



Program Administrators Association

"Where Program Business Gets Done"

State of Program Management Business 2023 - Carriers

Introduction

Welcome to the Target Markets Program Administrators Assn. (TMPAA) 2023 State of Program Business survey. Since 2011, this study has been a nationally recognized source of information about the program business segment of the insurance industry. It is designed to provide data about the size and dynamics of the marketplace and explores topics that can deliver valuable insights to assist with your future program business planning.

We define Program Administrators as providing insurance products targeted to a particular niche market or class that are placed with one carrier. Program Administrator responsibilities include underwriting selection, binding, issuing, and may also include marketing, billing, premium collections, data gathering, claims management/loss control and possibly risk sharing.

The survey data you submit goes directly to Zywave to ensure the confidentiality and anonymity of responses. Zywave will not use this data for any other purpose beyond creating the study results for the TMPAA. The TMPAA will only receive the analysis without any identifying information.

In order to create the most comprehensive report possible, we would ask that all the programs underwritten by your company be included in the information you provide. This may include programs that are outside of the company's program unit. You can contact us to have a separate survey sent to another individual in your company if this will result in a more accurate picture of your total program involvement.

Please enter any numeric amounts without "\$" or ", "!

* 1. Provide the name of your company:

2. Provide the name of your ultimate parent company, if different:

* 3. We have identified your company as an insurance carrier active in the program space. We define that as delegating binding and underwriting authority ("the Pen") to Program Administrators with whom you have a contractual partnership. TMPAA identifies companies as program carriers if they have at least two current programs.

- Yes, this describes our firm
- No, our firm does not match this description



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Company & Program Information

The following questions ask for information about your firm and the programs it insures.

1. How many distinct programs does your firm insure?

Distinct Programs

2. How many employees do you have dedicated to program business?

- 0 - 5
- 6 - 10
- 11 - 15
- 16 - 25
- 26 - 50
- More than 50

3. What is the average number of programs managed by each of your program underwriters?

Average number of programs/underwriter

4. What is the average number of programs offered on your company's paper per program administrator?

Average number of programs/administrator

5. What are your total gross program premiums from programs and what percentage of your total gross premiums written does Programs represent? (Numerical Text Only e.g. \$1,000,000 = 1000000)

Total Gross Premiums (\$)

Percentage of total (%)

6. Please estimate your average premium per program.

- Less than \$5 million
- \$5 million to under \$10 million
- \$10 million to under \$20 million
- \$20 million under \$50 million
- \$50 million to under \$100 million
- Greater than \$100M

7. Please provide your minimum requirement for existing premium volume to consider a program.

- Less than \$3 million
- \$3 million to under \$5 million
- \$5 million to under \$8 million
- \$8 million to under \$15 million
- \$15 million or greater

8. What percentage of your total number of programs come from the following type of brokers/agencies? (Please assign an organization to a group based on its predominant business model)

Percentage of Programs (%)	
Program Administrator	<input type="text"/>
MGA/MGU	<input type="text"/>
Wholesale	<input type="text"/>
Retail	<input type="text"/>

9. What is the average tenure of your programs?

12. What percentage of your property programs are CAT exposed?

0 - 10%

51 - 60%

11 - 20%

61 - 70%

21 - 30%

71 - 80%

31 - 40%

81 - 90%

41% - 50%

91 - 100%

13. Approximately what percent of your programs are admitted vs. non-admitted? (Responses should add up to roughly 100%)

Admitted only %

Non-admitted only %

Mix of admitted & non-admitted %

14. Approximately what percent of your program premiums are admitted vs. non-admitted? (Responses should add up to roughly 100%)

Admitted premium %

Non-admitted premium %



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Industry Projection

In this set of questions we are seeking to understand where you see the industry in the next few years.

1. What is your program strategy over the next 3 years?

- Add Programs
- Eliminate Programs
- No Change Planned
- Don't Know

2. If you plan to add programs over the next three years what will be your strategy?

- Add programs through existing program administrator relationships
- Add programs by partnering with new program administrators
- A combination of both
- Don't know
- N/A

3. Do you anticipate increasing or decreasing premium written in the next three years?

- Increasing
- Decreasing
- No Change
- Don't Know

Please explain:

4. What is the rough amount by which you anticipate increasing or decreasing your written premiums in the next three years, if any?

5. What are your plans over the next 12 months for the following lines of business?

	Expand	Reduce	Stay the same	Don't know	N/A
Accident & Health	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Automobile	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cyber	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employment Practices Liability (EPLI)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excess/Umbrella	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fidelity & Crime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial & Political Risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management Liability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marine & Aviation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Medical Malpractice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Package	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professional Liability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Property	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Surety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workers Compensation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

6. By what percentage did your premiums written through programs (gross written) change in 2022?

- | | |
|--|--|
| <input type="radio"/> Down more than 30% | <input type="radio"/> Up 1% to 3% |
| <input type="radio"/> Down 21% to 30% | <input type="radio"/> Up 4% to 10% |
| <input type="radio"/> Down 11% to 20% | <input type="radio"/> Up 11% to 20% |
| <input type="radio"/> Down 4% to 10% | <input type="radio"/> Up 21% to 30% |
| <input type="radio"/> Down 1% to 3% | <input type="radio"/> Up 31% to 40% |
| <input type="radio"/> Unchanged | <input type="radio"/> Up more than 40% |

7. Do you plan to grow your program business by acquiring PAs?

- Yes
- No
- Don't know

8. If your company has written a startup program in the last two years, what kind was it?

- An additional program to an existing PA relationship
- A new program with a new relationship
- An expansion program to an existing product
- N/A
- Other (please specify)

9. Do you tend to take programs net, percentage retention or reinsurance?

- Net
- Reinsurance
- Both
- Don't Know

10. If you use reinsurance, how is it structured? (Select all that apply)

- By the program
- Across all programs
- Part of corporate program
- All of the above
- N/A

11. Do you offer risk sharing agreements where the PA shares a direct percentage of profit and loss of the program?

- Yes
- No
- Don't Know

12. If yes, do you use any of the following risk sharing methods? (Select all that apply)

- Profit Sharing
- Sliding Scale Commissions
- Captives
- Risk Retention Groups (RRG)
- N/A
- Other (please specify)

13. Do you allow your program administrators to administer claims?

- Yes
- No
- Don't know
- Other (please specify)

14. Have you dropped programs in the previous two years?

- Yes
- No
- Don't know

15. If yes, for what reasons did you drop programs in the previous two years? (Check all that apply)

- Poor performance
- Corporate decision to exit line of business
- Reduce percentage of money in program business
- N/A
- Other (please specify)

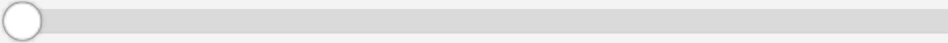
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Fronting and the PA marketplace

1. Over the last two years, approximately what percentage of programs were brought to you via intermediaries?

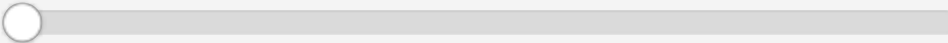
2. If you are a fronting or hybrid carrier, what's the maximum percentage you will retain net?

0 100

A horizontal slider control with a circular knob at the 0 position and a rectangular input box at the 100 position.

3. If you are a fronting or hybrid carrier, what's the minimum percentage you will retain net?

0 100

A horizontal slider control with a circular knob at the 0 position and a rectangular input box at the 100 position.



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Market Conditions

1. Overall, how has the hardening insurance market impacted your programs?

	Decreased significantly	Decreased slightly	Stayed the same	Increased slightly	Increased significantly
Pricing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capacity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Terms and conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reinsurance availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. Have you reduced capacity in any of your programs?

- Yes
- No
- Don't know

Please explain:

3. How do you expect rates will change over the next two years?

	Down more than 10%	Down 1 - 10%	Stayed the same	Up 1 - 10%	Up 11 - 25%	Up 26 - 50%	Up more than 50%	N/A
Accident & Health	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Automobile	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cyber (standalone)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employment Practices Liability (EPLI)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excess/Umbrella	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fidelity & Crime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial & Political Risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management Liability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marine & Aviation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Medical Malpractice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Package	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professional Liability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Property	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Surety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workers Compensation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Are you limiting capacity in any of the following lines of business? (Select all that apply)

- | | |
|--|---|
| <input type="checkbox"/> Accident & Health | <input type="checkbox"/> Management Liability |
| <input type="checkbox"/> Automobile | <input type="checkbox"/> Marine & Aviation |
| <input type="checkbox"/> Cyber (standalone) | <input type="checkbox"/> Medical Malpractice |
| <input type="checkbox"/> Employment Practices Liability (EPLI) | <input type="checkbox"/> Package |
| <input type="checkbox"/> Excess/Umbrella | <input type="checkbox"/> Professional Liability |
| <input type="checkbox"/> Fidelity & Crime | <input type="checkbox"/> Property |
| <input type="checkbox"/> Financial & Political Risk | <input type="checkbox"/> Surety |
| <input type="checkbox"/> Liability | <input type="checkbox"/> Workers Compensation |



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Emerging Risks & Processes

1. Where it's optional, approximately what percentage of your program insureds purchase cyber insurance?

- | | |
|----------------------------------|--|
| <input type="radio"/> 1% to 5% | <input type="radio"/> 41% to 50% |
| <input type="radio"/> 6% to 10% | <input type="radio"/> 51% to 60% |
| <input type="radio"/> 11% to 20% | <input type="radio"/> Greater than 60% |
| <input type="radio"/> 21% to 30% | <input type="radio"/> N/A |
| <input type="radio"/> 31% to 40% | |

2. Is insurance technology causing your program administrators to consider a change in distribution?

- Yes
- No
- Don't know

3. In what areas are your program administrators utilizing data analytics and/or machine learning?

- Underwriting
- Claims
- Administration
- Loss Control
- They are not utilizing artificial intelligence
- Other (please specify)

4. Has your workforce remained remote?

- Yes, all employees
- Yes, some employees
- Yes, hybrid/flexible model is planned
- No
- Don't know

Please explain:

5. What other, if any, emerging risks (e.g. pandemic coverage, drones, autonomous vehicles etc.) do you believe are suitable for program business and why?

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Final Thoughts

1. What in your view are the strengths of program business today?

2. What in your view are the weaknesses of program business today?

3. What opportunities do you see for the program business in the next five years?

4. What threats do you see for the program business in the next 5 years?

5. Please provide any final thoughts regarding the future prospects of the program administration business.



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Thank You!