

## PROGRAMS

# Making programs stand out

Niche programs need and deserve exclusivity and specialty claims to build a solid foundation for profitable growth. Leaders from **Great American Alternative Markets** tell *IBA* why their program model is a notch above other program carriers

**THE ALTERNATIVE MARKETS** division of Great American Insurance Group is passionate about exclusivity and specialty claims. “If you don’t have exclusivity, you don’t have a program,” says Rich Suter, divisional president of Great American Alternative Markets.

as building their book of business and delivering high-quality service, while preventing their own carriers from ‘cannibalizing’ their programs. In addition, exclusivity can mean territorial and/or class exclusivity.

“There’s also exclusivity in terms of product and service offering,” Suter says. “We



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By exclusivity, Suter means providing a specialist underwriting approach and closed distribution model to help prevent multiple quotes and confusion, as well as a strict program delineation. With it, program managers can focus on important tasks, such

very often develop unique forms and coverages for programs that only they can get. And oftentimes, we’re introducing some type of unique approach to claims that only they have access to. We can also provide exclusivity in how we tailor and customize the





coverages and services provided.”

In one example, Great American created an exclusive program for Heritage Insurance, a Pennsylvania-based insurer of musical instruments. “We created a new, unique form to meet their customers’ specific needs,” Suter says. “And no one can get that form other than Heritage – that’s exclusive to that agency.”

In another example, Kona Ice CEO Tony Lamb established an exclusive relationship with Great American when he signed on to a captive risk-sharing insurance arrangement for his franchise owners in 2019. Until then, he’d been collaborating with his insurer, Cornerstone Insurance, to help cover his North American franchisees by leveraging a variety of underwriters in different states. The program through Great American concentrates on primary admitted property & casualty policies and workers’ comp coverage.

“It’s been great as far as their underwriting experience, working with a single underwriter,” says Mike Roaden, the co-founder of Cornerstone. “They know the market. We brought everything to them in the beginning. They researched it; they underwrote it.”

Roaden considers the exclusive relationship between Kona Ice and Great American to be a great way to stabilize rates while improving coverage and getting the best value for franchise owners.

### **Specialized expertise**

Great American Alternative Markets is equally enthusiastic about specialty claims. Whether it’s musical instruments, shaved ice, elevators or other specialty niches, the company goes out of its way to find and hire specialists in each industry to handle claims for that industry.

Referring to an elevator program Great American launched in 2016, Suter says that

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“it was very important for the agency to be involved in claims upfront – more involved than many of our other agents want to be. They have a lot of unique experts and attorneys who have backgrounds in elevator and escalator mechanics and understand all of the technical aspects of that industry.”

Then there’s Kona Ice. Prior to its relationship with Great American, the company was reliant on geographically dispersed carriers and multiple claims specialists, so Lamb says it wasn’t unheard of for trucks to be sent to generalist repair shops.



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Paul Naber, Great American Alternative Markets

“So we would have to rely on the latest and greatest claims agent who would take it to ‘Jimmy’s Auto Body’ – a \$130,000 ice cream truck,” he says. “And [Jimmy] didn’t know where to start. It was just tremendously archaic work to get this done.”

By contrast, Great American was able to find just the right specialist to take on these and other auto challenges: Paul Naber. Helping to oversee the fleet of trucks that comprise the Kona Ice enterprise, as well as handling classic car claims for Grundy Insurance, Naber is a natural. Now in his 40s, he’s been working in and running auto body shops since he was 15. Unlike many claims adjusters, he’ll notice if body shops are adding filler charges or charging twice for

the same thing. He says that once body shops realize that they’re dealing with someone who knows what he’s talking about, things go smoothly.

“I think that’s why our claims handling really sets us apart from the rest of the marketplace,” Naber says. “All we do are specialty programs, so our claims handlers are program-minded people. Because we have dedicated claims teams and adjusters for each program, they know the ins and outs of each program, so we don’t have the issues that generalist adjusters have.”

Roaden agrees. He saw firsthand how Great American went to Kona Ice and figured out how each of the trucks and trailers were made and how to fix them.

“The good thing is that we have great communication between Kona corporate’s repair team, and their equipment is so proprietary that we need specialized knowledge for a positive claims experience,” Roaden says. “And it’s just been very, very good.”

### Creating stability


That’s exactly what Great American Alternative Markets is looking for – lasting relationships with promising enterprises.

“We’re striving to be a long-term

## ABOUT GREAT AMERICAN INSURANCE GROUP

Great American Insurance Group’s roots go back to 1872 with the founding of its flagship company, Great American Insurance Company. Based in Cincinnati, Ohio, Great American Insurance Group is engaged primarily in property & casualty insurance, focusing on specialty commercial products for businesses. Great American Insurance Company has received an A (Excellent) or higher rating from A.M. Best for more than 110 years; its most recent rating evaluation was A+ (Superior) on January 28, 2021.

The members of Great American Insurance Group are subsidiaries of American Financial Group (AFG), also based in Cincinnati, Ohio. AFG’s common stock is listed and traded on the New York Stock Exchange under the symbol AFG. Policies are underwritten by Great American Insurance Company, Great American Alliance Insurance Company, Great American Assurance Company, Great American Insurance Company of New York and Great American Spirit Insurance Company, which are authorized insurers in all 50 states and Washington, DC.

player that provides stability to profitable programs,” Suter says. “Otherwise, you’re dealing with a constant churn of markets coming in – a whole lot of business – and they create a whole lot of underwriting loss and get shut down. Whether it’s a department or a company, we are very picky about who we deal with. And that focus on profitability is good for all involved because it creates stability and staying power in the market.” 

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