Companies that provide strategic resources and expertise to insurers discuss their capabilities and possibilities.

Interviewed Inside:

Tom Clark
Nationwide
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Igniting Innovation

Known for saying to associates and distribution partners, “What got us where we are today, won’t get us where we need to go,” Nationwide E&S/Specialty President Tom Clark is passionate about fostering innovation. “History shows that as companies reach the 40-year mark, they need to innovate to remain relevant and thriving,” said Clark. “Nationwide’s E&S organization was founded in 1982, so we see this work as critical to our evolution.” The following are excerpts from a recent interview.

Why is innovation important in today’s market?
The hyper-changing and dynamic E&S and specialty lines industries require that we innovate to succeed. Mergers and acquisitions, along with new entrants, are changing the distribution landscape. Naïve capital is prolonging competitive pricing. Changes in weather are resulting in more frequent and severe catastrophes. Social inflation is creating an escalating litigious environment. Advances in technology are leading to the commoditization of what were once traditional E&S risks, while also helping us meet the increased demand for speed and ease in a digital world.

These factors are driving the need to leverage data and analytics to better manage the pricing, products and services we provide our distribution partners. As we lend a data scientist mindset to commoditized business, we will create capacity for our underwriters to harness their industry-leading expertise more effectively on the true E&S risks. I am convinced the only way forward is to disrupt ourselves to find new and better ways of differentiation, and to maintain a leadership position in the industry.

How is Nationwide fostering a culture of innovation?
We are enhancing the operational models across every area of our business to create opportunity for associates, while profitably growing our business. Our senior vice president of product/program expansion is cultivating innovative go-to-market strategies in support of our P&C brokerage, binding authority, specialty brokerage, surety, professional lines, and program books. This includes supporting acquisitions, identifying emerging markets and talent lifts, and developing unique opportunities with our distribution partners. We enlisted our actuarial vice president to build a specialized analytics team to draw from decades of data to develop predictive models for best-in-class pricing and risk selection. Our vice president of cyber products is focused on managing the growth of Nationwide’s entire cyber portfolio. We recently acquired program manager E-Risk to leverage their platform to enable cross-sell opportunities for our distribution partners.

How are you bringing your distribution partners along?
The voice of the customer is always at the forefront of everything we do. I have been sharing this message with our partners for several years now. As we develop new strategies and processes, input from our partners is a key component. Getting their feedback from the start has been a game-changer for us. We are putting people, products and technology in place for our mutual success. True partnership, in which each party gives and gets, is the foundation of this organization. Despite the great deal of change I reference, it is one constant we will continue to build on to be successful.

Tom Clark
President, E&S/Specialty
Nationwide

“We’ve implemented innovation goals for every associate, as well as a system of rewards for both failure and success.”