The State of the Association

Unparalleled Resources for Program Administration

Unparalleled (adj)- having no parallel or equal; exceptional.

Now in its 15th year of operation, the Target Markets Program Administrators Association is firmly established as the premier industry group focusing on the unique needs of program business professionals. Staying focused and providing exceptional resources to this industry segment continues to produce results. Target Markets is closing in on 300 program administrator member agencies, has over 60 carrier market members and a group of 70 elite vendors that provide critical business services to the program industry.

These numbers are more impressive when you consider the following statistics. The Association currently has almost 30% of all U.S. program administrators as members of the group. Over 20% are under the same roof for each of its two annual events. Program business continues to be the fastest growing segment of the U.S. commercial insurance marketplace which now totals over $30 billion dollars, with Target Markets' members writing over $20 billion in annual premium.

The group, powered by an experienced and seasoned Advisory Board, continues its focus on areas of emerging importance for its members. "Data collection and analysis have become an increasingly important requirement for successful program business operations," states Heidi Strommen, president of ProHost USA, and TMPAA president. "The technological advances in this area will lead to better book performance/underwriting results, and be a decided advantage for administrators who are in front of the curve regarding the use of analytics."

Due to the importance of data collection and analysis, the Association's 2015 State of Program Business Study will, in addition to tracking the growth of the program industry, focus on it as well. The study survey will elicit information from both program administrators and carriers to produce benchmarking data designed to inform members about the requirements to compete as sophistication in underwriting practices grows with the availability of data analytics. Results of the study will be presented at the October Summit.

In a similar vein, the Association is preparing members to adapt to changes in the marketplace brought on by new capital investors entering the industry, potentially altering the relationship of the program administrator and insurer. Industry leader VJ Dowling (Dowling & Partners Securities, LLC) will speak to the attendees at the Summit about these important changes. "The industry is changing more rapidly than ever due to technology," states Tracey Carragher, Breckenridge Insurance Group CEO and TMPAA Advisory Board member. "Target Markets is committed to inform and educate our members on this changing landscape from new analytics to new capital, to new players and different reinsurance approaches. We want our members to be able to exchange ideas with each other and ask the appropriate, focused questions of capital providers. Our goal is to arm our members with as much substantive, unbiased information so they can continue to lead the marketplace. VJ Dowling's presentation at the Summit will provide a good perspective on where the industry is going. It is information our members can use in their strategic planning process."

As has been the case for over a decade, the numerous tools and resources developed by the TMPAA for its members ensure the important return on Association investment, but the greatest value of Target Markets continues to be the networking and business development that come from putting hundreds of program business professionals together at two annual events, and through the various connections available on the group's website. The Association's LinkedIn site now has over 1,000 participants.

Responding to Target Markets members' need for more efficient access to information about the program strategies of its 60-plus carrier members, the Association will be introducing a new advanced search function on their website that allows program administrators to quickly search for complimentary markets using specific program characteristics. "The Association has done a good job collecting data from our program markets, but sifting through posted information for each of our 60 carrier markets is inefficient and often led to discussions with carriers that weren't a fit from the start," indicates Chris Pesce, president of Maritime Program Group and TMPAA Advisory Board member. "The new online search tool will be an important resource for Association members, helping us to easily identify and meet with the carriers that are our most likely program partners while also providing the Association with the insight to identify gaps in program capacity, which we can then work to address."

Over the course of the past two years, the Association has strengthened its relationship with the Lloyd's marketplace, specifically around the capacity for startup and small program development. Several London markets that write program business have joined the group, and the Association-endorsed London broker, Tysers, has been a conduit to the Lloyd's Syndicates and the capacity they provide in the program space. "Many of Lloyd's long-term program relationships developed from small programs that were encouraged to grow over time," indicates Richard Hodge, director of the North American and International Property and Casualty Division at Tysers in London. "Lloyd's markets do not have fixed premium minimum requirements, so if a deal makes sense in the longer term, the syndicates are prepared to consider smaller initial premium volumes than many U.S. domestic carriers."

During this same period, the Association partnered with BMS Intermediaries to provide reinsurance support to Target Markets' members and assist with multiple areas of program development. "Our charter with Target Markets is to work as a partner with program administrators and carriers to improve books of business and bring new capacity to the group on either an insurance or reinsurance basis," states Dawnmarie Black of BMS Intermediaries. "We will also work with PAs with smaller books of business and prospective program administrators traditionally underserved by the broker community."

"The ability to work with the talented individuals on the TMPAA Advisory Board, committees, and members who provide feedback through our evaluation process, has enabled us to quickly adapt to a changing industry environment," states Ray Scotto, TMPAA executive director. "The direction of the Association, its initiatives and resources are all conceived and nurtured by our members. It is the key reason Target Markets has maintained its relevance and continues to grow." ■