



# AllDigital looks to broaden offering with Lloyd's-backed primary ML product

**Blockchain and AI-driven MGA AllDigital Specialty is lining up Lloyd's capacity for a new primary management liability offering with limits of \$1mn to \$5mn that will target insureds with up to \$250mn in revenues to complement its existing primary and excess products, *Program Manager* can reveal.**

The larger limit product will include coverages for D&O, employment practices liability and fiduciary liability and is expected to interplay with the firm's primary admitted program with Axis and its non-admitted excess program with Core Specialty.

The MGA is understood to have committed Lloyd's paper lined up from an unnamed syndicate and is in the process of confirming reinsurer support.

AllDigital was launched by former QBE executive Athula Alwis in 2019 and uses machine learning-based techniques to develop underwriting tools and analytics to drive better risk selection and pricing as it pursues lower loss costs and expense ratios.

Its primary management liability partnership with Axis Insurance began in 2020 and has available limits of up to \$2.5mn aimed at the private and non-profit middle market, with revenues up to \$100mn and no more than 125 employees.

The firm's excess offering with Core Specialty – which was launched last September – caters to companies with revenue up to \$250mn and 250 employees, providing up to



**NAME:** AllDigital Specialty

**TYPE:** Management liability-focused blockchain and AI-driven MGA

**NEW OFFERING:** Primary management liability with limits of \$1mn to \$5mn targeting insureds with up to \$250mn in revenues and 250 employees

**CAPACITY:** Unnamed Lloyd's syndicate; reinsurance also being placed

**EXISTING PRODUCTS:** Primary admitted management liability with Axis Insurance with up to \$2.5mn of limit that targets smaller insureds (up to \$100mn revenues and 125 employees); excess offering with Core Specialty providing up to \$5mn in limits

**STRATEGY:** Wholesale distribution; AllDigital offers rapid turnaround for quote and bind; uses machine learning and AI-based techniques to develop underwriting tools and analytics to drive better risk selection and pricing

\$5mn in limits, and is designed to sit above its primary program.

The move to introduce a third offering, which is targeting a launch later this year, will allow AllDigital to write a broader range of risks on a primary basis that currently fall outside eligibility for its Axis program.

It is designed to be a more bespoke solution for slightly larger insureds in the SME space requiring greater customisation.

AllDigital's vice president for management liability Dillon Thompson is spearheading the development of the new primary product with Alwis and other colleagues.

Speaking to this publication, Thompson said: "We have partnered with a Lloyd's syndicate and prominent global reinsurers to bring new management liability capacity to our distribution partners through our speed and efficiency service model that they rely on."

The MGA sees a significant opportunity because in its existing submission flow from its wholesale broker partners there are submissions that are too large for its existing primary product.

For example, a submission might come in that is within the target classes of its Axis primary program but has \$150mn of revenues, putting it above the size threshold.

In that instance the proposed Lloyd's-supported program could step in to write the risk, allowing the MGA to capitalise on its existing submission flow.

The process would require no additional work or input from broker partners, with AllDigital's platform instead parsing submissions between the primary products depending on the size of the insured.

AllDigital currently offers brokers a rapid turnaround of three minutes for self-service, or three to four hours with concierge service for quote and bind on its primary admitted program with Axis, and around double that for excess placements.

The new primary Lloyd's product will be launched with an expected turnaround time of a day or less, with the aim of reducing that to 12 hours or less once the technology has been built with the MGA's AI system learning the new offering.



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AllDigital’s vice president for management liability Dillon Thompson

It is being created at a time when brokers and clients are seeking larger limits and more customisation in the middle market as a preferable alternative to the split programs which emerged in the last few years of the hard market even in primary layers as a result of carriers shortening limits.

### **Distribution**

AllDigital has been expanding its distribution network along with its product suite in the last two years.

The tech-enabled MGA initially launched its primary product with RT Specialty, Amwins and Brown & Brown, before expanding to ARC Excess & Surplus, CRC, Risk Placement Services, Socius, Jencap, Burns & Wilcox and Brown & Riding.

The firm has also partnered with digital insurance platform Appulate as it looked to further build its distribution network.

The move was aimed at assisting wholesale brokerage partners to digitally connect with their retail partners by reducing friction and placement costs without disintermediation. Alwis previously told this publication that digital distribution would be a meaningful generator of growth for AllDigital, but emphasised that the MGA will not disintermediate its distribution.

“There will always be somebody in between us and the retailer, whether that’s a traditional wholesaler, digital wholesaler, or a digital marketplace. We will remain a limited distribution wholesale-focused MGA,” he explained.