

# EXPERT SERIES Q&A



Stephanie Kao, Partner at Peabody & Arnold, shares her insights on a career in the reps and warranties insurance industry. In this Q&A with StoneTurn Managing Director Chris Milne, Stephanie highlights key moments in her career, what trends are on the horizon in the reps and warranties insurance market, and how Peabody & Arnold is helping clients navigate their claims and achieve fair resolutions.

1.

## Can you share a pivotal moment or experience that motivated your transition to your current role in reps and warranties insurance?

After over a decade in Professional Liability insurance, I was looking to challenge myself with something new. Rob McCall, Chris Parady, and Joe O'Neil gave me that opportunity and I haven't had time to look back since.

2.

## Given your diverse legal background, what unique perspective or skillset do you believe you bring to the reps and warranties insurance market?

While I focus on forming creative arguments in the reps and warranties insurance market, my approach is grounded in the practicality of impact and achieving my client's objectives in a commercial manner.

In addition, given my over 10 years of experience in Professional Liability Insurance, I have a deep understanding of the overall insurance marketing offerings and how they overlap and abut.

3.

## What specific challenges have you encountered in your role at Peabody & Arnold, and how have you addressed or overcome them?

As a woman of color in the insurance industry, there have been very few challenges that I haven't faced over the course of my career. I've only made it this far because of my excellent mentors and being willing to work hard and learn from everyone, including people who disagree with me or don't see eye to eye with me.

**4.****Could you discuss a particularly rewarding experience or achievement you've had while working in reps and warranties insurance?**

My most rewarding experience has been mentoring and learning from others. A lot of the reps and warranties insurance industry is not clearly documented and just like every industry, has its own nuances and quirks that are orally passed down or shared through experience. I would not have made it this far without numerous individuals' mentoring and guidance. As such, I take mentoring others seriously and hope to pass on all the wonderful knowledge that I have gained over my many years in the industry and the lessons I've carried from my mentors.

**5.****How does Peabody & Arnold differentiate itself in the market, particularly in terms of claims assessment and resolution?**

At Peabody & Arnold, we differentiate ourselves by being prompt and responsive to our clients and the Insureds. Our goal is to investigate the information we need to validate Breach and Loss, with the least amount of disturbance to the Insured, in a timely manner. In addition, we rely on and listen to our consulting partners, like StoneTurn, to arm us with the knowledge and arguments, in areas where we have no expertise. No one organization or individual can be good at everything, and it's good to have partners you can rely upon to help drive outcomes for clients.

**6.****What trends do you currently observe in the reps and warranties insurance marketplace, and how do you anticipate they will impact your role and the industry as a whole?**

As the reps and warranties insurance marketplace matures, Financial Statement matters continue to be the most popular type of Claim Notice. However, I have noticed a growing uptick in Customer Contracts, Intellectual Property (IP), Cyber Losses, and Conditions of Assets, as Insureds become more comfortable with coverage and the deal volume slows. I expect that the industry will continue to evolve, and I'll get to learn a few more things.

7.

## How does Peabody & Arnold collaborate with Insured's, brokers, underwriters, and experts to ensure smooth and effective communication throughout the claims assessment and resolution process?

To ensure smooth and effective communication, Peabody & Arnold is overly communicative and inclusive. In addition, we attempt to be as up front about our end goals and motives as possible, so we can work with the Insureds and their agents to reach a commercial resolution that everyone is at least partially satisfied with. As corny as it sounds, we look for the best win-win scenario versus a win-lose scenario.



**Christopher Milne,** Managing Director at StoneTurn, is experienced in providing forensic accounting and dispute consulting services. He has

worked with clients involved in a wide range of complex matters, including breach of contract, post-acquisition disputes, business valuation analyses, assessing losses associated with insurance claims, regulatory issues, and employee and executive fraud and embezzlement. Christopher's experience includes the quantification of economic damages, the preparation of business valuation analyses, preparing expert reports, pre-trial analyses, assistance in expert deposition and testimony preparation, and analysis of financial statements and records.

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**Stephanie Kao,** Partner at Peabody & Arnold, assists both US and international-based insurers as insurance coverage counsel with a

focus on transactional liability. She originally started in the insurance industry as coverage counsel for insurers of directors and officers, employment practices, fiduciary liability and professional liability policies.

With almost 15 years of coverage experience, she brings extensive experience and problem-solving skills to investigating claims and forming creative arguments, all while grounded in the practicality of impact and commercial objectives.

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