Icons & Innovators Episode 1

PLUS Staff: [00:00:00] Thank you for listening to this PLUS Podcast, Icons & Innovators. Icons & Innovators is a podcast series spotlighting influential leaders and forward-thinking change makers in the professional liability industry. Each episode features conversations with established icons and emerging innovators who are shaping the future of the field through groundbreaking technologies, evolving trends, and transformative products. Brought to you by Future PLUS, this series is designed for a wide industry audience offering insights, inspiration, and fresh perspectives for anyone interested in where professional liability is headed next.

Nicole Murphy of Travelers will be hosting this inaugural episode joined by featured guest, Sarah Abrams of Baleen Specialty.

Before we get started, we would like to remind everyone that the information and opinions expressed by our speakers today are their own and do not necessarily represent the views of their employers, or of PLUS. The contents of these materials may not be [00:01:00] relied upon as legal advice.

With the housekeeping announcements out of the way, I am pleased to turn it over to Nicole.

Nicole Murphy: Hi, thank you for having me. This is Nicole Murphy. I am a 25-year veteran of Travelers Insurance--just celebrated my 25th year. My career has always been in the management liability space, which I really, I love it.

And right now I'm a Nonprofit Product Manager, which gives me something fresh to look at each day. So, I'm really excited to be talking to a peer of mine that has such expertise in these areas.

Sarah Abrams: Thank you so much, Nicole. My name is Sarah Abrams and I'm Head of Claims at Baleen Specialty, a division of Bowhead Specialty.

By a brief introduction with respect to professional liability, I was previously the Head of Professional Liability at Bowhead Specialty, and when Baleen Specialty, which was spun off, not spun [00:02:00] off, still part of Bowhead, but created to provide a more technology forward ENS platform underwriting approach, I raised my hand.

I was interested in creating a claims management system that would match the products that we were offering. And so, I'm very excited, you know, after years of experience from an examiner role, management role, and director role, to have then moved to a startup and then startup within a startup and build.

So, I'm thrilled to be here and thank you again to PLUS for thinking of me to kick this particular series off.

Nicole Murphy: Wonderful. Sarah, I'd love to start with your career journey and then get your thoughts on the industry and leadership afterwards. So let's start with your career. What originally drew you to the professional liability space and what's kept you passionate about it? [00:03:00]

Sarah Abrams: Sure. Well, I think like most folks in insurance, I kind of fell backwards into this particular space.

I was working right out of law school at two different law firms that provided insurance coverage and insurance defense services to carriers. And during that work I began having exposure specifically to professional liability risks. So, once I began to work on kind of what became like what you do, right?

The nonprofit, D&O, Nicole, like those types of interesting risks and deciding, "okay, coverage applies, coverage doesn't apply, we're defending an insured." It really became something that I was passionate about, especially because there's a need for these products. I always say that insurance is the undercurrent of the economy.

So once Markel tapped me to move in-house as an examiner after providing some coverage work for them years ago, [00:04:00] I realized there is a whole world and that people take risks, certainly as professionals because they have insurance. So, I've stayed in it because of kind of that first exposure as a lawyer.

And then certainly creating the products and overseeing the claims has really been, you know, for me professionally so enriching.

Nicole Murphy: It is very interesting being involved in a coverage that's not at the tip of everyone's lips, right? We know car, we know home, auto, but our professional liability is a little different and I get charged by that too.

Who were your mentors and how did they influence your approach to the business?

Sarah Abrams: That is a great question because I've been lucky enough to have many, especially, you know, getting started versus as a lawyer and then moving into kind of larger carrier and then at a startup. So, I first need to say Linda Weaver, she was an in-house coverage lawyer at CNA and what [00:05:00] she taught me was networking and the power of it.

Linda created a group called the Armadillo Club. It still exists today. She is now retired. But she was able to bring together coverage lawyers in Chicago, mostly in this particular area that were women initially in the nineties, expanded and opened the group. And the reason why it was called the Armadillo Club is during significant coverage litigation.

I believe it was like the late eighties, early nineties, her and a team found what was called the Armadillo Exclusion. Apparently, they're very destructive little animals, and there was actually an underwriter that identified the risk. And from there, this is actually a pretty active and engaged LinkedIn group, but what Linda does is, and I'm so just impressed, she creates community.

And so, I think in terms of mentorship, when it comes to the ability to network the power of it, she reviewed my resumes and as a [00:06:00] result, I review resumes whenever there's colleagues that are looking for development. She connects people, helps them find roles, and still does. And her faith is also something that really was inspiring to me.

So, I would say she was first because she showed me as a lawyer, as a coverage lawyer, just starting my career. I could work in insurance and make also meaningful change with the connections I have. And then I think, you know, moving forward, certainly, I've, again, the luck of working with really wonderful, you know, folks that, like Kevin LaCroix at the D&O Diary, who've shown me that also using that kind of excitement about D&O can be put pen to paper, right, and published.

And so I think, you know, at every stage, even moving to Bowhead, that was because of a direct manager I had at Markel, Chris Butler. And so sometimes it's finding the folks that'll be your mentor, but also can [00:07:00] advocate for you when you need to advocate. When I decided to make that move from the Head of Professional Lines to do a Head of Claims role, knowing that it would be technology forward, potentially, you know, involving myself in areas I hadn't seen in years in terms of coverage, he was able to advocate for me too. So, I feel lucky that, again, having mentors and advocates are a huge piece of why I'm here.

Nicole Murphy: Wonderful. So, you just took us through a lot of positives at the beginning of your career. What brought you along? What challenges did you face earlier in your career that younger professionals could learn from today?

Sarah Abrams: So that's a great question because the workspace today is very different than it was 20 years ago. When I was a lawyer in the mid two thousands, first starting out, out of law school, the way that folks were communicated with and treated was different than it is now, and I'm grateful for that.

[00:08:00] Certainly, you know, the experiences that I had that were challenging, gave me in some ways thicker skin, but also taught me how to treat people. And how to make sure that communications, even if they're difficult, remain respectful and empathetic. So, I think, you know, in general, again, it's been wonderful to see that change.

It's also made me an advocate to make sure that workplaces remain ones of support because life happens and things happen outside of work. And having leadership that understands that, where you feel comfortable. Making sure saying to a leader, “hey, this happened, I'm going to need this support” is so important.

And like I said, just the way people are communicated with from an appropriateness standpoint has shifted tremendously. And I'm happy to be on the right side of that change and it to be able to say, “okay, yes, I experienced this, but I'm not going to [00:09:00] subject that type of behavior or discussion with someone else.”

Nicole Murphy: I love the idea of paying it forward. One of my favorite sayings is, “a candle loses nothing by lighting another candle.” So, helping that next person along that, that's fantastic. Thank you for that. Looking back, what pivotal decision or moment most shaped your career?

Sarah Abrams: I think the decision to leave, you know, my prior employer. I was with Markel.

I had a wonderful group. I was very happy, and a director of a management liability role and making a decision to go to what was almost a startup. Bowhead was a year old in November, 2021 when I joined the organization. And I think, you know, deciding right, taking that step, being brave, and saying, “okay, you know what? This may be a little riskier, but the exposure to the other elements that create an insurance company make it successful, right?" [00:10:00]

Actuarial, underwriting, you know, business development, those are places now that I've been able to touch and be a part of product development that, you know, have opened my eyes.

I'm really grateful that making that change has made me excited, right? Also, even within Bowhead, when this division was created, feel secure to say, "yep, I know what this looks like at a startup phase. And also, you know, I understand technology. I can build a claims management system. I can execute on these tasks that I may not have had exposure to previously."

Nicole Murphy: Wonderful. Outside of insurance, Sarah, what inspires you or fuels your curiosity?

Sarah Abrams: That is a great question. I do have other interests outside of insurance, although I do love insurance and insurance products. Those types of interests have evolved as I've certainly, I'm a parent of three children. I think having, you know, a [00:11:00] family, we love to travel.

I love to see how other places work, how the world works, and then opening, you know, my kids' eyes to that to say "there's different ways to be happy." And I also like to compete in races. I love triathlons, marathons. I'm always inspired by how other people get to a place in their journey. So, I think, again, being a parent has been certainly helpful because I love watching how people grow and become excited.

For example, about sports being athletes, how do you get that mental curiosity as a kid? How does that develop as an adult? So I think, you know, again, outside of insurance, which there's insurance for everything, I love insurance. You know, really being able to experience as a family, opening my eyes to a broader world.

So, it's travel, races, my community. Those are all kind of pieces outside of my [00:12:00] day to day that make me really happy and excited to work.

Nicole Murphy: Sounds like a really good work life balance and you're applying what you've learned in your role about sharing with communities, sharing with others. You're applying that to raising your children too.

Thank you for that. Okay. Well, I really appreciate you sharing about yourself. Can we pivot over to the industry itself? How has the professional liability landscape changed the most during your career?

Sarah Abrams: Well, certainly, you know, on top of jurisdictional changes, obviously in development of new products like those are easier to identify, right? Seeing how, especially in the professional space with D&O, certain case law has changed how companies do business.

Also watching how administrations shift very dramatically regulatory exposure, right? So, I love that question because it's so broad. I think professional liability has been very [00:13:00] flexible and able to find products that fit the needs of particular businesses, right, so that they can take on risk if it be an E&O risk, or if it's a D&O risk.

And I think right now what we're seeing is certainly impact by an administrative change, the underwriting risk, and also what claims exposure looks like. So, I think there are things that remain the same. There will be causes of action that mirror fraud, right? Especially, Nicole, in our lines of business.

But where did that fraud come from? How sophisticated does that look? I think those are places that are constantly evolving and that's what keeps professional liability, such an interesting space to underwrite and handle claims in.

Nicole Murphy: Thank you. You mentioned the new administration. What, what new risks or exposures do you think will define the next decade of professional liability insurance?

Sarah Abrams: Crypto and artificial intelligence. But those are just again, Sarah [00:14:00] Abrams opinions and do not reflect those of necessarily my employer. But certainly, you know how quickly both, right? I was speaking with an underwriter recently and they said to me, crypto is one of those that the horse is out of the barn. Even if a new administration comes in and reigns in with some regulatory framework, there are institutional investment opportunities that are going on within that space.

And so, appreciating how crypto is an asset, how it can be levered, I think is extremely important. And what claim scenarios can come up from this increased interest investment in utility of cryptocurrency and artificial intelligence. You know, I know that we all have been hearing a lot about AI, but it has been implemented so quickly so many different places, by organizations.

And I think, you know, levering it as a tool. We're just seeing though how claims scenarios are coming out from artificial intelligence and what that, [00:15:00] follow on might look like for our insureds. And also, use of artificial intelligence for carriers, right? How insurance carriers are implementing and using AI. How does that shape our own risk and underwriting processes?

Nicole Murphy: Yeah. So, you mentioned AI. We've got data and analytics, InsureTechs. How do you see them reshaping the industry?

Sarah Abrams: So that's a great question. I actually was recently asked if I felt like InsureTechs might be a way of the past, right?

Because now in-house so many underwriting organizations are able to incorporate certain technologically advanced practices that an InsureTech function provided in the past. I think that data analytics, you know, again, there is value to the firms that can integrate. We're looking now, certainly, like when our claims management system was being developed, making sure that APIs are able to be built so that data can [00:16:00] flow through right with our claim systems and making sure that there is constant communication with underwriting and actuarial in terms of, "okay, what is that data looking like? And can we pivot quickly from an underwriting perspective?" You know, certainly if we see impairment from a particular product, if it's a supplement, if it's targeted to a certain industry or a certain jurisdiction.

I think the evolution of using AI data analytics, again, whether that's through an InsureTech firm or internal to a company in an enterprise way, that's how companies are going to remain profitable, right? Being able to say very quickly this risk not a good one to be on. How do we make sure we can pivot?

How do we make sure we can underwrite in a healthier way? That's one.

Nicole Murphy: Thank you for that. So, we have a changing risk landscape, we've got AI capabilities, we've got enhanced data right now. [00:17:00] What role do you think the industry should help in, in helping clients to understand and navigate these risks?

Sarah Abrams: I mean, I think that's our value, right?

I love insurance and I just did kind of a group presentation to our division on insurance and that particularly claims, that's why you buy insurance, right? You buy insurance for the chance that there might be a claim. You're paying those premiums monthly. What is your carrier doing for you? What are brokers doing for you?

I think education is tantamount, right? So claims data gives you that in some sense because it's telling you, “hey, we're seeing a lot of potential litigation demand, claim volume based on a particular risk for professional lines, depending on, you know, the scope of it. Is it D&O? Is it EPL? What's driving that risk?”

I think the sooner we can let our clients, our insureds, know this may be an [00:18:00] issue, right? So, there was a Washington Pay transparency issue going on, or there might be something in Delaware regarding the ability to solicit information from a board or from leadership. How do we make sure that our insureds feel that we as underwriters appreciate that risk?

How can we help prepare them if it's directing them to particular publications or to council who might be able to get them kind of a good framework? I think really our role certainly is education and making our clients our insureds, feel secure that the insurance they bought is working for them.

Nicole Murphy: Along with that, with education, is there any change or innovation that you champion that you're especially proud of?

Sarah Abrams: I think I, in terms of like my own, I really am very happy that I've been able to provide mentorship and internship opportunities. [00:19:00] Right? So that's, I think, education, right? Because it's for younger professionals.

But opening up, you know, previously I had our company have a relationship with a charter school in Chicago that their career development program didn't have a lot of connections, right, to kind of allow for a path forward for individuals that might have wanted to get into financial services. So, I think it's looking around your community.

What I'm most proud of is championing networking and career opportunities, right? More on the internship and mentorship side of the house. I'm happy to provide education. I always, you know, if I'm asked and we have a client that's requesting a presentation, I'm happy to provide and create materials.

I'm happy to speak on a topic and present on new product development, but I think when we talk about championing or what I'm proud of, it's creating [00:20:00] opportunities for the next generation of professionals within our industry. Like I said, I love insurance. It is super nerdy. I'm happy to try to bring about kind of that feeling of we have a great industry, we solve a lot of problems.

How can I help make sure I'm mentoring and supporting the new professionals that are part of our industry?

Nicole Murphy: And your energy and your passion for it comes across and that's wonderful.

Sarah Abrams: Oh, thank you for saying that.

Nicole Murphy: You're welcome. You're welcome. How do you balance tradition and innovation in an industry built on trust and risk management?

So that change going on, but then risk management, how do you balance that?

Sarah Abrams: So, I love that question because I feel like it's very tricky in our industry. There is a long tradition, you know, since insurance was started, I think in the 1500s and Lloyd's, right? It's relationship building. It's making sure somebody has that kind of trust and [00:21:00] appreciation that you know, and the risk, right? So, you're not just selling insurance, you're selling a product, you're selling support and client services. That is something that I feel strongly about doing in person, right? So even when I was building out my legal vendor database for Baleen, I like those in-person meetings.

I like to make sure I'm connecting with folks face-to-face, kind of getting a lay of the land. Innovation has made it incredibly easy for us to connect quickly, and to be able to lever technologies, to get to speed quickly on a particular business, on a particular subject matter. Those are all wonderful tools.

I think that balancing kind of those tools, being able to enrich yourself, be curious, that's great. You could do that quickly. But recognizing the tradition in our industry is if I want us to trust each other, having a meeting, finding out, you don't find out [00:22:00] everything about somebody's personal life, but knowing a little bit about them, and how you can support or help or advocate if they need it or influence positively someone else, I think goes a tremendously long way.

Putting the work in. Yep, it is work. I enjoy it, but especially when you enjoy what you do, the work doesn't feel like work.

Nicole Murphy: Yes, for sure. This is a good segue into leadership. Everything you've just discussed, I'm in awe. I think, "this lady is a wonderful leader."

What qualities do you believe define a true leader in this industry?

Sarah Abrams: Well, I think, you know, being able to, Nicole, like you being in this industry long enough, right? Seeing the evolution of different leaders, what's been successful, and then experiencing, you know, also being a leader and in management, some of the challenges that come with people, their wild cards, [00:23:00] right?

I think one of the strongest, you know, assets that I see in leadership on top of patience comes with, you know, emotional quotient, right? Your EQ. I think that's important for most, and certainly in insurance because that's what relationships are built on. That's what trust is built on, but also your subject matter expertise, right? Your IQ.

It's very challenging when you're having a conversation and you're getting down to the nitty gritty when you realize that the person you're talking to, instead of taking a pause and saying, "let me look more into that, let me see if I can find out more information" begins making up different facts or scenarios that don't fit with the subject matter, right?

Like when you start seeing that, that can be a place to lose trust. I think it's always important to say, if you need to read up or learn something, take the time. Being prepared is excellent, but sometimes off the cuff questions come and I will always say, "let [00:24:00] me, you know, take, let me take a minute. I want to appreciate, I want to digest, I want to understand what you asked so I can give you a better answer."

Nicole Murphy: That's wonderful. So, one final question for you. If you could pass along one piece of wisdom to the next generation of insurance professionals, what would it be?

Sarah Abrams: I think we just hit the nail on the head, right? Yeah. Emotional quotient, EQ, is a fantastic asset. That is great when you're building a relationship, but become the subject matter expertise.

I feel like to kind of go back to one of the earlier questions when you talk about my professional career and experiences I had certainly as an associate way back in the day, but even in the beginning of working as a claims examiner, a manager, I found that oftentimes I get questions that were really challenging and difficult.

And I really, I need to know the answer. So instead, I just decide to do, what is it, the Ginger Rogers dance backward in heels? Where I would read [00:25:00] up, I would research, and then I began writing, right? And publishing and thinking about ways that I could explain it to myself. And that's part of why I enjoy writing and publishing now.

So, I think, you know, for the next generation, my wisdom would be make sure that IQ is there, right? That subject matter expertise. Own and have that agency and what you're doing, what you're handling, if it's underwriting, what products are you underwriting? What does the changing landscape look like?

Communicate that with your claims folks. We're not that scary. Or you know, if you're in claims, understand. Similarly, "what is my underwriting team looking to do? Who are they talking to? What are the products they're creating? How can I give feedback that isn't reactive?" Right? That's more proactive and saying, "yeah, I see that you're underwriting this particular product. By the way, there's been some recent legislation that might impact kind of how your insured's claims might look. You know, can we talk about that?'

I think that that [00:26:00] approach is really important, certainly for, um, this next generation, like think proactively. Think about how you can communicate with stakeholders and other verticals in your company, and how you can continue to be curious, because insurance is a big industry and there's so much opportunity.

Nicole Murphy: Sarah, that, that's a wonderful finish. I love that advice, especially for the folks that are newer to the industry where Future PLUS is aimed at.

I'm looking forward to seeing you in Florida at PLUS National [Conference].

Sarah Abrams: I can't wait, Nicole.

Nicole Murphy: I'm looking forward to seeing you there and I really appreciate your articles. I've learned a lot in the D&O Diary, and it's been an absolute pleasure interviewing with you today.

Sarah Abrams: Thank you so much for your time. The questions were fantastic and thank you again to PLUS for this opportunity.

Nicole Murphy: Thank you.

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