

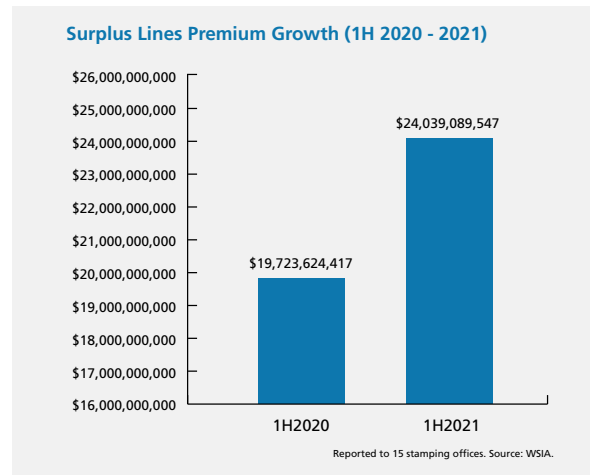
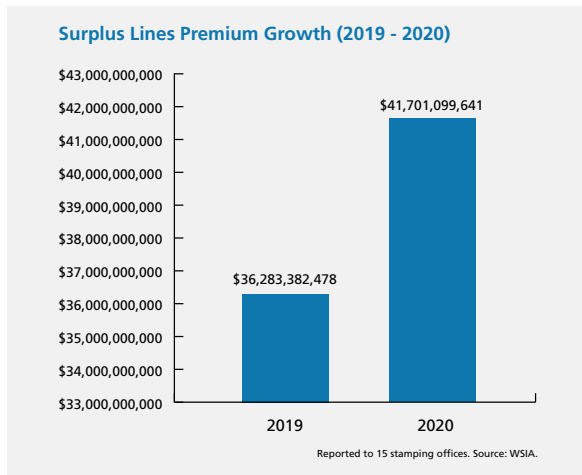
E&S Startups Emerge to Take on Insurance's Biggest Risks



An Industry POV

It's good to be in the E&S market right now. Indeed, E&S typically fares well during cycles when the standard market is challenged, and currently, with loss trends, social inflation, high jury verdicts and severe weather events, it's safe to say that the P&C industry has certainly been challenged.

The economic uncertainty stemming from the pandemic has only been a boon to the E&S market, with total surplus lines premiums hitting **\$41.7 billion for calendar year 2020**, a 14.9% increase over 2019. The first six months of 2021 were similar: Surplus lines premiums exceeded **\$24 billion through the first half of 2021**, a 21.9% increase over the same period in 2020. Source: [WSIA 2021 Midyear Report](#)



It's a market ripe for new players, and E&S startups are emerging to get in on the action by offering fast-growth coverage lines like residential and commercial construction, excess liability, commercial property, management liability, and cyber liability.



One of the most interesting trends we're seeing is in the types of E&S startups that are emerging. On one side, we see established insurance professionals taking advantage of the demand to launch their own companies. They are seeking to launch quickly but know they need a system that understands E&S product complexity. On the other side are the technology-driven startups, or insurtechs, which historically have mostly been focused on personal-lines products, which have now honed in on the small commercial and E&S space and plan to use technology to streamline their time to market.

Liza Smith Chief Revenue Officer, OneShield

Regardless of which category they fall into, these game-changers have a common North Star: to differentiate themselves by getting their unique products to market faster and servicing their customers in a way that best meets their needs.

“To do that, E&S startups must react quickly and be flexible enough to adapt to ever-changing competitive markets and the evolving needs of today’s customers,” said Smith. “They require a core system that can handle all the table-stakes functionality like underwriting, quoting and binding processes as well as the ability to handle the complexity of commercial contracts. Just starting from a blank slate is very costly and risky. Instead, leveraging a core system that has the deep feature and functionality you can use day-one is simply the quickest way to get to market. And that’s where established partners like OneShield can help.”

Smith notes that OneShield’s SaaS product is hosted in a secure, cloud-based environment, and the automated, end-to-end policy management functionality usually appeals to E&S startups. As a configurable solution, it allows for flexibility where needed for company differentiation, or as business needs inevitably change. And she says that as a full SaaS, OneShield takes over implementation and system management, and effectively becomes the startup’s IT team. Couple that value with an attractive ‘all-in-one’ pricing model, and the large upfront investment or future technology debt is eliminated for cash-strapped startups.

If the past few years have taught us anything, it’s that insurance risk is always increasing and the pace of change is relentless. Against this backdrop, E&S startups have a great opportunity, but only if they have the infrastructure to support it. Savvy E&S startups will invest in technology now so they can go the distance.



About OneShield

OneShield provides solutions for P&C insurers and MGAs of all sizes. Deployed in the cloud, our portfolio of standalone, subscription, and As-a-Service products includes enterprise-class policy management, billing, claims, rating, product configuration, business intelligence, and smart analytics. OneShield automates and simplifies the complexities of core systems with targeted solutions, seamless upgrades, collaborative implementations, and lower total cost of ownership. With corporate headquarters in Marlborough, MA, and offices in India, OneShield has 70+ products in production across P&C and specialty insurance markets. For more information, visit www.oneshield.com.