

BEST'S REVIEW® ISSUES & ANSWERS:

- Agriculture
- Insurance Platform and Experience Modernization

Experts discuss the new trends and challenges in the agriculture insurance market and how technology is helping insurers achieve digitalization of their business processes.

Interviewed Inside:



Nathan Bleich
Philadelphia Insurance Cos.



Meera Krishnamurthy
Cognizant

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Underwriting Agribusiness

Nathan Bleich, vice president of Agribusiness Underwriting for Philadelphia Insurance Cos., said most agribusiness clients may not fully understand all the ins and outs of insurance. “Agents have to help them understand some of their unique exposures and what they need coverage for,” he said. Following are excerpts from an interview.



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What are some of the trends and challenges in the agribusiness?

There's a lot going on right now in the agribusiness space, from inflation to severe weather challenges and changes. There's also wildfires taking place, especially in the western part of the country. Then there's the availability of water to irrigate crops that's becoming more of a challenge, and the utilization of precision agriculture, variable-rate technology, and the ability to apply water to more areas that need it. These are just some of the trends that are pertinent in today's marketplace.

What is the most important thing agents should know about supporting agricultural clients?

They really need to know their business. What's important to them? What do they want to cover? What are their liability exposures? Make sure they've got coverages that are custom tailored to those needs. They need to help them understand their exposures. They also need to know the carrier's risk appetite. What does the insurance company want to write? What do they target? What are they really good at? Then, finally, financial stability. Is that insurance company going to be there in the time of a claim, which is when insureds need them the most.

What impact has inflation and supply issues had on agribusiness?

Inflation is a fact of life right now. For farmers, ranchers and agribusiness clients, they have to worry about increased fuel costs, increased fertilizer costs, increased seed costs. Their equipment and vehicle repairs are higher as well. This means less profit, and loans cost more and may be harder to get. From an agency standpoint, they may have to shop their insurance. If they are taking increases on their policies, it may be a time for them to shop their insurance and find the best fit for them for the best price. As those margins go down in other areas, they're going to ask, “Hey, how much is my insurance costing me?” On top of that, the cost of

Nathan Bleich

Vice President of Agribusiness Underwriting
Philadelphia Insurance Cos.



“Agribusiness agents have to help clients understand their exposures and what they need coverage for. Then they need to be a coverage expert.”

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

claims has increased. Newer autos are harder to get, so a lot of people are repairing their old ones, but those costs have certainly increased with inflation.

How have wildfires impacted farmers and ranchers?

It's been a huge impact, especially in the western part of the country. Whether it be dwelling or structural fires, equipment losses, crop insurance losses, damage to their crops, smoke taint to their crops or other commodities. Then just the difficulty of finding insurance coverage that covers them adequately. It's definitely been a challenge. From a mitigation standpoint, there's some things that they can do. They can have a plan ahead of time. Be prepared for when that event occurs.



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Digital Revolution

Meera Krishnamurthy, Senior Vice President and Global Head of Insurance for Cognizant, said “from our experience and servicing clients in both the life and property and casualty sector globally, we can say with certainty that there is no one size that fits all solutions.” Following are excerpts of an interview.



How has insurance digitized in the last decade with the integration of new technologies and industry platforms?

The insurance industry is finally making real progress with digital. Virtually all insurers started in a rudimentary place, where every document at every stage of the insurance life cycle was on paper, and every document had to pass through human hands for things to get done. I still remember the giant storage spaces, whole floors of large buildings in fact, where all that paper was permanently housed in filing boxes! That visual—plus the record retention risks and service challenges—prompted most insurers to start by digitizing all that paper. Fast forward a few years, and insurers have discovered that they can skip right over the paper stage by doing things electronically, and in the process they capture and generate data that has a lot of utility.

Where do you still see opportunities for insurers to accelerate their business transformation?

For life insurers, we typically see carriers get stymied by a set of blockers, like a growing stack of legacy technology that is really hard to retire. Or an inability to bring new thinking about business processes or business models into the mix. And both of those things are perfectly rational. It is not easy to retire legacy technology, and the industry has seen plenty of failed attempts through the years. On innovation, traditionally it has simply been a risk/reward mismatch. The old business models have hundreds of years of success, so setting them aside to try something newer and risky is quite a leap. Carriers need to think creatively about solving their biggest problems in sequence. On the P/C side, we see tremendous opportunities as carriers develop functional ecosystems. In other words, the ability to combine best practices, great data, and modern technology in innovative ways, without building it yourself. It turns out one of the best things about the insurtech revolution is that we’re learning as an industry to bring capabilities together in a test-and-learn model.

Meera Krishnamurthy

Senior Vice President
Global Head of Insurance for Cognizant



“We are the largest system integrator in the insurance industry in North America.”

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

How is Cognizant leveraging new insurance platforms and ecosystems in insurance and how has that impacted its clients/partners?

At Cognizant, we generate value for insurers who are addressing core systems challenges by providing two essential things: deep platform and domain expertise, and a service palette that enables strategic flexibility. As the largest SI [system integrator] in North American insurance, we have knowledge across all major platforms and lines of business, for every step of the insurance value chain. Our advisory capabilities help customize solutions to every client’s specific needs. In addition, we have deep-dive technology expertise across the domains that drive the digital conversation like AI, data, automation, application engineering, and cloud. All that knowledge comes together in a wide range of models which we tailor to client needs, balancing risk and speed.

