



# How Capturing Emerging Risks Can Help Agents Grow Their Business

Insurance agents have experienced many business disruptions over the past couple of years, as they work to provide insureds with the policies they need most while adapting to fast-changing market conditions. Many insurance companies have worked to “de-risk” their businesses recently, developing exclusions around COVID-19, communicable disease, severe weather events, wildfires and more.

While challenging for insurance agents, these exclusions have generated new business opportunities. Revenue in the insurance industry is expected to grow by **\$7.5 trillion** globally by the end of 2025. Agents who want to capture more of that market and grow their businesses faster can tap into hard-to-place risks to fuel that growth.

## Growing business through emerging risks

New businesses are emerging, such as firearms, security guards, high end property, legal cannabis industry, and these emerging industries present difficult and misunderstood risks. For agents, offering insurance solutions to emerging risks is a way to stand out from competitors, break out of being perceived as a commodity, and grow business quickly.

Agents know that all policies have exclusions and risks; whether it's primary coverage, umbrella coverage, or other coverage, there

will always be “gray areas.” Specialty insurance looks at these gray areas to provide necessary coverage that is hard to secure elsewhere.

Venturing into the specialty market gives agents access to hundreds of new opportunities, many of which are emerging risks. A [recent report](#) detailed some of these fast-growth areas, highlighting lines such as property risks, commercial auto, and health risks, among others [SEE SIDEBAR].

When you choose to support these markets, you can access untapped demand for insurance, which fuels growth in your book of business.

## Benefits of offering specialty risk policies

Working with an experienced specialty insurance carrier enables you to provide your insureds with the right policy, at the right time, often quicker than expected. Benefits of serving the specialty market include:

### The ability to expand your customer base.

Growing your existing customer relationships is highly valuable, but if you want to continue to grow, you need to expand your customer base. Offering insurance for hard-to-place risks enables you to broaden your opportunities so that you can serve more customers.

## Emerging Markets: The Key to Growing Your Book of Business

Emerging markets are growing fast, and hard-to-place risks that are served by specialty insurance include:

**Property risks.** The limited and restricted ability to offer policies in high-risk wildfire areas or high-risk coastal areas.

**Commercial auto.** Including trucking risks with existing claims and poor MVR scores.

**Other risks.** Communicable Disease Liability coverage as an optional policy enhancement – True Umbrella coverage.

**Industry-specific risks.** Cannabis-related businesses are an example of risk that is emerging and thus hard to place.

**Influx of specialty purpose acquisition companies.** These companies frequently need Directors & Officers Liability (D&O) coverage but have difficulty accessing that coverage.



*(continued)*

**Establishing a reputation and referrals.**

Offering specialty insurance options and solutions allows you to become known as “that agent who has options to handle difficult risks.” Serving this niche enables more referrals due to the specialized policies that you handle and allows you to establish a niche reputation in your community.

**Endless opportunities to grow your business.**

Growing your offerings to include specialty insurance enables you to expand into hundreds of business classes. As a result, you can offer personalized insurance policies to your customers and continue to serve them as those needs change. Serving hard-to-place risks allows you to go deeper with existing customer relationships but also get more skilled at spotting new opportunities. There are likely dozens of opportunities sitting in your book of business right now, but without the ability to understand and serve those risks, you can't fully serve your customers. Once people know that you offer this type of coverage, the word will spread, and you can organically grow your business.

**What to look for in a specialty provider**

Providing the type of experience that customers demand requires the support of a strong carrier. That's why it's critical to forge the right partnerships and work with providers who put personalization and quality at the forefront. Consider the following when looking for a partner:

**A solid underwriting process.** A partner should invest time learning about your business and your

insureds and fully understand all aspects of risk. This enables your partner to write personalized policies that fully address the customer's risk and offer the exact coverage they need.

**A claims partnership approach.** A customer's experience can drastically transform based on how a claim is handled. That's why claims and partnership are key elements to successfully growing your business. Some specialty providers staff their claims team with seasoned attorneys. These attorneys work directly with your insured if an incident occurs and ensure that any claims are handled quickly and fairly.

**Clarity of coverage.** The process for determining the coverage required and a personalized approach to that coverage are key. Work with a partner that provides complete visibility and transparency to understand the personalized risk and write a policy to meet those exact needs.

**Accessibility.** Ensure that your partner offers total visibility into the claims process and access to top leadership. Fast response times, for example, are essential when an insured is under stress due to a potential claim.

The insurance market will always have challenges, and the agents who will continue to thrive in the future are the ones who pivot to meet these challenges. Offering specialty insurance is a strategy that allows for that successful pivot so you can grow your business, better serve your insureds, and position your book of business to thrive in the future.

