

BEST'S REVIEW® ISSUES & ANSWERS: NEW DEVELOPMENTS IN THE AFFINITY PROGRAM MARKET

An industry expert discusses the new opportunities and the importance of technology in the affinity insurance market.



Interviewed Inside:



Gary Pearl
One80 Intermediaries

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Affinity for Growth

Gary Pearl, Affinity Groups Practice Leader, One80 Intermediaries, said the company will selectively grow its association life & health business through targeted acquisition of existing programs from competitors, along with driving organic growth within existing programs. Following are excerpts from an interview.



Gary Pearl

Affinity Groups Practice Leader
One80 Intermediaries



“We will continue to work across our organizations on effective integration of our businesses and operations as well as potential acquisition of other brokers/administrators in our markets to expand our affinity platform.”

Visit the Issues & Answers section at www.bestreview.com to watch an interview with Gary Pearl.

How does One80 define an affinity practice?

At One80, we define affinity as “a group of individuals or businesses formed around a shared interest or common goal.” We primarily focus on programs for professional associations and union groups, as well as insurance programs for business verticals such as small-to-midsize law firms, engineering firms, accounting firms and Realtors. There are additional opportunities that we’re beginning to explore where we will be able to successfully market and administer association group insurance products to online communities that are also bona fide associations. Additionally, there are broader affinity groups, such as members of other strong affinity organizations for example, frequent flyer program participants, Costco members—where we’re considering offering products and services that may work well for those consumers.

What are the high-level trends you are seeing in the affinity insurance space?

Clearly, we’ve seen many acquisitions of privately held broker/administrators in the affinity market over the past couple of years—more so than we’ve seen since the early to mid-1990s. As a result of those acquisitions, affinity groups are paying more attention to the market now and beginning to determine whether they should explore their options for partners that can bring them more products and services for their members’ insurance programs. Many of the longtime players in the affinity space have not made the investments in their organizations. As a result, affinity organizations are realizing the current technologies that their members are missing out on.

How will the consolidation strategy that One80 is deploying provide clients with competitive terms, conditions and pricing?

At this point, One80 has acquired four businesses in the affinity program market over the past year. Although there is some overlap in markets served and programs managed within these companies, there are a lot of areas in which the four organizations complement each other with other affinity products and services. Pearl Insurance was acquired as a platform company for future growth in the affinity program space, and we are looking collaboratively at how we can be stronger working together under

one organization and leverage each other’s strengths to better serve our respective clients. Our management teams have known and respected each other for decades—and are friends.

How do you leverage technology and what it means to your end consumer?

For the first 50 years of our company’s [Pearl Insurance’s] history, we were dependent on standard enterprise systems built for a broad sector in the insurance industry technology. We have never been able to get one of these vendors to build the type of functionality we have needed for our niche business. We ultimately decided we needed to invest in and build a more sophisticated, user-friendly technology built to support our specialized business. We’ve made those investments to a significantly greater degree than any of our competitors in this market—and that ultimately has paid significant dividends with us winning more accounts from our competitors as a result of the efficiency gains we’ve achieved and our ability to provide best-in-class digital shopping and self-service experience for our customers and their members.

