

Demand for MLS

Tom Iorio, Senior Vice President, Nationwide Management Liability & Specialty, said that data and analytics as well as other technologies such as artificial intelligence and machine learning are changing the game for management liability insurers, and Nationwide is at the forefront of that revolution. Following are excerpts of an interview.



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Has the need for MLS coverage increased due to the pandemic?

We've seen an increase in a couple of areas. We have six different businesses here and we saw an uptick in three of them. Our private company D&O saw an uptick because of the amount of people in and out of work in those smaller private businesses due to the shutdown caused by the pandemic. We also saw a huge increase in our surety book of business, with all the economies closing down before they decided that construction was an essential business. Then, we took a good view of what was able to get done during that time and went strong into the contract side of the business. Lastly, from a cyber perspective, we have seen that demand really ramp up over the last two years.

What are some of the other trends that you've seen in MLS?

There are two trends in particular, one good, one bad. We've seen a downturn in the securities class actions, which has been good for our public company D&O business. We've seen securities class actions down for the last two years, which has been a great development for the public company book of business. On the other side, we've seen a big uptick in cyber claims. We've seen an increase in both ransomware issues and breaches in general. We don't know if that's just a heightened amount of people looking to see what they can do from a penetration, or the fact that the transition to working from home makes people more vulnerable as a lot of the population is now working remotely. The work-from-home environment creates different vulnerabilities. You may not be going through their VPN. You may be using your home network and that creates different vulnerabilities that people can exploit an attack.

How is data and analytics changing MLS?

That's been a revolution over the past couple of years. The biggest evolution has been with the cloud. You're able to take that data now, put it in the cloud, organize it in a different manner, and then extract it. We could see ways that we weren't able to use it before. Data has been incredible. As for analytics, there's been such an emphasis on that. Nationwide E&S specifically has created teams

Tom Iorio

Senior Vice President
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"At Nationwide, we have a strong underwriting team and we're very consistent in what we do."

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that we call our data pods. They've come up with specific projects that we look at. They will learn a lot from that, either positive or negative or sometimes some things don't even work, yet you learn a lot from that, also.

What makes Nationwide different?

First and foremost, Nationwide is a Fortune 100 company with strong financials, an expert underwriting team and a long track record of performance. Because of our stability, we're not subject to the whims of the market like some other carriers. Instead, we're here for our clients consistently. We also have the flexibility to be creative with our products so we can tailor our coverage to the needs of our insureds. On top of that, we're committed to communicating and collaborating with our distribution partners, which is essential to our mutual success. We make sure we are there for them on a consistent basis and that is where I see Nationwide coming in as a great partner for our distribution partners and for our clients.