

Icons & Innovators Episode 2

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. Jessica Centeno of Kroll will be hosting this episode and will be joined by featured guests, Nadia Hoyte of USI Insurance Services.

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 relied upon as legal advice. With the housekeeping announcements out of the way, I'm pleased to turn it over to Jessica.

Jessica Centeno: Hi, Nadia.

Nadia Hoyte: Hi, Jess.

Jessica Centeno: I'm really excited about this [00:01:00] PLUS episode today. When I think of a cyber icon, innovator or leader, you immediately come to mind. This is an absolute pleasure and thank you for your time.

Nadia Hoyte: Thank you so much. I can't wait. I am looking forward to this conversation.

Jessica Centeno: Great. Well, let's kick it off with, again, what I think of you. When I think of Nadia Hoyte [what I think of] is a leader in this space.

So, talking about leadership and in your view, what is the single most important trait a leader should have in today's professional liability space? What's one trait that can undermine leadership, as well?

Nadia Hoyte: Ooh, great question. I do think that one of the things that the leader in this particular space has to be is endlessly curious. I think one of the things that we have to best appreciate is that the world of professional liability, the world of cyber, the world of technology risks is not said and done.

[00:02:00] We learn and evolve as we continue to grow year over year. I think a leader has to be in that space. You have to be comfortable in being

uncomfortable, but still have the ability to direct the ship, if you will, in terms of what your ultimate strategy is going to be in terms of what your actual goals are going to be.

You're not going to know everything upfront, but you have to be in a space to appreciate that you can lean into being uncomfortable so that you can create new and diverse and expansive solutions. I think that's important in terms of being a leader, to just have that mindset of curiosity.

I think [when it comes to] undermining leadership, one of the things that I have seen is when you seek to limit the capabilities of what your team brings [00:03:00] to the table. I'm of the mindset that when you bring a team to a table, everyone has something that they can contribute. A leader has to have a good understanding of what those contributions are and create the space and allow for the space for that development to continue, in doing so, creating an opportunity for everyone. I think that is one of the things that you have to sort of understand in this particular dynamic space, and I think that that is something that is extremely important.

Jessica Centeno: I love everything you just said, especially your commentary about being comfortable with being uncomfortable.

I think, as a mentor to mentees, I always say, “When you go to a conference or you go to a networking event, be okay with not hanging out with the same people. Go meet new people. It might be uncomfortable at first, but that is what's going to [00:04:00] promote your reputation and your brand building, per se.”

Before we continue too, I think I know you quite well, but for the viewers listening in, would you like to talk about your leadership role, your background and being at USI for those who don't know, Nadia?

Nadia Hoyte: Oh goodness. So, you're asking for the origin story?

Jessica Centeno: Yeah, per se. Yeah.

A little background on Nadia [and] what you do at USI. I never get old of this, so...

Nadia Hoyte: Well, well, sure thing. I think, just a little bit of a snippet to just understand the sort of development role. I first started my foray into sort of cyber anything many moons ago, when cyber was not even [and] insurance

policy was not even a thing on this side of the Atlantic. And I had the ability to really sort of work with [many people].

I'll name them because I think that there are a [00:05:00] number of different people. But [who] comes to mind immediately is Mary Beaker, Peter Foster, Chris Keegan. These are people who created the space, as I mentioned, in order for me to develop and grow from a cyber perspective. And I've done that and built upon that throughout the different years in multiple different opportunities and roles and positions.

Specific to USI, here I lead what I affectionately call "the cyber federation." So, it is a national team of different people who sit in specific regions who provide cyber resources to USI defined regions. My role is to help with the ultimate strategy of some of those solutions, whether there are insurance solutions, whether there are partner solutions with strategic partners, like yourself, Jess. We are seeking to do that to help better understand risk, to help mitigate risk, and to help our [00:06:00] clients with the tools to identify and work through different risks, particularly with respect to cyber. So, it's fun and not boring.

Jessica Centeno: I think it's fun too. Yeah.

I mean, we're still here, so there's got to be something fun and exciting about it that keeps us here. I know you mentioned Mary, Peter and Chris. My next question, in the industry icons space, who do you think of when you think of icons in the cyber liability industry? Besides yourself, who has made a contribution to the industry?

Nadia Hoyte: I think there's so many different people. I will say Judy Selby.

Jessica Centeno: Wow.

Nadia Hoyte: She is--She is just a rockstar. She's a rockstar because she has the very wonderful capability of being able to take in very complex things and then be able to deliver out what potential solutions would be. [She] also create[s] communities [of] folks to help develop those solutions, [00:07:00] so it's not once and done. It's something that continues to evolve, and she's able to sort of bring them together. And I think that she's just masterful in doing that, bringing people along and willing to mentor people along. So, definitely she would be one of my change makers.

I have to include the people that I mentioned before, and I'll bring them together: Mary Beaker, Chris Keegan, Peter Foster, Mary Guzman, Tom Srail.

These are people who are part of the pioneering community of cyber insurance policies on this side of the Atlantic. They are just, they've just been tremendous change makers to every iteration of what we know the cyber policy to do, being able to work with insurers and reinsurers alike to help develop what is core coverages to us right now and core underwriting. So, I would definitely include them in the [00:08:00] overall sort of bucket of risks and bucket of people who I would dub as true and ultimate change makers.

The other person that I would also include in this overall sort of changemaking community who I see and admire from afar has definitely been Bob Parisi. Bob has been my manager at one time, and I've learned a lot from him. He's a tough cookie, but I like tough cookies. Those would be some of the folks that I've seen just change and develop what we knew of as nothing into something that we think of as our every day today.

Jessica Centeno: Yeah, I mean, I only know Judy and Bob. I love that Judy is client centric too. I feel like she's always bringing her clients along for the education and ride with her, which I appreciate, being a broker in my past life.

[00:09:00] And then, I mean, some say that Bob is potentially the godfather of cyber insurance.

I think there's a—

Nadia Hoyte: Let's not tell him that.

Jessica Centeno: But I mean, Bob is definitely someone I think of as an icon in this space as well.

Curious to see, out of any of them, are any of them a mentor to you? Has mentorship shaped your path, whether you've given that mentorship to a mentee or been a mentee to a mentor?

Nadia Hoyte: Oh goodness. I would say from a mentor perspective, I've had different people mentor me in different spots, in different places in my career. Certainly, Chris Keegan and Mary Beaker when it was the come up for me, for sure.

At Marsh, when I started my cyber career, when things were starting from a cyber all in perspective, I definitely looked to them. They were folks who brought me along to [00:10:00] meetings. [They] always made sure I had something to do and offer at the meetings and that I owned something. So, it

gave me ownership capabilities of certain things and then being able to separately share, “Here's some things that you might want to think about.”

[They were] never sort of chastising me about, “You did this wrong,” but “Here's some things that you might want to think about.” And I think that was indicative to them being open about, “We are in this dynamic space and not everything is set in stone. Let's create the space for them to also learn if they can learn from me.” At least I'd love to believe it to be that way. From a mentor perspective, yes, I've definitely had that ability.

I've also had unofficial sort of mentee relationships. Nothing official, but a space that folks are able to come to me and say, “I'd love your perspective on this. Can you provide this to me?” So, I've had underwriters, [00:11:00] brokers, reinsurers [and] service providers who've also come to me to really sort of ask that specific question. And I always tell them, “Look, I can always tell you. This is just based off of what I know and what my experience[s] are. But I'm also willing to listen to you and hear about what is going on with you, what you may need help with and how we can grow together.” So, I think it's a mixture of both, Jess, for sure.

Jessica Centeno: I may call you one day and ask for [help]. I mean, if I don't already do it enough

Nadia Hoyte: We all do. We have a little community

Jessica Centeno: I might call to hear your perspective. A hundred percent.

And you know, I know that PLUS has an incredible mentorship program. I've done it a few times myself, and I think that is really crucial as you develop and grow in your career, to your point. But I like that-- I like, I love two things you said. The ownership, like teaching accountability, I think is so important. It really, I think, brings that [00:12:00] passion and pride into your product and your results.

But also too, having multiple mentors in your life, kind of as a sounding board, [helps]. It's always nice to have different feedback from people from different backgrounds. So, I like that you had, or you shared that you have that ability with multiple people in the space.

As it relates to innovation, I know you're always front and center at conferences and panels waiting for the next big thing so you can go back to your clients and

keep them in the loop. What emerging company product or trend do you see as a true breaking barrier in the industry today?

Nadia Hoyte: Well, not so much breaking barriers, but almost has to evolve. And it's something that folks, if you've listened to me on certain platforms, you've heard me say this before. The way that we evaluate cyber risk has to go beyond a binary application. A yes or no [00:13:00] response to a specific question set, I don't think is enough to truly understand and underwrite a cyber risk. So, I know that there are various different companies that are looking to push out what the next level of a cyber application would be. But I do think that we've modeled the application against the sort of norms that we attribute to insurance. I don't think that that makes sense. I think that we need to evolve by that.

The other piece that I definitely want to see some true defined innovation behind is industry level service and product diversification, being able to ensure that we can partner the policy holder against a specific industry and offer a solution that's specific and intentional for that. [00:14:00] I think we need to definitely do that.

We started to do this. I'm sure, Jess, you can remember way back when when they started to create lawyer cyber policies or even healthcare cyber policies. But we didn't really have, I think, the vocabulary or even the understanding of what we needed to put into those particular policies outside of just including terms that were healthcare or lawyers, you know? So I think we're better understanding what the risk is to better understand what the risk transfer solution should be for certain industry verticals. And I think that we need to definitely evolve.

And the last piece that I'll definitely say, and this is sort of a passion project of mine, is that I think that we need to evolve the policy and service solutions by client revenue band. So right now, for the most part, [00:15:00] we are offering the same type of insurance for every client, regardless of revenue band. Yes, there's certain specialty products and solutions along the line, but we need to be able to offer a solution where a client that has 100 million in revenue and another client that has like 3 billion in revenue they both should not have a million dollar retention for cyber. They both should not have the same sort of terms and conditions. They have different risks that these policies need to evolve to offer.

Additionally, I also think that the services, the proactive services that are offered to clients, also have to evolve as well. If we're looking to elevate and

appreciate the exposures of SME risk, mid-market risk and large complex risks, let's elevate the types of services that are available to them. Let's make it more intentional. [00:16:00] Let's make it more fruitful, so that we can evolve that area as well. Those are some of the things I would think about.

Jessica Centeno: I love it. I mean, you're speaking like music to my ears, to my old broker soul.

Touching on some of the things you mentioned, I think first application for sure. You're telling a story to the markets, right? You're obviously an exceptional broker the markets are lucky to have you. And you know, I think we've discussed this in the past, create an addendum to--

Nadia Hoyte: Yep.

Jessica Centeno: Provide a backstory on why or why you don't have a certain control. Add that color, because I think cyber isn't as black and white as some people expect it to be. And what I admire about the work you do for your clients is you realize that not every risk is off the shelf. They don't deserve an off-the-shelf policy, but something tailored to them. The way you acknowledge the gaps in their applications. To say to your point earlier, proactive services. Throughout the policy year, [00:17:00] let's work on A, B, and C and get you in a better position.

Nadia Hoyte: Exactly. And I think to follow that, that means that we need to stop thinking and boxing cyber insurance along the same lines and confines as other more traditional forms of insurance. And once we start to break out of that-- I think the buildup was we had to build something, right?

Jessica Centeno: Mm-hmm.

Nadia Hoyte: We had to build something, so we had to compare it against something else. Now that we have something, we need to start understanding why it's different. Then understand that it can't necessarily compare to some of the more traditional forms merely because it is different. The timing for loss is different. The timing for claims is different. It's different, different, different.

Even the entirety of a cyber policy. You know, you have an open peril policy. It has sort of claims made and reported coverages, discovery-based coverages. It just has [00:18:00] all these different nuances all in one policy, whereas more of the traditional forms of coverage are just sort of separate in their own little universe.

So cyber's different, and it has to be treated differently.

Jessica Centeno: And I think to the point earlier that you made, this is fun. Every day there's something new. With AI advancing, now we're starting to see how the carriers are reacting with their policy language towards artificial intelligence.

Same thing on the vendor side. What services are clients asking us to provide from a proactive or reactive standpoint? So, I think that's what keeps cyber up and coming and top of CISOs and CFOs and board's minds. What's the next risk? What can we get ahead of?

Nadia Hoyte: And if I may, I apologize for interrupting. You brought up AI and I just have to bring up Annmarie Giblin, at Norton Rose.

Jessica Centeno: Yeah

Nadia Hoyte: Being able to have [00:19:00]someone-- I think [as]brokers, when we talked a bit before about leaning into being uncomfortable, we are always going to learn something with respect to cyber.

That is always true, but I also think that we can begin to create toolboxes to deal with the dynamic shifts of cyber--making sure that we are learning, creating the space for learning [and] also creating the opportunity of how we deal with all of the dynamic situations that we are going to come up with. [We are responsible for] making sure that, from a learning perspective, we have either Mary Guzman and we are learning more about trade secret and IP risk. From an AI perspective we have Annmarie Giblin from Norton Rose and we're making sure we're learning more.

Brokers have to be in that spot where we are constantly evolving the learning [00:20:00] aspects of it but also be mindful of not losing sight of the toolbox that we have that will apply to different cycles of insurance. So I think we have to be very careful with that.

Jessica Centeno: Yeah. No, I think that's an incredible point. I think we've talked about this in the past, but it's so important to as a community to continue to have those discussions and educate each other and have everyone have a seat at the table: the brokers, the carriers, the vendors, the law firms, the clients. Right?

I think to stay up to speed with the threat actors, who somehow are always one step ahead of us, we need to communicate and share that intel. I think, you know, now being on the vendor side and working with law firms, we have so much data and intel on what we're seeing. So, making sure that we're talking to the brokers and the carriers to make sure you're able to identify the risks with your policy holders is so crucial to our ever-evolving [00:21:00] industry.

Nadia Hoyte: One hundred percent.

Jessica Centeno: Yeah. Thinking about moving ahead, I also would love to talk about looking back. Going back in the day, to your point, many moons ago when you were first starting in the cyber space--

Nadia Hoyte: When I was an infant.

Jessica Centeno: You were born with cyber in your blood, didn't even know it, on your tricycle thinking cyber exclusions before they even went into existence.

Nadia Hoyte: Yes.

Jessica Centeno: What advice would you give your younger self at the start of your career and why?

Nadia Hoyte: Oh wow. That is such a great question. The one thing that I would remind myself about is to, one, stay hungry. It is making sure that you are hungry about everything-- hungry about curiosity, hungry about making connections, hungry across the board [and] using "hungry" as your banner and then applying it in different ways. I would [00:22:00] definitely remind myself to definitely do that and run your own race. That is the one thing that I would definitely tell you.

It was very easy to look left and right with respect to cyber to say, "Oh my goodness the private equity people are at this level," or, "the DO folks were at this level. "Why aren't we at this level?" Stop looking left and right. Be able to sort of understand that your journey is your journey and that you have to make that journey. It's not based off of the successes or failures of others. It really is, "How do I own that, and how am I able to move forward with that journey?"

Jessica Centeno: Amazing answer, I had no idea you were going to go down that route.

Nadia Hoyte: I love it.

Jessica Centeno: I just, I love that. And I think too, for people coming into this space, I always hear that there's always hesitancy like, "When do I speak up?" or "am I too [00:23:00] aggressive?" especially for young women. Just having the confidence in yourself [is important] because no one's going to advocate better for you than yourself, right?

One thing I want to share, this is a quote my mom always shared with me from Calvin Coolidge is, "Nothing in this world can take the place of persistence. Talent will not. Nothing is more common than unsuccessful men with talent. Genius will not. Unrewarded genius is almost a proverb. Education will not. The world is full of educated derelicts. Persistence and determination alone are omnipotent. The slogan press on has solved and always will solve the problems of the human race."

Nadia Hoyte: Ooohh!

Jessica Centeno: That's one of my favorite quotes. Just press on.

Nadia Hoyte: Amen.

Jessica Centeno: Be hungry. Just be humble but be hungry. I felt like I wanted to share that with you because I just felt like it was very aligned.

Nadia Hoyte: That is amazing, Jess. I love it. I love it. Love it.

Jessica Centeno: It's good, right?

Nadia Hoyte: I'm going to steal it. Yeah, [00:24:00] I'm definitely going to steal it.

Jessica Centeno: I stole it from my mom, so, yeah. I love it. Is there a role or area of the industry you've always been curious to explore but haven't yet?

Nadia Hoyte: I have never officially, and I say officially, I've never underwritten anything. And I think that that would be very interesting for me to further explore.

So that certainly would be something that I would love to maybe sort of dig into. That's one thing. And I say officially because, if you were sort of a cyber leader or cyber practice leader, you've sort of helped guide the underwriting of cyber at certain iterations, but to officially be in that particular capacity is something that I think I would love to do.

There's actually two. I missed my opportunity, but I think I would've loved to have done what Shannon did in the London market, like be a London[00:25:00] wholesale broker. I think that would've been fun to definitely do. So yeah, those would be the two things.

Jessica Centeno: You can still do them. I mean, it's funny you say those two things.

Nadia Hoyte: Oh, I don't know!

Jessica Centeno: I feel the same way. I wish I started on the underwriting side in my career, but I think being on both sides of the industry, you get this knowledge of how the market works, right? And I always try to ask those types of questions on like, "Can I sit in on you underwriting a risk so I can visualize what it looks like." I'm always curious.

I think underwriting would be such a cool-- I think you'd crush it, first off. I mean, you'll crush it no matter what. But like, just seeing that side.

Even the other way around, right? Going from underwriting to the broker experience, I'm sure there's some stuff you can bring over like understanding how a risk is evaluated [and] asking certain questions.

Um, yeah, no, that was a great answer. I love it.

Nadia Hoyte: [00:26:00] I mean, even you have the different perspectives. When we have our catchup sessions, you have your different perspectives because of your broking experience that you bring into this new experience, with respect to Kroll. It's almost masterful listening to you, as you are able to say, "You know what? I have the context and appreciation of what the end user customer would likely do and how effectively we need to package things in order to bring the broker along." So, I'm sure you are experiencing that in your current role from a Kroll perspective. I've seen you in action, so I know it's something that you do in each and every--.

Jessica Centeno: Totally

Thank you. Yeah, no, it's, it's exciting. Like we talked about earlier, it's so important that all these different parts of the cyber ecosystem talk for that purpose, right?

Next question I have for you, is there a challenge you've faced that turned out to be a [00:27:00] pivotal moment in your career?

Nadia Hoyte: Yes. Um. I was at the end of my career at Willis.

Jessica Centeno: Mm-hmm.

Nadia Hoyte: And, I didn't really know what my next step would look like. I was at a point where I was out of pivot moments. I thought I was out of pivot moments. I was out of, you know, sort of what that next chapter would look like.

It was easy for me to go from Marsh to WTW. That made sense in my head, but then it was like, "What do I do afterwards?" I ultimately did not stay in this space. I decided to move to Chicago and become a wholesale broker for a very small, very tiny wholesale unit.

That was--- I realized that I did not like being a wholesale broker. I like the control of being able to control sort of the business rather than seeding [00:31:00] the control to a retail broker and [00:28:00] then being sort of the wholesale arm. I learned so much from that experience.

Obviously, I was outside of New York, so I was in another, you know, massive insurance market, which is Chicago. I was at a small firm, tiny firm versus some of the larger firms there. So, the dynamics of having everything there for you versus having to create everything was definitely very different for me. It was the first time where I had complete ownership on who I hire and how I train people.

So, I didn't last in that space, from a wholesale perspective, at that wholesale shop. But, I learned so many different things and was able to explore so many different things because I didn't have some of the rigid structures sometimes that you have with some of these larger corporations. [00:32:00]

Jessica Centeno: So, going off script here. I need to know--

Nadia Hoyte: Uh oh. Ok.

Jessica Centeno: Chicago [00:29:00] dog or a New York City water dog?

Nadia Hoyte: New York City all the way.

I am a New Yorker. I am sorry for anybody who is listening and they're from Chicago. No offense, I'm native, okay. I cannot not say that, so, no.

Jessica Centeno: There you go. Everyone heard it here first.

Nadia Hoyte: I'm sorry.

Jessica Centeno: And the last question I have for you, what is the most exciting risk trend you're keeping an eye on right now?

Nadia Hoyte: Oh, I think one of the most exciting sort of overall risk trends has been something that we've been talking about and trying to solve for a number of years. And I go back to sort of my Marsh days very early in my career, and that really would be the third party risk.

What do we do with that particular exposure? How do we understand that exposure? In some earlier iterations, we modeled what they did from a property perspective. We tried to schedule vendors [00:30:00] and then be able to do cross references to determine where there are aggregation points from a policy holder perspective. Then when it came to contingent business interruption coverage, we said, "You know what, rather than offering coverage for all vendors, regardless of whether or not they're a technology vendor, we'll only focus on technology vendors."

I think we are realizing and appreciating that we still need to do some more work there. I don't think we take that risk out. I think that ship has sailed. We can't take that risk out of the core offering, from a cyber perspective. I do think that if we did a better job as a community--- brokers, vendors, insurers, reinsurers, the entire ecosystem of educating policy holders--- I think we would have a different result. I don't think we have done anything with how we educate policy holders [00:31:00] around what we think is best in class and what should be standard so they don't have that information.

I think we're starting to see checklists being used. I know that when I started earlier on, we started partnering with law firms to push through what contractual language should be pushed into it so that clients were being better at the front end, particularly when it came to procurement and so forth. I think there's more work that needs to be done there.

And we also see that it's an area, and I'm sure you can attest to it, where losses are definitely happening over and over again for client revenue brands. For all client revenue bands, the severity scale of it is different. I think that that's an

area that I'd love to see some more change and innovation and more investigation.

Jessica Centeno: Yeah, I couldn't agree more. To your point, the severity is almost extreme to the point where I see a lot of insureds go out of business as a [00:32:00] result--

Nadia Hoyte: Yes.

Jessica Centeno: -- of the cost.

I would also say, personally, I am all in on quantum risk. It's what keeps me up at night. I know I tell you about this all the time.

Nadia Hoyte: I know, you do.

Jessica Centeno: I couldn't be any more scared. I don't want to end on a bad note, so I'm going to say thank you, Nadia, for your time. This has been really fun.

Nadia Hoyte: I had such a great time. We should continue to do this over and over again. I had such a great time.

Thank you so much for honoring me with being a part of this series. Jess, this was just an awesome conversation.

Jessica Centeno: Of course. Our pleasure. Thank you.

Nadia Hoyte: Thank you so much.

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