



Core Specialty to replace Hallmark on AmWINS long-term care program

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Newly launched P&C carrier Core Specialty Insurance Holdings will replace Hallmark Financial as the capacity provider on AmWINS Program Underwriters long-term care facilities program from the beginning of next year, *The Insurer* can reveal.

Sources told this publication that Hallmark had provided the capacity for the long-term care facilities program for the last four years, but the partnership will come to an end at the close of 2020.

It is unclear why Hallmark's support of the long-term care facilities program has come to an end.

However, as various industry reports have highlighted, recent years have seen both the senior living and long-term markets suffer from an increase in the frequency of high severity claims, with Covid-19 causing further stress.

Core Specialty is the rebooted StarStone US Holdings which has undergone a \$900mn recapitalisation. The revamped business was officially launched at the beginning of this week.

Core Specialty's StarStone Specialty subsidiary previously underwrote the AmWINS long-term care facilities program from 2013 to 2017.

AmWINS long-term care facilities program's main lines of business are professional and general liability, both on a primary and excess basis. It generates some \$50mn of gross premium income on an annual basis.

The program is available nationwide and on a non-admitted basis through Core Specialty's StarStone Specialty Insurance Company offshoot.

AmWINS Program Underwriters vice president Matthew Wasta leads the long-term care facilities offering as program manager.

Core Specialty's return to supporting the AmWINS program comes at a time when the long-term care insurance market in the US undergoes significant pricing improvements. As Willis Towers Watson's recently published Insurance Marketplace Realities 2021 report highlighted, Covid-19 has "substantially disrupted" what was an already hardening senior care marketplace.

The pandemic, the report highlighted, has further fuelled existing rate increases, capacity shortages and coverage retrenchments in the sector.

According to the broker's report, pricing for senior living and long-term care primary professional and general liability is up 15 to 30 percent for those accounts with a favourable loss experience and in a stable venue, while for those with an adverse experience in poorly performing jurisdictions, the increases can be 40 percent or more.

Excess professional and general liability pricing is up by at least 50 percent, Willis Towers Watson's report said.

Ben Francavilla, president of AmWINS Program Underwriters, said his platform has partnered with Core Specialty because of its "deep understanding of and commitment to the long-term care insurance space, which positions the trajectory of the program for continued success".

"We are confident that this new partnership will provide longstanding value to customers as the demand for this type of coverage continues to increase," Francavilla added.

Ryan Young, senior vice president of healthcare for Core Specialty, said the partnership will expand his company's existing excess insurance solutions to the long-term care industry in what continues to be a challenging market.

Jeff Consolino, Core Specialty's CEO, said: "Healthcare is a business we know well, and we are well-positioned to act on opportunities in a market that remains in a correction mode."

The executive said AmWINS Program Underwriters long-term care facilities program "is a great strategic fit for us".

"It complements our existing healthcare book and will allow us to grow our footprint within an existing specialty niche that is performing very well for us. We look forward to working with APU to provide a smooth transition for policyholders."

The new long-term care program partnership strengthens the existing ties between Core Specialty and AmWINS. As this publication has previously reported, AmWINS' executive chairman Steve DeCarlo has taken a seat on Core Specialty's board.