

NAPSLO NEXT GENERATION NEWS

Upcoming NAPSLO's Next Gen Annual Convention Events

Monday, September 30, 2013

San Diego, CA

Annual Convention Kickoff!

2:00 pm - 3:30 pm

Leadership Workshop -

Torrey Pine Room, Marriott Hotel, Lobby Level

Stepping Up in Time of Adversity

Moderated by Marcus Payne

Tuesday, October 1, 2013

3:00 pm - 4:00 pm

Next Gen Panel Discussions -

Manchester Foyer, 2nd Level

Stepping Up When it Counts

Gerald Dupre of Torus Insurance
Brenda (Ballard) Austenfeld of Westrope
James Drinkwater of AmWINS

4:00 pm - 5:30 pm

Next Gen Cocktail Reception

Gallery Room, Manchester Hyatt,
Ground Level

Please visit www.napslo.org for more details!



www.napslonextgen.org

Letter from the President:

Greetings from the 2013 NAPSLO Annual Convention in sunny San Diego! First and foremost, I would like to thank all of the individuals who had a hand in planning the convention; it takes a lot of time and energy to create wonderful events year to year! I am excited to spend time with all of you during our NAPSLO's Next Generation events, and we have an exciting line up scheduled!

We are honored to have Marcus Payne, Managing Director of All Risks, host the NAPSLO's Next Generation Leadership Workshop this year - "Stepping Up in Times of Adversity". On Monday, September 30th at 2:00 pm, Marcus will help participants assess their leadership style, adapt to become better leaders, and gain the skills required to step up in leadership roles during times of change, stress, and adversity. Due to the transitioning market, this workshop is extremely relevant to our current climate. Whether you are in a leadership role or are aspiring to be a future leader, this will be a 90 minute career changing workshop you do not want to miss! Please note that pre-registration is required for this event as seating is limited.

On Tuesday, October 1st at 3:00 pm we will host our annual Panel Discussion, "Stepping Up When it Counts". Our panelists include James Drinkwater - AmWINS, Brenda (Ballard) Austenfeld - Westrope & last but not least Gerald Dupre - Torus. The panelists will share the experiences they've faced while leading in times of adversity. All four panelists have a breadth of industry knowledge and are leaders in their own right. The panel discussion will take place in the Manchester Foyer at the Hyatt (2nd level); please stop by and check out this exciting event!

The annual NAPSLO's Next Generation Cocktail Reception will begin immediately following the panel discussion. This event offers a great opportunity to network with fellow NAPSLO's Next Generation members as well as NAPSLO leaders. We will also induct the 2013-2014 NAPSLO's Next Generation Board, during the reception. It will be held from 4:00-5:30 pm in the Gallery Room at the Hyatt (ground level).

For more information regarding NAPSLO's Next Generation, please stop by our booth outside of the Brokers Lounge! A NAPSLO Next Generation member will be present, throughout the entire convention, to greet you and answer any questions you may have.

It has been an honor serving NAPSLO's Next Generation over the past five years. Watching our group grow exponentially, from its infancy in 2008, has been nothing short of a dream and I am excited to witness its growth in the coming years. Wyeth Coburn, the 2013-2014 President, has a lot in store for our members and plans to take us to the next level. On behalf of the NAPSLO's Next Generation founders, we could not have wished for a more favorable result due solely from the volunteerism of our members and support of NAPSLO.

Please make sure you stay involved and encourage others to do the same; paying forward the opportunities the E&S Industry has given us is essential to its future success!

Yiana Stavrakis

President, NAPSLO's Next Generation



Yiana Stavrakis
President, Next Generation
AmWINS

A FEW WORDS WITH MIKE MILLER



Featuring:
Mike Miller

Scottsdale Insurance Company
President & Chief Operating
Officer



By:

Bevan Greibesland
Scottsdale Insurance Company
Transportation Underwriter

What you may not know is that the President of Scottsdale Insurance Company once worked at McDonald's. Jokingly, Mike said that working at McDonald's helped him stay in college because he knew he didn't want to work at McDonald's the rest of his life. Mike has always been intrigued by business, even from a young age. "I used to watch the manager of McDonald's to see how he ran the business. I learned a lot about how organizations worked, and I also realized that I didn't ever want to be the assistant manager of McDonald's, since they always ended up working nights and weekends."

With every job Mike ever had, he worked hard to learn as much as he could to add to his tool box. A "tool box" is the way he described his skills and what could potentially set him apart from others. As an example, while Mike put his Accounting degree in his toolbox, he also believed that anyone with that degree would have the same tools. This belief led him to earn a Masters degree as well as six insurance designations.

According to Mike, getting to where he is now had a lot to do with being prepared and being in the right place at the right time. "You never know when opportunities will present themselves," Mike said. "My approach was to prepare myself as much as I could so that I'd be ready for the next opportunity that came my way."

Throughout his career, Mike always made sure to solicit feedback from a wide range of individuals on ways to improve. "One person may think you are the best thing since sliced

bread and another may think that you are just average. You have to learn to read between the lines and find out your weaknesses and then work on improving them."

Mike's advice to young people in the industry is to think ahead, learn who you can trust, figure out what you want to do, and then make sure you are prepared to get there. Due to the turnover in older generation professionals, he thinks young people are in a great position in the industry with lots of opportunities ahead.

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At NAPSLO's Annual Convention, Mike usually has every hour of his schedule filled, but he likes to leave "walk around time" to chat and find out what's happening in the market. "With so many people in attendance from all sides of the industry, it's a great way to find out what's happening in the U.S. and even foreign markets." Mike then uses that information to think about the implications it may have on Scottsdale's business. I hope Mike's hotel room has lots of outlets because he says he can't travel without his iPhone, iPad, laptop, and Fitbit— when plugged in at

night, they can dim the lights in the hotel.

I asked Mike if he would have done anything differently if he could go back to being under 40 knowing what he knows now. He advised that at one point in his career he took another job which he realized was a mistake after two weeks. He then "took the easy way out" and went back to work for his previous employer. "If I had taken the more difficult path, I probably would've started working for Nationwide Insurance a year earlier. So don't be afraid to take the more difficult path—in that instance, I wish I had."

In conclusion, Mike's advice to Next Generation members is to keep adding tools to your toolbox, never stop learning, and be prepared for that next opportunity.

STATE OF THE PROPERTY MARKET

By: David Dow
AmWINS Insurance Brokerage
Assistant Vice President - Property Division



Supply and demand is a proven economic principal. And in the world of property insurance, it is no exception. The last few years have been met with fairly significant turmoil, and yet the amount of capital chasing returns in the (re)insurance continues to keep pricing in check. This offers buyers the opportunity to take advantage and secure favorable renewals even in the most difficult of industry verticals with loss frequency or those in CAT prone areas with severe loss potential.

Alternative capacity continues to come into the market through variety of sources and seemingly the pool of potential investors is getting broader by the day. Insurance Linked Securities, or money from the capital markets into the reinsurance space, is competitively competing with traditional backing. Institutional investors mostly through hedge funds,

even allocating small percentages towards the reinsurance sector, represents tens of billions of dollars. And the return thresholds for entering are going down, likely due to depressed interest rates in the greater bond market. It is being suggested that in the next 5-10 years the global catastrophic risk market (~\$300B market) could include 30% alternative capacity (up to \$90B). While many questions remain as to the longevity of that capital due to plausible loss scenarios and changing investment climate elsewhere, it is clear that on a global reinsurance basis this capital has kept what may have been a firming market in check.

We have seen a lack of significant catastrophic perils. Superstorm Sandy was devastating and created some large claims scenarios, shared by the industry. However it turned out to be more of an earnings event than anything, not really hitting the industry's capital reserves – or at least not enough to force and widespread pricing changes.

The habitational property market appears to remain in a state of flux. Heavily influenced by regional exposures, the admitted carriers still play a prominent role in this space. However with deteriorating loss ratios and tightening underwriting guidelines, the pricing increases and in some cases complete pull back has created opportunities for traditional E&S carriers to get back into habitational underwriting. Coastal and wind/hail prone states are seeing the biggest dislocation. Another large segment of the property market is in California Earthquake. Without any major event to test the modeling results so heavily relied upon by underwriting companies and MGA's, this market continues to be over capitalized, keeping the pricing and terms to the benefit of the insured.

Small pockets of regional firming will test the markets ability to push rate in underpriced segments. However given the amount of capital behind the capital and still flowing, there is no end in sight to the prolonged market cycle we are in.



Wyeth Coburn with CRC Insurance contributing during the Next Gen 2012 Leadership Seminar

GAMMA IOTA SIGMA, LEADING OUR INDUSTRY'S FUTURE

By: Noelle Codispoti
Gamma Iota Sigma
Executive Director



I have worn many hats in this industry: student, intern, trainee, trainer, recruiter, and manager. But the one I wear now is often the hardest to describe at the family holiday gathering though none have been as fulfilling or enlightening.

Today, I work with the next generation of insurance professional – passionate, intelligent, hardworking individuals who are pursuing dreams to have a successful career in our industry – and they are all in college!

In 1965, Gamma Iota Sigma (GIS) was incorporated to promote and sustain student interest in the fields of risk management, insurance and actuarial science in colleges. Beyond its partnerships with corporate sponsors who primarily have a recruitment stake in the student members, GIS at the international level continues to partner with various industry groups to promote their collective resources, including scholarship and internship opportunities, webinars, publications, and other special offers and discounts, to its student and alumni base. This is in addition to the programming that GIS itself puts on, the hallmarks of which are an annual leadership conference and an annual international conference and career fair. To date, GIS has chartered 55 chapters (expected to grow to 60 by mid-2014) across North America with its membership clamoring for a career in our industry.

The average GIS student is far from average. GIS members showcase the passion and advanced knowledge of the industry by going above and beyond the required coursework. 48% of GIS members are studying for industry exams and certifications like those administered through the National Alliance for Insurance Research and Education, The Institutes, Casualty Actuarial Society and the Society of

Actuaries. Additionally, more than 75% of GIS students are members of one or more trade associations like Risk and Insurance Management Society (RIMS), the Professional Liability Underwriting Society (PLUS), the International Association of Insurance Professionals (IAIP) and the Chartered Property and Casualty Underwriting Society (CPCU).

Many of them have already completed internships (like the highly sought after NAPSLO internship) and have had significant interaction with industry professionals because of their involvement with GIS. They are developing and honing soft skills like team building, networking, and communication to become a more well-rounded professional.

These individuals do not sound like your stereotypical Millennial, the ones we assume are

As an industry, it is incumbent upon us to embrace the need to cultivate the professionalism and knowledge that they are entering our industry with and not assume they fit the stereotype of their generation.

updating their status on Facebook every other minute or posting to whatever the most popular social media craze is at the time, do they? After all, with all they are doing in school, when do they have time to Tweet about it?

While these students belong to a generation that many of us would consider starkly different than our own, these students exemplify what any employer would look for in a good employee – professionalism, a positive attitude, a desire for knowledge and a willingness to work hard.

Millennials are part of a generation that relies heavily on technology, and, while their lives

seem to be super connected through the vast array of social media outlets, they often want to maintain a separation of work and home lives. This generally means connecting professionally with them on LinkedIn and avoiding reaching out via Facebook.

Like any generation that has preceded them, there will be a learning curve during the transition from college life to full-time professional, especially with the use of social media, no matter how much exposure they have in GIS or other professional organizations pre-graduation.

As an industry, it is incumbent upon us to embrace the need to cultivate the professionalism and knowledge that they are entering our industry with and not assume they fit the stereotype of their generation.

Should we assume instead that they will never update their Facebook status? Of course not!

I often meet with companies that are interested in starting or have existing internship or entry-level programs. One of the biggest concerns is how their corporate culture will be received by a Millennial. My advice to these companies is to focus on the culture that allows them to be a successful company (usually the existing culture) and to find individuals that work well in that culture. Focus on finding the

right people. If your company relies heavily on a team-oriented structure, then find a Millennial who works well in teams or has had experience in this type of setting. Ask the right questions of any candidate, but, more importantly, communicate your culture and what characteristics you are looking for. These students are just as concerned with finding the right fit for their career as you are in finding the right employee, and with a job placement ratio of near 100% for current risk management students, they have plenty of opportunities to find that fit.

Risk management students have proven to have a meaningful impact in our workforce,

but we are underestimating the value they hold in having an impact on solving the talent gap. Because of their passion, because of their existing reach into schools of business, they are arguably our best recruiting tool. They themselves were “recruited” into the field by another student or faculty person. They know firsthand what a college student responds positively to. They have had experience in internships and other industry events. It is imperative that we as an industry support the development of our risk management and actuarial science students. It is paramount that we give them the tools to experience the possibility of our industry. It is vital that we give them the best experience this industry has to offer so that they can share that experience with their peers. We do not need all of their peers to convert to risk

management majors, but we do need them to know we are a viable and exciting career option!

Many groups, including NAPSLO's Next Generation, are stepping up in a big way to share the message of the industry. More industry trade groups and companies should take their lead, as every company and group has an opportunity to contribute significantly to the talent gap solution.

In fact, the most useful tool companies have in contributing to the solution does not even require a significant drain on financial resources. Tap into the brain power of those you currently employ and connect with your local college or university. Have a senior executive visit campus to speak about his or her own career path and how they have

flourished in the industry. Send your Director of Marketing to speak to marketing majors on the challenges of their roles and how exciting the development of the marketing plan for a new insurance product can be. Encourage your employees to act as mentors to college students. Invite students to participate in your next office philanthropic event. Host a corporate visit for students and partner with your risk manager or broker to offer a well-rounded program in your office (and pay for lunch!).

Support the work schools of risk management and actuarial science are doing for our industry and get involved with a GIS chapter.

Stepping up today to engage the next generation will have a meaningful impact on the success of our industry.



2012 NAPSLO's Next Gen Cocktail Reception

GETTING TO KNOW SCOTT CULLER

NAPSLO's Next Gen Liaison:
 Scott A. Culler
 Markel
 Regional President



By: Steve Eilers
 GenRe
 Vice President - Property
 Facultative

NAPSLO's Next Gen offers younger members of our industry an opportunity to connect with more experienced leaders. One of those leaders is Scott Culler who is the West Regional President of Markel and a member of the NAPSLO Internship and Career Awareness Committees. He also serves as the liaison between Next Gen and the NAPSLO Board. I had a chance to sit down with Scott a few weeks before the Annual Convention and get his thoughts on a few topics.

First NAPSLO Convention

Scott has fond memories of his first NAPSLO Convention – Chicago 2000. "It was a real eye opener," said Scott. "I was new to the E&S industry and you could feel the energy. The experience charged me up for my new career and set the tone." He remembers feeling a little overwhelmed by the prospect of seeing and meeting so many people he didn't know. "It's been enjoyable and rewarding to get to know so many people over the years and I now consider many of those people friends."

Getting Involved

When asked about his role within NAPSLO, Scott stressed the importance of getting involved. Among the many benefits NAPSLO offers members, he highlighted the important role it plays on the legislative side through lobbying efforts and the education programs it offers. "The insurance industry has been good to me and NAPSLO is an important organization which offers a chance

to give back." He added that it provides the opportunity to meet other insurance professionals and gain exposure to sides of the industry that people may be unfamiliar with.

Career Advice and opportunities

I asked Scott about the keys to a successful career in the E&S industry. He cites "commitment to learning, a willingness to be coached by others and learn from them" as drivers. He went on to say that it's important to "be service oriented, relationship oriented and stay focused. Don't lose your vision. Set goals and don't give up." Scott sees significant opportunities for people new to the industry. "Have patience," he says. "Look around and you'll see a lot of experience around you. Be a sponge and learn from the human capital around you. There are large generational gaps in our industry and your growth will be spectacular. There are opportunities across the board – claims, underwriting, brokers. But don't be in too much of a hurry."

Next Gen

Scott is very excited about Next Gen's future and the growth of the organization. With over 600 members, Scott sees lots of interest and opportunity. "The question is how we effectively engage members to get involved. How can we utilize their energy and knowledge?" It is also a good vehicle to establish relationships with universities and promote our industry as an attractive career, he said.

The E&S Market

"When I first started, I could count the number of competitors on my hands. One of the biggest changes over the past 10 years is that there are now so many more options for the brokers to utilize. It can be frustrating at times, but the growth and changes make us all better and force us to adjust to be relevant to the market. We never have a time to relax."

Preparation

Scott was a member of the 1981 NCAA Men's Basketball Division III championship team at SUNY Potsdam. He cites his coach there as a positive influence who taught him the importance of preparation. "Failing to prepare is preparing to fail" is a motto that Scott's coach instilled in his athletes. "That stays with me today," said Scott. Instead of conditioning and defensive schemes in basketball, Scott prepares for the NAPSLO convention by reviewing reports, setting up key appointments and meeting with his internal staff. "It is important to understand the needs of our customers and how we can help them achieve their goals." One exception, he joked, are some of the late nights at NAPSLO which no one can ever fully prepare for.



2011 Atlanta Next Gen Panel
 Discussion
 at the NAPSLO Annual Convention
 with another great turn out!

AND NOW INTRODUCING NAPSLO'S NEXT GEN EXECUTIVE BOARD 2014:



Wyeth Coburn
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Yiana Stavrakis
 Immediate Past
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Whitney Simonetti
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Want to be heard?

You've seen what we think is important, now we want to know what's important to you! The only way for NAPSLO's Next Gen to improve is through feedback, so please let us know your thoughts.

Is there something you'd like to see? Tell us! We'll incorporate your ideas into future newsletters as we continue to grow this great organization! Please direct your comments or questions to Whitney Simonetti at wsimonetti@amsafety.com.

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What is NAPSLO's Next Generation?

NAPSLO's Next Generation is the under 40 segment of NAPSLO and has been created to a) recruit young talent into the industry, b) increase communication regarding important industry and educational information, c) encourage professional development amongst members, d) act as a liaison between NAPSLO and young talent, and e) create an avenue for young insurance professionals to become more involved in the E&S industry.

HOW CAN I GET INVOLVED?

General Membership

You can join NAPSLO's Next Generation as a member for free, which does not require you to perform any leadership tasks on behalf of the group. You will simply receive our newsletters and invites for webinars, events, and educational opportunities.

Leadership

By joining our group (for free) you can also volunteer for one of our subcommittees. More details are available at www.napslonextgen.org. We are also seeking volunteers for college campus visits to make presentations about our industry.

WHAT ARE THE BENEFITS OF JOINING?

- NAPSLO's Next Generation Group offers a wide variety of opportunities and benefits to its members year round, communicated through a quarterly e-newsletter.
- Through social networking, young insurance professionals are able to communicate with each other and with more experienced NAPSLO members. Visit our Facebook and LinkedIn Groups.
- NAPSLO's Next Generation members are also given a voice within the association involving key industry matters.
- Along with educational conferences and seminars, you will learn what new, young leaders are doing to stand out.
- NAPSLO's Next Generation offers young insurance professionals a chance to jump start their careers by creating a base of industry contacts, developing important professional skills, and keeping up to date with the latest insurance trends.
- NAPSLO's Next Generation provides leadership, industry training, social networking, and other knowledge necessary for the development and success of young insurance professionals.

HOW DO I SIGN UP?

Please fill out the below Membership Application. You will receive a welcome packet in your e-mail with details about upcoming events, how to get involved, and your Next Generation Membership ID Number.

Membership Application - It's free to join: Pass to a friend or co-worker!

Please fill out the questions below and return to membership@napslonextgen.org or the Next Generation information desk at the annual convention.

NAPSLO's Next Generation Membership Requirements:

1. Must be employed by a member corporation of NAPSLO
2. Must be Under 40 years of age

Name: _____

E-Mail: _____

Address: _____

Phone: _____

Date of Birth: _____

Company: _____

Your Company's NAPSLO Membership Number: _____

How long have you been in the industry? _____

What is your job title? _____

Would you like to volunteer for leadership within Next Generation? _____

Would you like to volunteer to go to local campuses to promote our industry? _____

Would you be interested in joining a subcommittee? _____

