutual Ins Cos	000060	1,195,955	12.49	12.76
3	CNA Ins Cos	018313	630,802	6.59	6.71
4	Zurich Ins US PC Group	018549	608,907	6.36	6.74
5	Chubb INA Group	018498	482,516	5.04	5.10
6	Tokio Marine US PC Group	018733	376,892	3.94	3.90
7	Intact US Ins Group	018458	301,475	3.15	2.97
8	Hartford Ins Group	000048	269,058	2.81	3.00
9	Fairfax Financial (USA) Group	003116	261,157	2.73	2.82
10	Markel Ins Group	018468	253,007	2.64	2.49
11	Merchants Bonding (Mutual) Group	018618	237,807	2.48	2.17
12	Berkshire Hathaway Ins	000811	228,353	2.39	2.49
13	Arch Ins Group	018484	202,269	2.11	2.20
14	IAT Ins Group	018567	199,251	2.08	2.13
15	Sompo Hldgs US Group	018878	186,035	1.94	2.21
16	Great Amer P & C Ins Group	004835	159,952	1.67	1.76
17	Swiss Reins Group	003262	159,689	1.67	1.75
18	Nationwide P&C Group	005987	159,144	1.66	1.56
19	BAMR US PC Group	018991	150,399	1.57	2.29
20	RLI Group	003883	143,890	1.50	1.58
21	W. R. Berkley Ins Group	018252	129,060	1.35	1.40
22	Old Republic Ins Group	000734	120,497	1.26	1.23
23	Skyward Specialty Ins Group	018717	106,056	1.11	0.92
24	Westfield Group	000730	105,298	1.10	1.07
25	Cincinnati Ins Cos	004294	91,316	0.95	0.93
26	Everest Re US Group	005696	90,254	0.94	0.89
27	Allianz US PC Ins Companies	018429	88,404	0.92	0.71
28	Hanover Ins Group Prop & Cas Cos	004861	84,080	0.88	0.93
29	XL America Companies	018557	79,112	0.83	0.73
30	Munich-Amer Hldg Corp Cos	018753	73,775	0.77	0.61
Total U.S. PC Industry (T)			\$9,574,050	100.00	100.00

Note: Reflects Grand Total (includes Canada and U.S. territories).

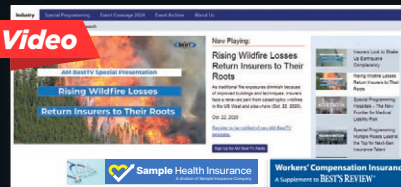
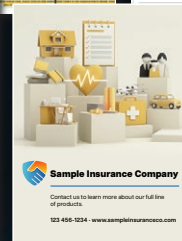
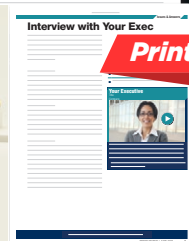
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IN THE MARKET: Jemaa El Fnaa, the main square in Marrakech, Morocco, bustles with activity. The same might be said for the Middle East and North Africa insurance market, which, according to a Trust Re executive, offers opportunities to regional carriers.

Trust Re CEO: Regional Insurers Should Resist Foreign Expansion, Focus on Local Opportunities

There are plenty of services that regional reinsurers are unable to provide, said Yassir Albaharna, group chief executive officer of Trust Re.

by Lori Chordas

Insurance companies in the Middle East and North Africa region have a “big challenge” to move away from being pure risk shifters to becoming true risk carriers, said Yassir Albaharna, group chief executive officer of Bahrain-based Trust Re.

Facing such challenges, Albaharna said, MENA insurers should not be quick to expand internationally, given opportunities within local markets.

Albaharna spoke with AM Best TV at the recent Global Insurance Forum in Miami about where Middle East and North Africa insurers are heading. Following is an edited transcript of the interview.

Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

You presented at the conference on an executive panel on innovation benchmarking. Can you tell us a little bit about the message that you shared?

My message was that innovation means different things for different people, and it's very hard to find what is exactly the definition. I think instead of beating heads, I think it's more appropriate to think of it as both product and process innovation. Process innovation is what you normally find—more efficiencies in transacting the business, etc.

When it comes to product innovation, this is the more difficult part and ultimately we will get there. I think there was a unanimous agreement by all the panelists that innovation is here to stay, and I don't think one can label himself, “Well, I'm an innovative



“The business model is different. Regional reinsurers, Middle East and Africa and Southeast Asia, have a different value proposition model and they are there to complement what international and global reinsurers do participate in. It’s just a matter of where they fit in the overall.”

Yassir Albaharna
Trust Re

insurance company and I’m less innovative.” There’s no way out. We all have to innovate in our own little ways.

How can Middle East and North Africa insurers effectively benchmark against industry leaders to stay competitive in today’s evolving landscape?

I don’t want to seem cynical, but I don’t think there is much reason to benchmark. The business model is different. Regional reinsurers, Middle East and Africa and Southeast Asia, have a different value proposition model and they are there to complement what international and global reinsurers do participate in. It’s just a matter of where they fit in the overall.

There are plenty of other services that regional reinsurers are unable to provide, vis-à-vis the international ones, be it the rating, be it the capital efficiency, etc. I think while it’s good to see there is a need for a benchmark, I’m not too much phobic about trying to benchmark where we are vis-à-vis this, particularly when it comes to an issue on innovation. Don’t get me wrong. It’s important to address, but I think more time should be spent in finding solutions.

What key strategies should MENA insurers adopt to ensure a sustainable competitive advantage in today’s market?

Well, let’s start from the top and this is featured always by AM Best in AM Best reports: retentions. Insurance companies in the MENA region and Africa have a big challenge, that is to say, to move away from being pure risk shifters to becoming true risk carriers. I think the abundance of reinsurance capacity unfortunately acts against this.

They should live up, increase their retentions and

become more risk-taking in their approach. To me, this is a key to further development. More retention means more premium that they are able to underwrite.

Second is to resist the temptation to grow outside. I think there is a lot of business, and we find [it]. After all, we are developing markets, and this is why the region has attracted a lot of attention from many international insurers, as well as reinsurers. Sometimes they say the grass is always greener on the other side. It’s better to focus on the markets and resist this temptation to grow and develop the market.

The third thing I would believe is the distribution and trying to reach further and further the masses because, as you well know, the insurance penetration is low compared to developed countries, and this is a big challenge.

What are some of the other main challenges facing MENA insurers and what can they do to address or mitigate those challenges?

I think the main one that comes over here is the ability to foresee what are the changes in the market, and many do make the mistake of trying to look at different aspects of risks. I think it’s important to remain focused and it’s important for the MENA insurers to try to understand what is in it for them, and put the proper mechanisms to elevate their services, their value added, and so forth.

How can MENA insurers and reinsurers leverage new technologies and business models to drive innovation in their operations?

Well, let me answer this both for insurers and reinsurers, which is, I would say similar toward the end. The whole insurance process from targeting the

Best's Rankings

Largest MENA Insurers – 2025 Edition

Ranked by 2023 gross premiums written.

(US\$ Thousands)

Rank	Company	AMB#	Country of Domicile	Gross Premiums Written	Capital & Surplus
1	Harel Ins Co Ltd.	088583	Israel	\$4,838,454	\$1,125,274
2	BUPA Arabia for Cooperative Ins Co	090701	Saudi Arabia	4,447,721	1,247,571
3	Co for Cooperative Ins	085885	Saudi Arabia	4,073,273	966,409
4	Migdal Ins Co Ltd	087817	Israel	3,529,222	2,287,288
5	Phoenix Ins Co Ltd	094234	Israel	3,427,299	1,785,111
6	Clal Ins Co Ltd	086738	Israel	3,161,668	1,867,020
7	Gulf Ins Group K.S.C.P.	090842	Kuwait	2,669,509	1,220,555
8	Menorah Mivtachim Ins Co Ltd.	071360	Israel	2,255,653	856,157
9	Qatar Ins Co Q.S.P.C.	078335	Qatar	1,743,570	1,726,225
10	Orient Ins PJSC	078593	United Arab Emirates	1,735,212	1,181,099
11	Al Rajhi Co for Cooperative Ins	091869	Saudi Arabia	1,607,079	459,691
12	Allianz Sigorta A.S.	084964	Türkiye	1,587,078	744,807
13	Anadolu Anonim Türk Sigorta Sirketi	091917	Türkiye	1,505,093	435,933
14	Abu Dhabi Natl Ins Co PJSC	085825	United Arab Emirates	1,263,768	794,907
15	AXA Sigorta Anonim Sirketi	083738	Türkiye	1,135,652	419,022
16	Aksigorta A.S.	084956	Türkiye	928,976	132,117
17	Medgulf KSA	088904	Saudi Arabia	889,119	244,795
18	HDI Sigorta A.S.	083228	Türkiye	858,894	161,014
19	Wala Cooperative Ins Co	090704	Saudi Arabia	770,510	338,462
20	AXA Assurance Maroc	078564	Morocco	652,447	453,460
21	Sanlam Maroc	078961	Morocco	633,958	538,907
22	Sompo Sigorta A.S.	091436	Türkiye	594,756	180,223
23	Dubai Insurance Company (PSC) (C)	090584	United Arab Emirates	585,420	215,281
24	AtlantaSanad Assur	091806	Morocco	526,729	232,643
25	Hachshara Ins Co, Ltd.	094373	Israel	505,996	82,509
26	Ray Sigorta A.S.	084973	Türkiye	436,099	73,354
27	Al Ahleia Insurance Company S.A.K.P.	086804	Kuwait	396,105	485,080
28	Neova Katilim Sigorta A.S.	093113	Türkiye	391,932	66,911
29	Eureko Sigorta A.S.	084966	Türkiye	387,411	93,684
30	Mapfre Sigorta A.S.	084974	Türkiye	379,767	80,942

Source: **BESTLINK**; data as of Dec. 17, 2024.

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clients to automating, innovating, trying to do proper segmentation, [and] pushing the right products across product selling—technologies already exist and there are vivid examples where we see companies using and leveraging this technology to increase their efficiencies and to have a wider mass appeal.

Reinsurers do the same thing, and I think the key there is monotonous type of jobs. There is an abundance of data, and we're just overwhelmed as reinsurers with their data. But how to turn this data into more informative data and to help us in pricing,

to help us in modeling the risks, and ultimately trying to package solutions, which are to the benefit of our insurance clients—I think this is the challenge, and technology exists throughout this whole process. **BR**

AM Best TV



Scan to watch the interview with Yassir Albaharna.



Claims Pressures, Inflation Drive US Personal, Commercial Lines

AM Best analysts discussed 2025 outlooks and key factors that will impact the U.S. insurance industry in the coming year as it deals with rising costs across many lines of business and an uptick in consolidation.

by David Pilla

Claims pressures are a factor in some U.S. personal and commercial property/casualty lines as AM Best analysts maintained Stable outlooks in most segments, while keeping Positive outlooks on the reinsurance and delegated underwriting authority enterprises markets.

AM Best changed its outlook to Stable from Negative in part due to improving rates for personal

automobile underwriting as regulators realized the need for large rate increases post-COVID-19, said Richard Attanasio, AM Best senior director, personal lines, in *AM Best's Briefing — 2025 Outlook: Old Challenges Persist for Some Lines, Renewed Optimism for Others*.

In the briefing, AM Best analysts discussed 2025 outlooks and key factors that will impact the U.S. insurance industry. Outlooks discussed include delegated underwriting authority enterprises, global reinsurance, health, life and annuity, property/

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casualty commercial lines and property/casualty personal lines.

The personal auto segment also improved to a Stable outlook from Negative, as personal auto accounts for more than 50% of premiums in the overall personal lines segment, Attanasio said.

Personal Lines Get Pricing Boost

The shift in the personal lines segment outlook cites improved rate and pricing conditions, particularly in the auto insurance space, along with solid levels of risk-adjusted capitalization among carriers, analysts say.

A more accommodating regulatory response for insurers was in response to inflation and an accelerated increase in severe loss costs, according to Attanasio. Everyone was caught off guard by inflation post-COVID as loss costs accelerated quickly and regulators faced a backlog of rate increase requests, he said.

The outlook improvement reflects improved rate segmentation, more granular pricing segmentation and a generally improved environment for personal auto underwriting performance, he said. The post-pandemic rate needs reflected inflationary pressures on parts, labor and medical costs.

There was also an increase in fatalities and severe injuries from severe accidents, as well as higher litigation costs, he said.

Evolving pricing segmentation is a key factor in personal auto as carriers carry on more refined granularity regarding risk factors and overall exposure, Attanasio said.

Homeowners carrier results still continue to demonstrate volatility despite rate increases and aggressive exposure management, he said.

The U.S. homeowners insurance market has seen bigger challenges, particularly from weather events including an active hurricane season in 2024, convective storms and wildfires, he said. Attanasio said AM Best maintains a Negative outlook on the homeowners segment.



“There has been more change, more awareness about social inflation and the tightening of underwriting measures.”

Carlos Wong-Fupuy
AM Best

Carriers have been pushing rate increases aggressively in homeowners but the segment remains a challenge, he said, particularly because homeowners underwriters were challenged in part by typical 12-month policies versus six-month policies for auto coverage. That leads to a longer lead time to earn the rate increases, he said.

The market has seen some exits, particularly in homeowners, Attanasio said. Insurers also saw higher reinsurance costs and retentions.

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He also noted an uptick in carrier consolidation, particularly for smaller companies with multiple years of losses.

Commercial Lines Should Stay Profitable

In commercial lines, AM Best maintained a Stable outlook as it saw outperformance by commercial and specialty lines, moderating inflation and continuity in improved investment returns, said Alan Murray, director, AM Best.

He noted reserve adequacy has been sustained overall and there has been a sustained flow in excess and surplus lines business.

The U.S. commercial lines market should remain profitable, he said. Underwriting performance has been persistently strong in 2023 and 2024 despite substantial economic and capital market volatility.

Risk-adjusted pricing has been sustained for most classes along with moderating economic inflation, particularly in property lines, which has helped to stabilize reinsurance costs and capacity for ceding insurers. Meanwhile, social inflation remains a concern in casualty lines, driving still-elevated claim cost trends, and is a significant component of the sustained Negative outlooks for the general liability and commercial auto lines of business.

In recent years, there have been steady declines in workers' compensation rates but claims costs also have declined, following a similar trend, Murray said. Reserve adequacy has been sustained overall but with variability by line of business, he said.

Workers' compensation has been delivering favorable-but-diminishing reserve releases that have been "meaningfully" offset by a trend in general liability and casualty lines, which have seen adverse claim trends particularly for accident years 2016 through 2019, largely due to social inflation, he said.

Despite notable price softness in directors and officers and other management liability lines as well as cyber, discipline has been broad regarding risk selection, terms and conditions and capacity deployment, he said. Submission flow and sustained growth has been seen in the non-admitted or excess and surplus market, which he said has a Positive outlook.

DUAEs Show Resilience

For the delegated underwriting authority enterprises market, AM Best is maintaining a Positive outlook as the companies consistently

show their resilience and value, said Dawn Walker, associate director. That value shows an emphasis on offering niche expertise and strong investment in talent and technology, she said.

Offsetting that positive view are pockets of capacity challenges and new entrants reflecting a broader industry trend of greater demand for specialty expertise. Although there are opportunities for expansion into emerging and nontraditional markets, these new entrants could still face underwriting challenges, she noted, and so there is likely to be heightened execution risk.

Global Re Well Capitalized

In the global reinsurance market, AM Best changed its outlook to Positive from Stable in June for the first time in years, said Carlos Wong-Fupuy, senior director.

After a long soft-market period, the reinsurance sector shifted only in January 2023 with a step change in pricing and in terms and conditions, he said, noting the role of reinsurers has been restored to a capital protection position. The sector remains well capitalized, and Wong-Fupuy added AM Best doesn't see any emergence of new competition as the cost of capital is high. He also said he doesn't see disruptive entrants next year, particularly on the property catastrophe side.

Wong-Fupuy said he would keep a close eye on social inflation. He added any casualty expansion has been cautious and there has been significant reserve strengthening actions that should be sufficient.

"There has been more change, more awareness about social inflation and the tightening of underwriting measures," he said.

Life/Annuity and Health: Stable

In the life/annuity market, Senior Director Michael Porcelli said AM Best maintains a Stable outlook on strong capitalization, pricing profitability and new capital post-COVID-19.

In the health insurance market, AM Best maintains a Stable outlook on expected solid underwriting results and rate increases that keep pace with loss costs, said Senior Director Sally Rosen. **BR**

AM Best TV



Scan to watch *AM Best's Briefing — 2025 Outlook: Old Challenges Persist for Some Lines, Renewed Optimism for Others.*



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Product Delivery Is a Key Ingredient in Bakeries' Recipe for Risk

Best's Underwriting Reports and *Best's Loss Control Reports* provide insights into the risks and lines of coverage for bakeries.

by Anthony Bellano

The thought of baking conjures images of dough rising, families spending time together in the kitchen and towering wedding cakes. But the delivery of the products and ingredients that go into creating these mental pictures doesn't necessarily bring the same joy.

Distribution of the products is one of the biggest issues facing the bakeries that produce these goods, and one underwriters need to be keenly aware of when insuring these businesses.

Commercial bakeries make bread, rolls, cakes, pies, pastries, crackers, cookies, and other soft baked goods for sale, mainly at supermarkets and convenience stores, according to *Best's Underwriting & Loss Control Resources* report *Bakeries — Commercial and Wholesale*. "Many bakeries deliver their products to retailers on a daily basis," AM Best said. "The insured may have their raw ingredients delivered by the suppliers; however, some bakeries will pick up their own supplies."

With that, the delivery could present auto liability issues. The AM Best report focuses on hazards such as inclement weather, traffic congestion, road construction, driving during hours of darkness, fatigue, unfamiliar routes, and electronic distractions, and, in the case of deliveries, time constraints. Shifting loads also could be a concern for bakeries that make deliveries.

Deliveries may also pose an exposure because drivers

Anthony Bellano is an associate editor. He can be reached at anthony.bellano@ambest.com.

Lines of Coverage

Automobile Liability

Commercial/wholesale bakeries will have a substantial Automobile Liability exposure. Commercial/wholesale bakeries will typically own a fleet of delivery vehicles, which can include minivans, midsize trucks, or tractor trailers; those that make frozen products may have several refrigerated trucks in their fleet. Does the insured subcontract any of its product deliveries? If so, this will reduce the exposure. If employees use their own vehicles for business-related travel, there will be a nonowned



may feel under pressure and drive irresponsibly, the report said.

Best's Underwriting Reports has identified nine lines of coverage for bakeries—commercial and wholesale: Automobile Liability; General Liability: Premises and Operations; General Liability: Products – Completed Operations; Workers' Compensation; Crime; Property; Business Interruption; Inland Marine; and Equipment Breakdown.

Best's Hazard Index ranks the risk of exposure for the lines of business as Low (1-3), Medium (4-6), High (7-9), and Very High (10). Following are excerpts from the report that show the highest index rankings, as well as the information about MSCI's Food Distributors ESG Risk Intensity Score as of Sept. 24, 2024:

Best's Hazard Index

Line of Coverage	Best's Hazard Index
Automobile Liability	7
Business Interruption	7
Workers' Compensation	6
Property	6

MSCI ESG Score

MSCI ESG Industry Risk Intensity Score for the following GICS Classification:	Food Distributors
ESG Risk Intensity Score	2

Review methodology behind MSCI ESG Ratings at www.msci.com/esg-and-climate-methodologies.

vehicle exposure. Confirm the existence of underlying personal insurance at acceptable limits for those employees.

Business Interruption

Commercial/wholesale bakeries will have a substantial Business Interruption exposure. It will be important for the insured to resume business quickly before long-time customers locate another bakery to fill their orders. While replacement ingredients are relatively easy to acquire, some production machinery could be quite expensive

and difficult to replace. A peak season (leading up to the December holidays) is possible.

Workers' Compensation

Commercial and wholesale bakeries will have a significant Workers' Compensation exposure. Slips, trips and falls and repetitive motion injuries are possible. Workers also will be exposed to machinery hazards such as accidental dismemberment and burns from large kettles and hot oil/grease. Sugar and flour dusts can be combustible and present an explosion hazard. Inhaling airborne flour or sugar dust could cause irritation to the lungs and/or eyes.

Loss Control

On-Site Inspection:

- What are the number, age, type, and condition for each of the insured's vehicles?
- What types of electronic distractions are present in the vehicles?
- Does the insured operate multiple production lines?
- What is the level of housekeeping on the premises?
- Does the insured have a kitchen on site? Is it fully equipped?

Items To Investigate:

- Is the underlying personal insurance at acceptable limits available for review for drivers who operate their own vehicles for business purposes?

Property

The layout of a commercial/wholesale bakery may consist of one or more large production areas with baking machinery. Certain phases of production, such as deep-frying or bulk flour sifting, may occur in separate rooms for safety reasons. There will also be one or more temperature- and humidity-controlled fermentation rooms. Aside from production areas, commercial/wholesale bakeries also will have packaging areas, storage facilities, offices, employee restrooms, and an employee break room or cafeteria. A larger bakery may have a railroad sidetrack and/or one or more grain silos on the premises.

- In the event of a loss, is the insured more likely to rebuild, repair, or relocate?
- Does the insured have a contingency plan in place?
- Is the bakery in compliance with all worker safety regulations applicable to its area of operation?
- How large is the insured's electrical load? Is the wiring sufficient to handle its electrical load?

BR



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USAA Hiking California Homeowners Rates In Move Prior to 2025 Los Angeles Fires

Overall, rates rose 25.9% for USAA Casualty Insurance Co. homeowners in California in December 2024, but some policyholders could see even bigger hikes, according to Best's State Rate Filings.

by Renée Kiriluk-Hill

Rates rose an overall 25.9% for USAA Casualty Insurance Co. homeowners in California on Dec. 1, but some policyholders could see a 48.5% hike, according to Best's State Rate Filings.

USAA Casualty is one of four USAA Group subsidiaries approved for homeowners rate hikes in 2024, before the January 2025 Los Angeles fires. The hikes were slated to take effect from mid-November 2024 through mid-February 2025. The overall effect raises rates 16.8% at United Services Automobile Association and up to 30.6% at USAA General Indemnity Co.

Garrison Property and Casualty rate hikes took effect at the start of the new year, with an overall rise of 25.5%.

USAA Casualty said it proposed changes to base rates only. It said rate level effects were calculated based on pending wildfire litigation filing rates. It was approved for a rate hike with an overall effect of 25.9% that took effect on Oct. 24, 2024. There were 136,337 policyholders who were impacted by this increase, with specific increases ranging anywhere between 12.6% and 48.5%, according to BestLink.

California homeowners market share for USAA—a top 10 homeowners writer in the stressed line—declined from 5.7% in 2019 to 5.4% in 2023, while direct premiums written climbed to \$741.7 million from \$523.1 million,

according to BestLink. The direct combined ratio worsened from 96.46 in 2019 to 114.09 in 2023.

USAA uses an underwriting wildfire model to help determine eligibility. In its filing with California regulators, it said it incorporates information from an AIR Wildfire Model. It gathers model data from three resources, USAA said, two of them provided by the U.S. Department of Agriculture Forest Service. The third is a paid vendor for data regarding weather.

California Insurance Commissioner Ricardo Lara recently submitted finalized regulations that would allow insurance companies to use forward-looking wildfire catastrophe models and require them to commit to covering more properties in high-risk areas.

Verisk in early January said it was seeking review of its wildfire catastrophe model in California, the first to file under a new regulation allowing insurance carriers to use them when setting rates. The model incorporates knowledge of the wildfire hazard and vulnerability and recent trends in variables that affect wildfire risk in the Western United States, Verisk said in the application before the California Department of Insurance.

A number of companies have exited or restricted business in California in the past couple of years. Industry watchers have attributed the moves largely to delayed rate change approvals as economic inflation hit post-pandemic, greater wildfire risk on development and climate change, and lawsuit abuse.

BR

Renée Kiriluk-Hill is a senior associate editor. She can be reached at renee.kiriluk-hill@ambest.com.

California Homeowners Multiperil Approved Rate Filings by Overall Effect With Increases of 28% or Greater

Based on an effective date beginning on Jan. 1, 2024, through Dec. 31, 2025.

Group Name	Company Name	AMB#	Overall Effect	Effective Date	Program
Munich-American Hldg Corp Cos	Munich-American Hldg Corp Cos	018753	56.40%	10/1/2024	Non-Specific
Munich-American Hldg Corp Cos	American Modern Property & Casualty Ins	003285	56.40%	10/1/2024	Non-Specific
Spinnaker Insurance Group	Spinnaker Insurance Group	018968	43.10%	10/1/2024	Apartments/Condominiums
Spinnaker Insurance Group	Spinnaker Insurance Company	022321	43.10%	10/1/2024	Apartments/Condominiums
Munich-American Hldg Corp Cos	Munich-American Hldg Corp Cos	018753	42.20%	4/14/2025	Tenants/Renters
Munich-American Hldg Corp Cos	American Modern Home Insurance Company	003031	42.20%	4/14/2025	Tenants/Renters
American Family Ins Group	American Family Ins Group	000124	36.80%	10/1/2024	Non-Specific
American Family Ins Group	Homesite Insurance Co of the Midwest	022138	36.80%	10/1/2024	Non-Specific
Allstate Insurance Group	Allstate Insurance Group	000008	34.10%	11/7/2024	Non-Specific
Allstate Insurance Group	Allstate Insurance Company	002017	34.10%	11/7/2024	Non-Specific
Amica Mutual Group	Amica Mutual Group	018522	31.50%	5/1/2024	Various Sublines
Amica Mutual Group	Amica Mutual Insurance Company	002162	31.50%	5/1/2024	Various Sublines
USAA Group	USAA Group	004080	30.60%	11/13/2024	Various Sublines
USAA Group	USAA General Indemnity Company	004865	30.60%	11/13/2024	Various Sublines
Liberty Mutual Insurance Cos	Liberty Mutual Insurance Cos	000060	28.50%	11/22/2024	Non-Specific
Liberty Mutual Insurance Cos	First National Insurance Co of America	002446	28.50%	11/22/2024	Non-Specific
DB Insurance US Group	DB Insurance US Group	018921	28.00%	6/16/2024	Non-Specific
DB Insurance US Group	DB Insurance Co., Ltd. USB	013784	28.00%	6/16/2024	Non-Specific

Note: The State Rate listings include multiple rows with the filing company (or companies) and its group together.
Source: Best's State Rate Filings; data as of Nov. 25, 2024.

—Anthony Bellano



Scan for more information about Best's State Rate Filings.

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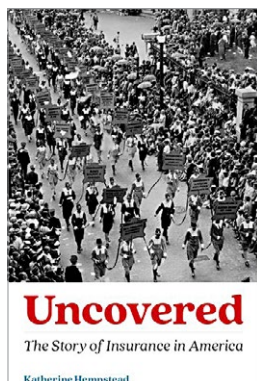


Uncovered: How Crises, Coverage Gaps Shaped the US Insurance Landscape

Katherine Hempstead explores the evolution of the U.S. insurance industry from the 1870s through the 20th century, highlighting the tension along the way.

by Lori Chordas

In her book, *Uncovered: The Story of Insurance in America*, Katherine Hempstead, a senior policy adviser at the Robert Wood Johnson Foundation, examines insurance's transformative period of the 19th century, tracing insurance's evolution from the 1870s and examining the ongoing tension between public needs and private industry priorities. Following is an edited transcript of the interview with Hempstead.



to the Armstrong hearings in New York, resulting in new regulations that spread nationwide.

How did the 1944 Supreme Court decision create the opportunity to undo the state-based regulatory system?

The mid-20th century marked a turning point in U.S. insurance regulation. Concerns over collusion and price-fixing led to antitrust lawsuits during the New Deal, resulting in a federal court victory allowing Congress to regulate insurance. **BR**

AM Best TV



Scan to watch the interview with Katherine Hempstead.

How did the early days of life, fire and casualty insurance in America help shape the nation's insurance industry?

In the late 19th century, the U.S. insurance industry rapidly expanded alongside the modernizing economy, with fire insurance widely accepted, life insurance initially controversial and casualty insurance emerging as a newer branch. Early casualty insurance evolved from travelers' policies to accident and employer liability coverage, laying the groundwork for health insurance. However, regulation was minimal and inconsistent.

The book discusses how periodic crises in various insurance sectors exposed gaps between available coverage and public demand.

Throughout history, insurance has faced crises of affordability and public dissatisfaction. In the early 20th century, life insurance was essential, but competitive practices like "twisting" caused consumer distrust and skyrocketing rates. This led

Recently Featured Books

Covering Nanay: The Philippine Microinsurance Journey

- A new book highlights the importance of microinsurance and chronicles CARD Pioneer Microinsurance's journey to provide coverage to vulnerable populations in the Philippines.



Once Upon a Claim: Fairy Tales to Protect Your Ass(ets)

- Fairy tales, nursery rhymes and fables whisk readers away to thrilling and imaginative realms, while imparting essential moral lessons and igniting their curiosity and creativity. This book merges the realm of insurance with these classic tales and timeless verses, illustrating key insurance principles and offering strategies for managing claims.



Another Day in Paradise: The Handbook of Retirement Income

- This book explores critical challenges retirees face and various strategies for generating retirement income that they can adapt to their personal circumstances.



Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

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Podcast Reaches Beyond Typical Industry Research, Digging Into New Insights

The *Beyond the Text* podcast invites analysts and guests to provide insights on recent publications and emerging industry trends.

by John Weber

What you see in insurance doesn't always tell the whole story.

But *Beyond the Text*, a podcast that features insights from Conning's Insurance Research department, attempts to open the curtain and reveal the latest trends, insights, developments and advancements that the public doesn't normally witness.

AM Best TV recently spoke with Alyssa Gittleman, a director and head of consulting and consumer operations for Conning Insurance Research, about the podcast. Following is an edited transcript of the interview.

Please tell us a little bit about yourself.

I joined Conning about eight years ago from a digital marketing perspective, and I've been on quite the ride here at Insurance Research. I started in a marketing role and then quickly made my way into the analyst realm, working my way up from pulling data to writing reports. I actually used to write and co-write the MGA report and focus on the distribution landscape. A couple of years ago, I got this great opportunity to lead our consulting and customer operations.

And I've been running the back end and really enjoying it and getting to highlight all the great things we're doing here at Insurance Research.

Could you tell us a little bit about the *Beyond the Text* podcast?

We thought this was a great chance to highlight the insights from our department. We have so much research that we're doing here and just thought it was a great medium in a different way to get our content out in the world. This idea was really built on the concept of inviting our analysts or inviting guests from inside Conning, not just in the Insurance Research department, or throughout the industry to just share insights on what we're seeing in the industry—or ... sharing what's happening

John Weber is a senior associate editor. He can be reached at john.weber@ambest.com.



FOCUSED INSIGHT: Alyssa Gittleman, director and head of consulting and consumer operations for Conning Insurance Research, spoke with AM Best TV about *Beyond the Text*, a podcast that highlights trends and developments in the insurance industry.

with the recent publications.

And as I said, we put out so much content. We do about 100-plus reports a year focusing on so many different topics in the industry. So this is just a great addition to that tool belt that we have here going on.

Who is your target audience and what kind of content can they expect?

This podcast has really catered to insurance professionals, industry stakeholders and really anyone who's interested in learning more about the evolving landscape in the insurance industry. Here in Insurance Research, we cover both the life/annuity and the property/casualty space, so you can expect to see a lot of content covering the full industry. We'll be doing deep dives into the research that we're putting out there.

BR

AM Best TV



Scan to watch the interview with Alyssa Gittleman.

Insurance-Focused Podcasts

A guide to some recent episodes from a selection of insurance industry podcasts.

Awkward Insurance

Dec. 5: The Mentor's Playbook With James Benham (40 minutes)

Dustyne Bryant talks to James Benham, host of *InsurTech Geek Podcast* and vice chairman, board of regents at Texas Southern University, about thought leadership, mentorship and entrepreneurship in the insurance industry.

Beyond the Text

Dec. 13: How MGAs Are Shaping the Future of Insurance With Technology (20 minutes)

Alyssa Gittleman hosts Lauryn Kothavale from Conning and Kelly Maheu from Vertafore to discuss the transformative impact of technology on managing general agents in the insurance industry.

Profiles in Risk



Dec. 17: Roberto Salinas, head of business development at LULA
Host Tony Cañas chats with Roberto Salinas about artificial intelligence.

The Future of Insurance

Jan. 7: Dawn Walker, Associate Director, DUAЕ, AM Best (28 minutes)

Dawn Walker is an associate director, industry relations (DUAЕ) in AM Best's Strategy and Communications department. Highlights from the show: Growth in the delegated underwriting authority enterprise space has been huge, getting to \$77 billion in the United States alone, and making up 10% of the P/C market globally. Why do insurers work with DUAEs like MGAs and MGUs?

The Voice of Insurance

Dec. 10: Distribution & Expertise: Walking the City With David Howden (59 minutes)

David Howden, CEO of Howden Group, started just over 30 years ago with two others and a dog in a tiny office on St. Dunstan's Hill in London. Now that business is around 6,300 times bigger. The podcast discusses the core issues affecting the present and the future of the London and international insurance markets.

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Risk & Insurance Reports on Study of Workers' Compensation Megacclaims

Risk & Insurance, citing a study by multiple workers' comp rating bureaus, reports that the frequency of high-impact claims has been on a steady, upward trajectory since 2013.

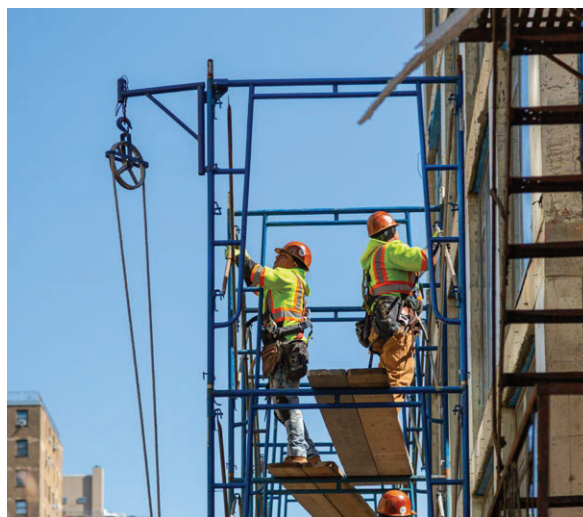
R*isk & Insurance* in December reported on workers' compensation megacclaims exceeding \$2 million. Despite making up less than 0.1% of total claims, those megacclaims represent over 2% of total loss dollars, surpassing \$1 billion annually, according to the report, which cited a recent collaborative study by multiple workers' comp rating bureaus.

The frequency of these high-impact claims has been on a steady, upward trajectory since 2013, according to the *Risk & Insurance* report, citing the study, which analyzed the period from 2001 through 2021.

The rise in megacclaims has not been confined to a single business sector, according to the report. However, the construction industry has experienced the largest increase in megacclaim frequency.

In its report, *Risk & Insurance* said that a closer look at the distribution of workers' comp megacclaims reveals that 53% fall between \$2 million and \$3 million, 27% between \$3 million and \$5 million, and 15% between \$5 million and \$10 million; 4% exceed \$10 million.

The study, *Countrywide Mega Claims: Accident Years 2001-2021*, was conducted by the Workers' Compensation Insurance Rating Bureau of California, in collaboration with nine other workers'



BUILDING NUMBERS: An analysis of workers' compensation claims showed that the construction industry has experienced the largest increase in megacclaim frequency, *Risk & Insurance* reported.

compensation rating bureaus, the report said. The WCIRB said the study was an update of a 2020 analysis produced in response to stakeholder concerns about the relative frequency and cost of megacclaims.

BR

Risk & Insurance is a participant in AM Best's Media Program — Preferred Publishers.

Insurance-Focused Publications

A selection of news from a selection of publishers from around the globe. Access to some sites may require registration or subscription.

Artemis

- Stone Ridge's flagship ILS fund returns 92% in two years, casualty reinsurer Longtail Re outperforms

Beinsure

- European System for Natural Catastrophe Risk Management & Re/Insurance

Bermuda: Re+ILS

- RIMS names president for 2025

Business Insurance

- PTSD benefits expansions on table in two states

Captive Intelligence

- Is IFRS 17 threatening captive innovation?

Claims Journal

- Sedgwick Announces New Leadership in Japan And Taiwan

Commercial Risk

- WEF tracks stagnating global cooperation on key challenges

Global Risk Manager

- Berkley gains Indian license

Insurance Business America

- Burning cash - celeb homeowners face sky-high wildfire premiums

Insurance Insider US

- Cat price-drop accelerates as reinsurers display appetite

InsuranceERM

- Strong reinsurer appetite drives loss-free property cat rates down at 1 Jan renewals

Middle East Insurance Review

- Biggest UAE insurer to venture into 4 overseas markets

(Re)in Asia

- Dubai's IFC woos Chinese, Indian (re)insurers and brokers

Reinsurance News

- New reinsurance regulation launched to increase home insurance access in California wildfire-risk areas

Strategic Risk

- Why did South Korea declare martial law? What risk managers need to know

ThinkAdvisor

- Boosting Client Service, With a Little Help From Private Equity



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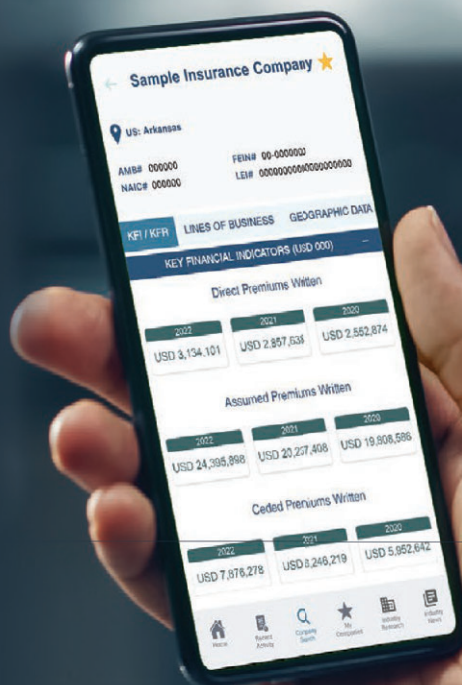
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Top Stories Include Features on Reciprocal Insurers and Managing General Agents

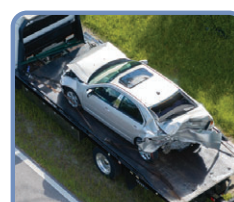
Other popular items include a ranking of the top audit and actuarial firms and a report on pandemic-related excess mortality.

Trending: Best's Review

1. The Rise of Reciprocal Insurance Exchanges Offer Unique Solution in Catastrophe-Prone Florida
2. For Some Insolvent Insurance Carriers, 'Giving Away the Pen' to MGAs May Have Contributed to Their Undoing
3. Top Audit and Actuarial Firms
4. Swiss Re: Pandemic-Related Excess Mortality in US, UK May Linger Until 2033
5. Gauging New Risks, Auditors and Actuaries Examine Technology, Judgments, COVID-19's Aftermath



Florida



Auto Insurance



Courts



Trucking



Small Business

Trending: BestWire \$

1. Best's Market Segment Report: U.S. Commercial Auto Results in 2023 and the First Half of 2024 Continue To Deteriorate
2. For Some Insolvent Carriers, 'Giving Away the Pen' to MGAs May Have Contributed to Their Undoing
3. Grinnell Mutual Reinsurance Plans Reorganization To Create Holding Company
4. Lindberg Admits Guilt in \$2 Billion Fraud, Money Laundering Case
5. USAA Hiking California Homeowners Rates as Much as 48.5%

Trending: Best's News Via AM Best Mobile App \$

1. UK Supreme Court Denies Allianz Appeal Attempt in COVID Business Interruption Suit
2. New Year Bringing Higher Auto Liability Limit Requirements to California
3. AM Best Affirms Credit Ratings of Pacífico Compañía de Seguros y Reaseguros S.A.
4. Ryan Specialty Appoints Financial Lines President, Expands CUO Officer Role

Trending: AM Best Informational Webinars Via AM Best TV

1. For-Hire Trucking: The Risky Road Ahead
2. Stronger Together: How Combining Credit and Public Records Data Can Yield Sharper Views of Insurance Risk
3. Defending Artificial Intelligence Claims

Trending: Best's News Via AM Best TV

1. Counterpart's Hackett: Employee Lawsuits Surging Against Small Businesses
2. APCIA & CIAB Survey: 69% Know of Cyber Insurance Requests Denied Over Poor Security
3. Marsh McLennan's Drux: Brokers Embrace Advisory Role as Global Risks Reshape Insurance
4. Marsh's van den Top: AI Amplifies Traditional Risks in Modern Insurance Landscape
5. U of South Carolina's Hartwig: 'Tort Tax' Costing US Households \$3,600 Annually

These were the top trending items from Oct. 21-Dec. 20, 2024. Mobile app articles were the top stories from Dec. 1-31, 2024. Features, news articles and videos were based on page views. Webinars were based on webinar attendance.

The above content can be viewed on demand at bestsreview.ambest.com, or by visiting AM Best's home page at www.ambest.com.

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Trending Research Includes Reports on A&E Reserves, Surrender Benefits and Life/Annuity Financial Results

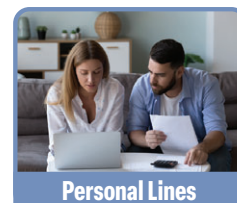
Other trending research includes reports on Medicare Advantage and U.S. nonstandard auto insurance.

Trending: Best's Special Reports

1. A&E Reserves Still Declining but Incurred Losses Rise Notably \$
2. Smaller Companies Face Cash Flow Crunch From Uptick in Surrenders \$
3. Policy Count in State-Sponsored Plans Doubles in Five Years Due to Pressures on Property Insurance \$
4. Higher Utilization, Regulatory Challenges, Pressure Medicare Advantage Segment \$



A&E Reserves



Personal Lines



United Kingdom

Trending: Best's Market Segment Reports

1. Market Segment Outlook: US Personal Lines
2. Market Segment Outlook: Delegated Underwriting Authority Enterprises
3. Market Segment Outlook: Global Reinsurance
4. Favorable Signs for Nonstandard Auto Insurers \$

Trending: Best's Commentary

1. Outcome of the Ogden Rate Review Will Be a Relief for UK Insurers
2. Impairments of AM Best Rated Insurers Have Declined Since 2001

Trending: Best's Research Via AM Best Mobile App

1. Market Segment Report: Market Segment Outlook: Malaysia Non-Life Insurance
2. Special Report: Borrowing From the Federal Home Loan Bank Slows Following 2022 Surge \$
3. Special Report: First Look: Nine-Month 2024 US Life/Annuity Financial Results \$



Malaysia

Trending: AM Best Analytical Briefings

1. AM Best's Briefing—2025 Outlook: Old Challenges Persist for Some Lines, Renewed Optimism for Others
2. AM Best's Insurance Market Briefing-SIRC
3. AM Best's Europe Insurance Market Briefing-London
4. AM Best's Methodology Briefing-London



Looking Ahead

Trending: AM Best TV - Best's Research

1. AM Best: Driver Shortage, Inexperience Compound Commercial Auto Woes
2. AM Best: US Personal Auto Segment Is Stabilizing
3. AM Best: Smaller Companies Face Cash-Flow Crunch From Uptick in Surrenders
4. AM Best: Favorable Signs for Nonstandard Auto



Auto Insurance

These were the top trending research and commentary reports from Oct. 21-Dec. 20, 2024. Mobile app reports were from Dec. 1-31, 2024.

\$ Payment or subscription required.

Best's News & Research Service subscribers can download PDF copies of all Best's Special Reports, Best's Commentaries and Best's Market Segment Reports along with supporting spreadsheet data at www.ambest.com.

Note: Best's Research includes Best's Special Reports, Best's Market Segment Reports, Best's Commentary and AM Best Analytical Briefings.



Panelists To Examine Reinsurance Trends and the Implications of the Latest Renewal Cycle

Professionals also discuss DUAЕ performance assessment, ART criteria revisions and insurance-related asset-backed securities transactions ratings.

Streaming Live

AM Best's Briefing: Best's Performance Assessment for Delegated Underwriting Authority Enterprises (DUAЕs) – An Overview

AM Best analytical staff and ASASE senior leadership explore AM Best's approach to navigating the intricacies of DUAЕs, whose importance within the insurance distribution model has grown significantly over the past decade. Best's Performance Assessment for Delegated Underwriting Authority Enterprises (PA for DUAЕs) is an initiative by AM Best to provide a unified global approach to assessing DUAЕs, such as managing general agents, program managers, underwriting agencies and coverholders. Moderator Dario Spata, president of ASASE and CEO of Iberian Insurance Group, is joined by AM Best panelists Riccardo Ciccozzi, director, market development, Europe, and Eli Sanchez, director, analytics. **This AM Best's Briefing, conducted in Spanish, is presented in collaboration with the Association of Spanish Underwriting Agencies (ASASE).**

Tuesday, Feb. 4, 5 a.m. ET.

On Demand

AM Best's Briefing: Reinsurance – Jan. 1 Renewals and What To Expect in 2025

Senior AM Best analytical staff and industry reinsurance experts discuss major trends in property/casualty reinsurance; implications of the Jan. 1 renewal season; material changes seen in this year's renewal cycle versus previous years; where the market cycle may be headed; preliminary 2024 results; and initial reactions to the California wildfires. Joining moderator John Weber, senior associate editor, AM Best, are panelists Laure Forgeron, CUO, Casualty, Swiss Re; Kyle Rhodes, president, North America, TransRe; and Carlos Wong-Fupuy, senior director, AM Best.

AM Best's Briefing – Captives: Revisions to 'Alternative Risk Transfer (ART)' Criteria

Senior AM Best analytical staff members provide a detailed update on the proposed changes to the criteria procedure "Alternative Risk Transfer (ART)." Renamed "Rating Captives and Other Alternative Risk Transfer Entities," the criteria procedure includes proposed updates that establish a clear approach from AM Best to assigning financial strength ratings and issuer credit ratings to individual incorporated cell entities. Joining moderator Riccardo Ciccozzi, director, market development, Europe, are panelists Mathilde Jakobsen, senior director, analytics, Amsterdam, and Myles Gould, senior director, credit rating criteria, research and analytics, London.

IMCA and AM Best Marketing Leader Lunch – By the Numbers: What Insurance Marketers Should Know About Insurance Data

A panel of insurance marketing experts discuss innovative and evolving applications of data and predictive analytics in marketing. Panelists include Satvinder Kaur, digital, artificial intelligence and marketing consultant; Jeff Bair, former head of independent agent marketing and distribution, Foremost Insurance; Dave Evans, senior associate, Aartrijk, and IMCA CMO Council member; and Lori Chordas, senior associate editor, AM Best. **This AM Best Webinar is a joint presentation of AM Best and the Insurance Marketing & Communications Association (IMCA) CMO Council.**

AM Best's Briefing – The Rating of Insurance-Related Asset-Backed Securities, Questions Answered

Moderator John Weber, senior associate editor, AM Best, is joined by senior analytical staff members Emmanuel Modu, managing director, and Wai Tang, senior director, as they discuss AM Best's process of rating insurance-related asset-backed securities transactions. **BR**



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Older Americans Not Ready for Financial Challenges of Aging, According to New York Life Executive

Also, professionals discuss the global retirement savings gap and examine fortified roof initiatives in Alabama and Louisiana.

On Demand

New York Life's Beligotti: Older Adults Unprepared for Long-Term Care Costs

Jeff Beligotti, head of long-term care solutions at New York Life, discusses the growing need for long-term care insurance, the financial hurdles aging Americans encounter, and the vital role advisers play in addressing these challenges.



Jeff Beligotti

IIS' Landau: Insurance Mergers Expand Focus to Data Dominance

Joshua Landau, president, International Insurance Society, said data is an increasingly valuable currency in the industry as companies seek to build larger datasets to support analytical capabilities. Landau spoke with AM Best TV at the Global Insurance Forum in Miami.



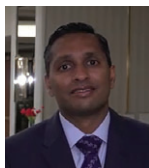
Joshua Landau

Equitable's Lamm-Tennant and Raju: Retirement Savings Gap Is a Challenge

Joan Lamm-Tennant, chair, Equitable Holdings and AllianceBernstein Holdings, and Robin Raju, CFO, Equitable Holdings, said the United States and the world face retirement savings challenges. Both spoke with AM Best TV at the Global Insurance Forum in Miami.



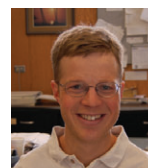
Joan Lamm-Tennant



Robin Raju

CSU's Klotzbach: Alabama's Fortified Roof Initiative Draws Back Insurers

Phil Klotzbach, senior research scientist, Colorado State University, said 50,000 of 60,000 installed fortified roofs are in Alabama. Louisiana is adopting similar measures. Klotzbach spoke with AM Best TV at the Joint Industry Forum 2024 in Miami.



Phil Klotzbach



Scan to see new and archived video from AM Best TV.



NFP Executive: Misconceptions Abound Around Flood Hazard as Insurance Landscape Evolves

Also, AM Best Audio explores how one company has negotiated the shifting MGA space.

NFP's Sutton on Navigating Flood Risk, Insurance in a Changing Climate

Dana Sutton, flood practice lead at NFP, discusses the evolving landscape of flood insurance, flood risk misconceptions, and how the private market and National Flood Insurance Program can work together.

Pro MGA Global Solutions: Charting the Strategic Path of an International MGA Partner

Danny Maleary, CEO of Pro MGA Global Solutions, discusses the company's adaptive journey in response to the dynamic MGA market, focusing on growth, innovation and a global expansion strategy.

BR



Scan to listen to new and archived audio from AM Best Audio.

LIMRA: Life Insurers Focus on Growth as Industry Faces Distribution Challenges

Bryan Hodgens, LIMRA's senior vice president and head of research, spoke with AM Best Audio in a recent podcast about life insurance coverage.

by Lori Chordas

The life insurance industry is intensifying its focus on growth strategies amid concerns about modest market expansion and a significant coverage gap affecting millions of Americans, according to recent research from LIMRA and Boston Consulting Group.

Bryan Hodgens, LIMRA's senior vice president and head of research, told AM Best Audio in a recent podcast that growth emerged as the top priority for C-suite executives in 2024, followed by technology and talent management. The emphasis on growth comes as the industry grapples with sluggish sales increases, with new annualized premiums rising only marginally from \$15.4 billion in 2021 to just under \$15.7 billion in 2023.

"Over 100 million Americans are either uninsured or underinsured," Hodgens said, highlighting the substantial opportunity for market expansion. To address this coverage gap, insurers are adopting multi-faceted approaches, including enhanced marketing efforts, adaptation to evolving consumer preferences, and strengthened support for insurance agents and financial professionals.

A significant transformation is occurring in the industry's distribution landscape, with a notable shift from traditional career agents to independent channels over the past decade. While career agents remain important, independent marketing organizations (IMOs) and brokerage general agencies (BGAs) play increasingly crucial roles in providing insurance professionals product access,

training, and support, LIMRA said.

To drive growth, leading carriers are implementing comprehensive productivity ecosystems that track key performance indicators such as total premium written, policy numbers, and customer satisfaction. These companies are

particularly focused on analyzing their top-performing agents to establish benchmarks and develop strategies to elevate the performance of median producers, LIMRA says.

Technology is emerging as a critical component of the industry's growth strategy. Insurers are investing in advanced lead generation systems, analytics, and artificial intelligence to improve the agent and customer experience. "AI and technology are helping build a more

customized process for the consumer and the agent," Hodgens explained. "It's making the business writing, customer experience, and underwriting process more efficient."

The industry's technological transformation includes the development of sophisticated platforms that score and validate leads, match consumers with appropriate advisors, and streamline the application process, LIMRA says.

The industry's push for growth reflects a broader recognition of the need to modernize distribution, Hodgens noted.

BR



Bryan Hodgens

Lori Chordas is a senior associate editor. She can be reached at lori.chordas@ambest.com.

AM Best Audio



Scan to listen to the interview with Bryan Hodgens.

Upcoming Industry Research

- Clyde & Co's 2025 Global Directors & Officers Survey Report
- Conning's 2025 Annual Small Commercial Insurance Market Report
- Swiss Re Institute's Annual Natural Catastrophes Report
- World Meteorological Organization's 2025 State of the Global Climate Report

Current and Upcoming Industry Research

- Allianz Risk Barometer
- Aon's Climate and Catastrophe Insight Report
- Gallagher Re's 4th Quarter 2024 Annual Global InsurTech Report
- Gallagher Re's 2024 Natural Catastrophe & Climate Report
- LexisNexis' 4th Quarter 2024 Insurance Demand Meter
- Marsh's 2024 Global Insurance Market Index
- Marsh's 2025 Global Transactional Risk Insurance Claims
- Munich Re's Natural Disasters 2024: Climate change is showing its claws
- World Economic Forum's Annual Global Risks Report 2025 (Guy Carpenter)
- World Economic Forum's Business on the Edge: Building Industry Resilience to Climate Hazards
- World Economic Forum's Global Cybersecurity Outlook 2025 (Accenture)

Upcoming Topics From AM Best Research

- ACIS/CIRT Tables
- Brazil Reinsurance
- Casualty Reinsurance
- Cyber Update
- Directors & Officers
- Innovation
- Medicaid
- Protection & Indemnity (P&I) Clubs
- Surety
- Surplus Notes
- Thailand

Recently Published AM Best Research

- Special Report: Borrowing From the Federal Home Loan Bank Slows Following 2022 Surge
- Special Report: China's New Energy Vehicle Boom Transforms Motor Insurance Market
- Market Segment Report: Favorable Signs for Nonstandard Auto Insurers
- Market Segment Outlook: Costa Rica Insurance
- Market Segment Outlook: Japan Life Insurance
- Market Segment Outlook: Colombia Insurance
- Market Segment Outlook: Germany Non-Life Insurance
- Market Segment Outlook: Malaysia Non-Life Insurance
- Market Segment Outlook: US Life/Annuity Insurance
- Market Segment Report: New Domiciles Are Changing the Landscape for the European Captive Insurance Segment
- Commentary: Outcome of the Ogden Rate Review Will Be a Relief for UK Insurers
- Special Report: First Look: Nine-Month 2024 US Life/Annuity Financial Results

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This edition lists all Credit Rating actions that occurred between Dec. 1 and Dec. 31, 2024. For the Credit Rating of any company rated by AM Best and basic company information, visit the AM Best website at www.ambest.com/ratings/access.html or download the ratings app at www.ambest.com/sales/ambmobileapp.

Operating Companies

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS LIFE/HEALTH								
Initial Rating	L	Atlanta Life Insurance Company Amistad Financial Group, LLC	006130	B++ bbb	Stable Stable	NR nr		Georgia, USA
Outlook Change	H	Blue Care Network of Michigan Blue Cross Blue Shield of MI Mut Ins Co	068741	A a	Negative Negative	A a	Stable Stable	Michigan, USA
Downgrade	H	Blue Cross and Blue Shield of VT Blue Cross Blue Shield of MI Mut Ins Co	064541	C++ u b+ u	Negative Negative	B u bb u	Negative Negative	Vermont, USA
Outlook Change	H	Blue Cross Blue Shield of MI Mut Ins Co Blue Cross Blue Shield of MI Mut Ins Co	060081	A a	Negative Negative	A a	Stable Stable	Michigan, USA
Outlook Change	H	Community Care Behavioral Health Org University of Pittsburgh Medical Center	064549	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Downgrade	H	Humana Health Plans of Puerto Rico, Inc. Humana Inc.	060162	B+ bbb-	Negative Negative	B++ bbb	Stable Stable	Puerto Rico, USA
Downgrade	H	Humana Insurance of Puerto Rico, Inc. Humana Inc.	008265	B+ bbb-	Negative Negative	B++ bbb	Stable Stable	Puerto Rico, USA
Upgrade	L	Legal & General Reinsurance Co No.2 Ltd Legal & General Group Plc	043091	A+ aa-	Stable Stable	A a	Stable Stable	Bermuda
Downgrade	H	PacificSource Health Plans PacificSource	064500	B++ bbb	Stable Stable	A- a-	Stable Stable	Oregon, USA
Upgrade	H	Physicians Health Plan of Northern IN Corewell Health	068743	B++ bbb+	Positive Positive	B++ u bbb u	Positive Positive	Indiana, USA
Outlook Change	H	UPMC For You Inc University of Pittsburgh Medical Center	064807	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Outlook Change	H	UPMC Health Coverage Inc University of Pittsburgh Medical Center	061791	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Outlook Change	H	UPMC Health Network Inc University of Pittsburgh Medical Center	064808	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Outlook Change	H	UPMC Health Options, Inc. University of Pittsburgh Medical Center	065205	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Outlook Change	H	UPMC Health Plan Inc University of Pittsburgh Medical Center	064162	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Downgrade	H	Vermont Health Plan, LLC Blue Cross Blue Shield of MI Mut Ins Co	064124	C++ u b+ u	Negative Negative	B u bb u	Negative Negative	Vermont, USA
AMERICAS PROPERTY/CASUALTY								
Outlook Change	P	Alliance of Nonprofits for Ins RRG, Inc. Nonprofits Insurance Alliance Group	012419	A a+	Stable Negative	A a+	Stable Stable	Vermont, USA
Outlook Change	P	American Casualty Company of Reading, PA Loews Corporation	002127	A a+	Positive Positive	A a+	Stable Stable	Pennsylvania, USA
Rating Affirmation	P	Centerline Insurance Company Watkins Associated Industries, Inc.	018869	B++ bbb+	Stable Stable	B++ u bbb+ u	Negative Negative	Georgia, USA
Outlook Change	P	Columbia Casualty Company Loews Corporation	003538	A a+	Positive Positive	A a+	Stable Stable	Illinois, USA
Outlook Change	P	Conduit Reinsurance Limited Conduit Holdings Limited	074595	A- a-	Positive Positive	A- a-	Stable Stable	Bermuda
Outlook Change	P	Continental Casualty Company Loews Corporation	002128	A a+	Positive Positive	A a+	Stable Stable	Illinois, USA
Outlook Change	P	Continental Insurance Co of New Jersey Loews Corporation	001882	A a+	Positive Positive	A a+	Stable Stable	New Jersey, USA

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Nonlife); L = Life; H = Health; T = Title; C = Composite.

Opinion Modifiers: u = Under Review; sf = Structured Finance; i = Indicative Credit Rating Modifier; s = Syndicate Credit Rating Modifier

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS PROPERTY/CASUALTY (CONTINUED)								
Outlook Change	P	Continental Insurance Company Loews Corporation	002118	A a+	Positive Positive	A a+	Stable Stable	Pennsylvania, USA
Initial Rating	P	Fenchurch General Insurance Company 13364178 Canada Inc.	087061	A- a-	Stable Stable	NR nr		Ontario, CAN
Initial Rating	P	HDI Global Select Insurance Company HDI V.a.G.	021783	A+ aa-	Stable Stable	NR nr		Indiana, USA
Downgrade	P	Independent Mutual Fire Insurance Co	002758	B++ bbb	Stable Stable	B++ bbb+	Stable Negative	Illinois, USA
Upgrade	P	Landcar Casualty Company Asbury Automotive Group, Inc.	011066	A a	Stable Stable	A- a-	Positive Positive	Utah, USA
Outlook Change	P	National Alliance of Nonprofits for Ins Nonprofits Insurance Alliance Group	012418	A a+	Stable Negative	A a+	Stable Stable	Vermont, USA
Outlook Change	P	National Fire Insurance Co of Hartford Loews Corporation	002129	A a+	Positive Positive	A a+	Stable Stable	Illinois, USA
Initial Rating	P	National Grid Insurance USA Ltd National Grid plc	020653	A- a-	Stable Stable			Vermont, USA
Outlook Change	P	Nonprofits Ins Alliance of CA, Inc. Nonprofits Insurance Alliance Group	011845	A a+	Stable Negative	A a+	Stable Stable	California, USA
Outlook Change	P	North Rock Insurance Company Limited Loews Corporation	086627	A a+	Positive Positive	A a+	Stable Stable	Bermuda
Initial Rating	P	QBE Capital (Global) Ltd. QBE Insurance Group Limited	056278	A a+	Stable Stable	NR nr		Bermuda
Initial Rating	P	QBE Capital Ltd. QBE Insurance Group Limited	071372	A a+	Stable Stable	NR nr		Bermuda
Outlook Change	P	Surety Bonding Company of America Loews Corporation	011333	A a+	Positive Positive	A a+	Stable Stable	South Dakota, USA
Outlook Change	P	Transportation Insurance Company Loews Corporation	002131	A a+	Positive Positive	A a+	Stable Stable	Illinois, USA
Outlook Change	P	Universal Surety of America Loews Corporation	002785	A a+	Positive Positive	A a+	Stable Stable	South Dakota, USA
Outlook Change	P	UPMC Health Benefits Inc. University of Pittsburgh Medical Center	012486	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Outlook Change	P	UPMC Work Alliance, Inc. University of Pittsburgh Medical Center	022023	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
Outlook Change	P	Valley Forge Insurance Company Loews Corporation	002132	A a+	Positive Positive	A a+	Stable Stable	Pennsylvania, USA
Outlook Change	P	Western Surety Company Loews Corporation	000974	A a+	Positive Positive	A a+	Stable Stable	South Dakota, USA
Outlook Change	P	WorkPartners National, Inc. University of Pittsburgh Medical Center	020947	A- a-	Negative Negative	A- a-	Stable Stable	Pennsylvania, USA
EUROPE, MIDDLE EAST & AFRICA								
Initial Rating	P	American Atlantic Assurance Co. Ltd. Steven Menzies	043618	A- a-	Negative Negative			Malta
Upgrade	C	Assicurazioni Generali S.p.A. Assicurazioni Generali S.p.A.	085071	A+ aa-	Stable Stable	A a+	Stable Stable	Italy
Under Review	P	Aviva Insurance Limited Aviva plc	078773	A+ u aa- u	Developing Developing	A+ aa-	Stable Stable	United Kingdom
Initial Rating	P	Casualty & General Insurance Co (EU) Ltd CG Holdings (Gibraltar) Limited	078527	B+ bbb-	Stable Stable	NR nr		Gibraltar
Upgrade	P	Europ Assistance S.A. Assicurazioni Generali S.p.A.	078676	A+ aa-	Stable Stable	A a+	Stable Stable	France
Rating Withdrawal	P	FM Insurance Company Limited Factory Mutual Insurance Company	086513	NR nr		A+ aa	Stable Stable	United Kingdom

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Nonlife); L = Life; H = Health; T = Title; C = Composite.

Opinion Modifiers: u = Under Review; sf = Structured Finance; i = Indicative Credit Rating Modifier; s = Syndicate Credit Rating Modifier

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
EUROPE, MIDDLE EAST & AFRICA (CONTINUED)								
Initial Rating	P	Gaviota Re S.A. Repsol, S.A.	057493	A- a-	Stable Stable	NR nr		Luxembourg
Upgrade	C	Generali Česká pojišťovna a.s. Assicurazioni Generali S.p.A.	083779	A+ aa-	Stable Stable	A a+	Stable Stable	Czech Republic
Upgrade	P	Generali Deutschland AG Assicurazioni Generali S.p.A.	084112	A+ aa-	Stable Stable	A a+	Stable Stable	Germany
Upgrade	L	Generali Deutschland Lebensversicherung Assicurazioni Generali S.p.A.	085761	A+ aa-	Stable Stable	A a+	Stable Stable	Germany
Upgrade	P	Generali Deutschland Versicherung AG Assicurazioni Generali S.p.A.	085076	A+ aa-	Stable Stable	A a+	Stable Stable	Germany
Upgrade	C	Generali Espana, S.A. de Seguros y Reas Assicurazioni Generali S.p.A.	090414	A+ aa-	Stable Stable	A a+	Stable Stable	Spain
Upgrade	P	Generali IARD S.A. Assicurazioni Generali S.p.A.	084095	A+ aa-	Stable Stable	A a+	Stable Stable	France
Upgrade	C	Generali Italia S.p.A. Assicurazioni Generali S.p.A.	086554	A+ aa-	Stable Stable	A a+	Stable Stable	Italy
Upgrade	C	Generali Vie S.A Assicurazioni Generali S.p.A.	085695	A+ aa-	Stable Stable	A a+	Stable Stable	France
Downgrade	C	Ghana Reinsurance PLC	090035	C++ b+	Stable Stable	B- u bb- u	Negative Negative	Ghana
Outlook Change	P	Irwell Insurance Company Limited	087409	B++ bbb	Stable Positive	B++ bbb	Stable Stable	United Kingdom
Rating Withdrawal	P	Premier Insurance Co Ltd ¹ Premier Underwriting Holdings (GI) Ltd	092597	NR nr		B bb	Negative Negative	Gibraltar
Initial Rating	L	Sanlam Life Insurance Limited Sanlam Limited	085888	A- a-	Stable Stable	NR nr		South Africa
Initial Rating	P	Santam Limited Sanlam Limited	086791	A- a-	Stable Stable	NR nr		South Africa
Outlook Change	C	Union Insurance Company P.J.S.C.	090357	B+ bbb-	Positive Positive	B+ bbb-	Stable Stable	United Arab Emirates
ASIA-PACIFIC								
Initial Rating	P	Japan Ship Owners' Mut P&I Assn	089451	A- a-	Stable Stable	NR nr		Japan
Upgrade	C	Korean Reinsurance Company Korean Reinsurance Company	085225	A a+	Stable Stable	A a	Stable Positive	South Korea
Initial Rating	P	Min Xin Insurance Company Limited Fujian Invest & Development Grp Co Ltd	092147	B++ bbb+	Stable Stable	NR nr		Hong Kong
Upgrade	P	Provident Insurance Corporation Limited Nominee No. 2 Limited	092486	B+ bbb-	Stable Stable	B bb+	Positive Positive	New Zealand
Outlook Change	P	Starr Internat'l Ins (TH) Public Co Ltd Starr International Company, Inc.	084373	A- a-	Positive Positive	A- a-	Stable Stable	Thailand
Upgrade	P	Tune Protect Re Ltd. Tune Protect Group Berhad	092785	B++ bbb+	Stable Stable	B++ bbb	Stable Positive	Malaysia
AMERICAS								
Rating Withdrawal	P	Caring Communities Insurance Company ² Caring Communities, a Reciprocal RRG	075478	NR nr		A- a-	Stable Stable	Cayman Islands
Downgrade	P	M&C General Insurance Company Limited G.A. Roe & Sons Limited	092884	B++ bbb	Stable Stable	A- u a- u	Negative Negative	St. Lucia
Initial Rating	L	Oceanview Secure Reinsurance, Ltd. Oceanview Holdings Ltd.	043604	A a	Stable Stable			Cayman Islands
Outlook Change	P	Seguros e Inversiones, S.A. Inversiones Imperia El Salvador SA de CV	089450	B++ bbb+	Positive Positive	B++ bbb+	Stable Stable	El Salvador

¹ The ratings of bb/B were affirmed on Dec. 6, 2024, and subsequently withdrawn.

² The ratings were downgraded from a g/A to a-/A- on Dec. 11, 2024, and subsequently withdrawn.

Outlook: Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Nonlife); L = Life; H = Health; T = Title; C = Composite.

Opinion Modifiers: u = Under Review; sf = Structured Finance; i = Indicative Credit Rating Modifier; s = Syndicate Credit Rating Modifier

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches [*]	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

^{*} Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

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GUIDE TO BEST'S ISSUER CREDIT RATINGS – (ICR)

A Best's Issuer Credit Rating (ICR) is an independent opinion of an entity's ability to meet its ongoing financial obligations and can be issued on either a long- or short-term basis. A Long-Term ICR is an opinion of an entity's ability to meet its ongoing senior financial obligations, while a Short-Term ICR is an opinion of an entity's ability to meet its ongoing financial obligations with original maturities generally less than one year. An ICR is an opinion regarding the relative future credit risk of an entity. Credit risk is the risk that an entity may not meet its contractual financial obligations as they come due. An ICR does not address any other risk. In addition, an ICR is not a recommendation to buy, sell or hold any securities, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser. An ICR may be displayed with a rating identifier or modifier that denotes a unique aspect of the opinion.

Best's Long-Term Issuer Credit Rating (Long-Term ICR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Exceptional	aaa	-	Assigned to entities that have, in our opinion, an exceptional ability to meet their ongoing senior financial obligations.
Superior	aa	aa+ / aa-	Assigned to entities that have, in our opinion, a superior ability to meet their ongoing senior financial obligations.
Excellent	a	a+ / a-	Assigned to entities that have, in our opinion, an excellent ability to meet their ongoing senior financial obligations.
Good	bbb	bbb+ / bbb-	Assigned to entities that have, in our opinion, a good ability to meet their ongoing senior financial obligations.
Fair	bb	bb+ / bb-	Assigned to entities that have, in our opinion, a fair ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Marginal	b	b+ / b-	Assigned to entities that have, in our opinion, a marginal ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Weak	ccc	ccc+ / ccc-	Assigned to entities that have, in our opinion, a weak ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Very Weak	cc	-	Assigned to entities that have, in our opinion, a very weak ability to meet their ongoing senior financial obligations. Credit quality is very vulnerable to adverse changes in industry and economic conditions.
Poor	c	-	Assigned to entities that have, in our opinion, a poor ability to meet their ongoing senior financial obligations. Credit quality is extremely vulnerable to adverse changes in industry and economic conditions.

* Best's Long-Term Issuer Credit Rating Categories from "aa" to "ccc" include Rating Notches to reflect a gradation within the category to indicate whether credit quality is near the top or bottom of a particular Rating Category. Rating Notches are expressed with a "+" (plus) or "-" (minus).

Best's Short-Term Issuer Credit Rating (Short-Term ICR) Scale

Rating Categories	Rating Symbols	Category Definitions
Strongest	AMB-1+	Assigned to entities that have, in our opinion, the strongest ability to repay their short-term financial obligations.
Outstanding	AMB-1	Assigned to entities that have, in our opinion, an outstanding ability to repay their short-term financial obligations.
Satisfactory	AMB-2	Assigned to entities that have, in our opinion, a satisfactory ability to repay their short-term financial obligations.
Adequate	AMB-3	Assigned to entities that have, in our opinion, an adequate ability to repay their short-term financial obligations; however, adverse industry or economic conditions likely will reduce their capacity to meet their financial commitments.
Questionable	AMB-4	Assigned to entities that have, in our opinion, questionable credit quality and are vulnerable to adverse economic or other external changes, which could have a marked impact on their ability to meet their financial commitments.

Long- and Short-Term Issuer Credit Non-Rating Designations

Designation Symbols	Designation Definitions
d	Status assigned to entities (excluding insurers) that are in default or when a bankruptcy petition or similar action has been filed and made public.
e	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
f	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
s	Status assigned to rated entities to suspend the outstanding ICR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
nr	Status assigned to entities that are not rated; may include previously rated entities or entities that have never been rated by AM Best.

Rating Disclosure: Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

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As Artificial Intelligence Regulation Expands, Awareness Is Key

Panelists including insurance defense counsel and an expert witness recently discussed with AM Best TV emerging risks, defense strategies and evolving precedents for AI-related litigation.

As regulations around artificial intelligence continue to expand and more AI-related litigation emerges, it is increasingly important for insurers to understand every aspect surrounding the use of artificial intelligence in claims, according to a panel of industry defense counsel and an expert witness.

AM Best TV recently discussed this and other issues with Maria Abate, shareholder, Colodny Fass; Matt Keris, shareholder, Marshall Dennehey; Dan Thompson, president and chief executive officer, DeeGee Rehabilitation Technologies Ltd.; and G. Jeffrey Vernis, managing partner, Vernis & Bowling of Palm Beach P.A., during an AM Best webinar, *Defending Artificial Intelligence Claims*. Following is an edited transcript of the discussion, which was sponsored by Best's Insurance Professional Resources.



Dan Thompson



Maria Abate



G. Jeffrey Vernis

What discussions have you had with clients regarding AI claims?

Vernis: I was having a conversation with somebody the other day about deposition summaries using AI—using the AI tools for deposition summaries. We may start doing that, and if clients are encouraging us to do it, that's fine. But what happens is that you give the deposition to whomever the provider is that's going to do this deposition summary, and they're going to use that tool. They're going to put that deposition into their database, and it's going to provide a report of that deposition [and find] what AI thinks is a significant issue, or what AI thinks is important. But the only data that it has is that deposition because what happens is when that report is done they then remove and delete that deposition because that's part of the security and privacy that this company I was talking to talks about.

How do you evaluate whether an AI system has operated as intended or if a malfunction occurred in a case involving AI-related harm?

Thompson: I was challenged by plaintiffs and I used ChatGPT. I thought, "Wow, this is great." You know, I'm getting all this case law. I'm able to look up any precedents out there where life care planners and/

or vocational experts were able to basically thwart any of these challenges. And I thought, "This is fantastic." I built up all this information. I submitted it to my lawyer. Obviously,

we're going to go through it, and there was no justification to any of those cases that it couldn't be warranted. So unless you are hooked up to Westlaw or some other database, ChatGPT unto itself or the general internet isn't going to give you the information you're looking for.

Are the regulators able to keep pace with what's going on in AI?

Abate: The law is always reactive, but it has been becoming a major issue at this point. The [National Association of Insurance Commissioners] just came out with model rules for other states to develop and they're looking primarily at transparency in the algorithms and the constant checking to see what the outcomes are and to make sure that there is no bias going on.

What's the big takeaway here?

Keris: This is changing everything. It's great that we're using AI to help with costs, summarizing depositions, etc., but we have to start using and thinking of using AI to lower the indemnity. There are apps out there that the plaintiffs bar has. There's one right now out there for jury selection, where the app will use the juror information and spit out who the plaintiff should have as their potential juror. We need to do that. How are we going to do that? Who's going to pay for it? These are the things we need to do—break down silos.

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—John Weber



Scan for more information about Best's Insurance Professional Resources.

AM Best TV



Scan to watch *Defending Artificial Intelligence Claims*.

Leading AI Platforms Delve Into Insurance Industry Innovations Across Product Lines



Artificial intelligence models offer examples of how tech is reshaping the business of insurance.

Technological change continues to alter consumer behavior, transforming the insurance landscape across product lines, according to a Best's Special Report, *Insurers Continue To Innovate, Albeit to Varying Degrees*.

These trends have created challenges and opportunities for insurers, accelerating the need for innovation and rewarding the most innovative insurers, the report said.

Best's Review asked three artificial large language model programs the following question: What are some recent insurance industry innovations?

The following are excerpts from the responses:

Anthropic's Claude 3.5 Sonnet

Parametric Insurance has gained significant traction, offering automatic payouts based on predefined triggers like weather events or natural disasters. For example, farmers can receive immediate compensation if rainfall drops below certain levels, without going through traditional claims processes.

Usage-Based Insurance (UBI) has evolved beyond basic telematics for auto insurance. Insurance companies now use IoT devices and smartphone apps to track driving behavior, home systems, and even health metrics for more personalized pricing.

AI and Machine Learning applications have transformed underwriting and claims processing. Companies like Lemonade pioneered AI-powered claims handling, with some claims being processed in seconds rather than days or weeks.

Microinsurance and On-Demand Coverage have become more prevalent, allowing customers to insure specific items or activities for short periods through mobile apps.

ChatGPT

Digital Channels and Customer Interaction:

The adoption of digital platforms, including mobile apps and AI-driven chatbots, has

transformed customer engagement by making interactions more convenient and accessible. This shift enhances customer satisfaction and operational efficiency.

Hybrid Insurance Products: Insurers are developing hybrid policies that combine different types of coverage. For instance, some life insurance policies now include provisions for long-term care, allowing policyholders to access benefits during their lifetime if needed.

Peer-to-Peer Insurance: This model allows individuals to pool their premiums to insure against risks collectively, aiming to reduce costs and increase transparency. Excess funds are often returned to the group or donated to a chosen cause, aligning interests between insurers and policyholders.

Grok-2

Cyber Insurance Evolution: Given the rise in cyberthreats, there's been innovation in cyber insurance products, with policies becoming more tailored to specific vulnerabilities and incorporating AI for real-time threat detection and response.

Regulatory and Compliance Innovations: New technologies assist in navigating the complex landscape of insurance regulation, making compliance more efficient. This includes tools for [the European Union's General Data Protection Regulation] compliance and other regulatory frameworks globally.

Cloud Computing: There's a notable trend toward cloud-based solutions for data management, which allows insurers to be more agile, reduce costs, and scale operations.

Innovative Insurance Products: New product offerings are focusing on niche markets or unmet needs, such as usage-based insurance for various scenarios, or insurance for emerging technologies.

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—Staff Reports

MASTHEAD BACKSTAY

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