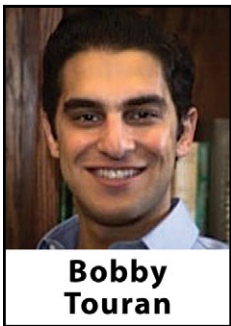


Insurtech Pathpoint CEO: Industry-First Digital Wholesale Platform for E&S Lowers Distribution Costs

By Renée Kiriluk-Hill

SAN FRANCISCO - Digital wholesale broker Pathpoint has opened a new distribution channel for excess and surplus insurance, which Co-Founder and Chief Executive Officer Bobby Touran said is the industry's first digital wholesale platform built for the E&S market.

"Streamlining the most rote, tedious parts" of the quote-and-bind process lowers the distribution cost and will lead to better outcomes for insureds, he said.



As a digital wholesale broker, the founders built software into each step of the procurement process. Touran said carriers get instant access to data, offering a clearer look at product demand and helping to manage risk.

"Our system was modeled for the E&S industry and its nuances," he said.

Buoyed by market dynamics, surplus lines writer premiums grew 11.2% in 2019 year over year, the same rate of growth seen in 2018, which was the highest since 2012, according to AM Best's annual report on the surplus lines industry. It's "striking just how much momentum surplus lines had coming into 2020," said David Blades, associate director, industry research and analytics, AM Best. "Growth opportunities abound for surplus lines companies" ([Best's News, Sept. 10, 2020](#)).

"E&S is doing very well, which is exciting," said Touran. "We were at the right place, at the right time."

Pathpoint is a Lloyd's coverholder and licensed E&S broker currently operating in six states — California, New York, Massachusetts, Virginia, Pennsylvania and Maryland — with plans to expand to southeastern states in 2021. The broker will expand to Texas once it has more wind and hail capacity from carriers, Touran added.

Pathpoint has 30 employees, including experienced surplus lines professionals. It links commercial agents with excess and surplus property/casualty and professional liability coverages, primarily for small-to-midsize businesses. It offers admitted and non-admitted product services.

Carrier partners include Chubb subsidiary Westchester, Hiscox, Crum & Forster, Beazley, Zurich, Brit, Kinsale and at bay.

During the multi-year process from inception to launch, Touran said he has seen companies evolve and commit to more digital E&S services. He has also followed issues, like climate change and the pandemic, deepening the potential for growth.

Touran said he became enamored of insurance several years ago during an entrepreneurs residency at HVF (hard, valuable fun) Labs, described by founder by Max Levchin — who has started a number of companies since co-founding PayPal, including Affirm — as a place that starts companies with the people that will operate them.

Insurtech Pathpoint CEO: Industry-First Digital Wholesale Platform for E&S Lowers Distribution Costs (continued)

Focused on software that could improve efficiency, use of data and processing outcomes in a financial sector, Touran said he was fascinated by the history of Lloyd's and felt technology had overlooked a segment of insurance vital to global economies. He sensed broad opportunity in E&S.

"It is still a very manual process," he said, although Pathpoint's process cuts the placement process from days or weeks to minutes.

Knowing very little about how E&S operated worked to his advantage, Touran added, because he cast a broad net and spoke with everyone who would take his call or meet to share knowledge and thoughts on the industry.

He quickly learned how difficult it would be to build an interface for the multitude of different formats in E&S, he said.

"Fortunately we had great partners to being with," he said of himself and two Pathpoint business partners, particularly Chubb, which he said patiently answered questions on why something had or had not progressed in E&S technology. He said Chubb encouraged him to acquire additional E&S carrier partners in order to build scale.

More than two years post-residency were spent traversing the country, and London, laying the framework for the wholesale broker and establishing industry connections.

Pathpoint started a soft launch with several hundred agents as the COVID-19 pandemic spread. It ended the extensive travel Touran credited with establishing vital industry relationships, but made it easier to meet virtually with executives spending far more time in office, he said.

The timing does make it challenging to maintain team culture, Touran noted. Immediate goals include onboarding more agents and more carriers and expanding products from existing carriers.

"It's a very resilient industry," said Touran. "It really hit me one day when I was in New York. I looked out the window and thought about how everything I saw and everyone working" was enabled by insurance.

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