

Playing to Win

Lou Levinson, president and CEO of Lexington Insurance Company, said he understands how tough the excess & surplus lines market is these days. “In order to sustain our place as a leader, we need to work harder and smarter every single day,” Levinson said. The following are excerpts of an interview.

How would you categorize the state of the excess and surplus market?

The E&S market has experienced a correction. There’s a lot of underwriting discipline in the market today. Carriers are focused on risk selection, attachment terms, limits and price—the motherhood and apple pie of underwriting. Submission activity, a leading indicator from our perspective, is up dramatically in the first quarter, with some lines well over 30% relative to a year ago. It all really starts with the standard markets. Their appetites are constricting, they’re reducing limits and volatility in their portfolios. This generally pushes more business into the E&S market space where we’re able to lever freedom of rate and form to get paid more fairly for the exposures that we’re assuming at the right terms.

What was the strategy behind bringing Western World’s business into the Lexington organization?

Western World is a great brand. They write small non-admitted wholesale-produced business which fits so well within what Lexington does. Lexington’s floor is around \$50,000, we historically have not played in the contract bind space. By partnering up Lexington and Western World we’re creating more value for our brokers by solving more problems. For our brokers, we’re now able to provide solutions for small bind and brokerage, middle-market accounts, very large, complex, and very unique accounts. It creates a tremendous amount of franchise value, both for Western World and for Lexington.

Lexington’s been dominant in the market for years. Why is that and how do you intend to maintain that edge?

When I joined the industry 30 years ago, Lexington was the dominant carrier. They had underwriting courage. They were nimble. They were entrepreneurial. They would underwrite almost any risk as long as it was at their price, at their terms, with short limits. Really a very thoughtful and entrepreneurial approach for the insurance space. Going forward as a leader, my job is to provide leadership and guidance as the steward of a great organization with great people and a vision. The vision is to be the E&S market of choice and employer of choice. In order to sustain our place as a leader, we need to work harder and smarter every single day.



- An AIG company.
- Leading U.S.-based surplus lines insurer.
- More than 100 new products since 2011.

Lou Levinson

President and CEO
Lexington Insurance Company



“We’re building franchise value and solving problems for our brokers.”

Lexington shifted to focus on Wholesalers in early '19 how has the been received by the market?

The reaction has been very strong, Lexington is a true E&S market with the courage to underwrite risk. Our goal was to improve the ease of trading with AIG by focusing Lexington’s core property and casualty business on wholesalers and Barbara Luck’s general insurance business on retailers. Retailers are a very important part of our business, every account starts with them.