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Business Insurance profiles the winners of the 2022 Break Out Awards, which honor potential future leaders in the U.S. insurance industry. The 40 honorees from across the country represent some of the most promising individuals working in insurance and risk management. PAGE 14

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Insurers cautious on green materials

BY CLAIRE WILKINSON
cwilkinson@businessinsurance.com

D

emand for sustainable building is increas-

ing as efforts to cut carbon emissions ac-

celerate and alternative materials are being

used more frequently in construction in

response to the supply chain crisis.

However, some insurers remain wary of

the risks, especially if products and techni-

ques are untested in the field, experts say.

A growing number of buildings are pursu-

ing sustainable certifications, such as LEED

and WELL and other resiliency standards,
said Cheri Hanes, Dallas-based assistant

vice president, risk engineering team leader,
at Axa XL, a unit of Axa SA.

“A natural outfall of that is our construc-
tion clients are being called upon to build
with materials they haven’t built with before
and it’s a pretty steep learning curve,” Ms.
Hanes said.

Green roofs, low-VOG (volatile organic
compound) paints and adhesives, and solar
energy on roofs or on project sites are becom-
ing more widely used, as are green building
materials such as mass timber, a class of
engineered building materials fabricated from
layers of wood pressed together, often with a
strong adhesive under great pressure.

“My hope is that we can get insurers
comfortable enough at some point in
the near future to price [mass timber] much the same way as they
would type 1 concrete and steel,”

Michelle Luster, Swinerton Inc.

Mass timber structures are being considered
both for their sustainability benefits and as an
alternative material because of the difficulty
getting steel and supply chain constraints,
Ms. Hanes said.

Hundreds of mass timber projects are under
construction, and even more are in design
and development in the U.S., said Patrick
McBride, Dallas-based head of construction
property at Zurich North America.

“With so much mass timber construction that we
are seeing, it is faster to construct, and because the pan-
els are prefabricated offsite it can shorten
project timelines and result in a more con-
trolled risk environment at the job site, said
Michelle Luster, corporate risk manager at
Swinerton Inc., a general contractor based in
San Francisco.

Initially insurers priced coverage for mass
 timber projects like light wood frame because
there was no loss history for the product in
the U.S. Now it is priced somewhere between
light wood frame and steel and concrete con-
struction, Ms. Luster said.

“My hope is that we can get insurers
comfortable enough at some point in the near
future to price it much the same way as they
would type 1 concrete and steel,” she said.

It’s a matter of figuring out where mass
timber fits from the rating perspective
between frame and reinforced concrete, said
Gary Kaplan, Chicago-based president of
construction at Axa XL. “There hasn’t been
so much mass timber construction that we
have tons of data to know if we’re right or
wrong,” he said.

Cyber was the same way, Mr. Kaplan said.
“We drew a line in the sand and then we
watched the results over time and adjusted
the premium to get rate,” he said.

In certain cases, sustainable materials such
as mass timber are unproven, in terms of
“the composition and strength of materials,
durability and how they maintain structural
integrity over time,” said Doug Akerson,
New York-based executive vice president
and head of Munich Re Facultative & Corporate
North America Engineering & Energy.

It can take some time to prove that the
materials perform better under various expo-
sures such as fire and water, said David Dow,
executive vice president, property broker, at
Amwins Group Inc., based in Truckee,
California.

Manufacturers’ research suggests
fire ratings for mass timber should be
higher than for stick frame projects
because it takes longer to burn, said
Nick Cavaness, San Francisco-based
senior property broker, at Risk Place-
ment Services, Arthur J. Gallagher &
Co.’s wholesale unit. But there hasn’t been
a fire loss where insurers have been able to
confirm that in the field, he said.

Mass timber, if engineered correctly, is
incredibly sustainable, but the challenge is
doing it right, said Christopher Smith, Shel-
ton, Connecticut-based senior vice president
of construction at NFP Corp.

Mr. Smith cited the example of exterior
insulation finished system, a replacement
for stucco that was used back in the 1990s that,
if installed incorrectly, led to problems with
water intrusion. “With mass timber you need
to have a builder and engineer who know
what they’re doing to get the benefits,” Mr.
Smith said.

From the risk management standpoint
there is a learning curve, said Yvonne Castillo,
director of risk management at Victor Insur-
ance Managers Inc. in Bethesda, Maryland.

“We don’t have the test of time with these
new innovative materials to say, ‘Yes, it per-
forms great, in 10 years we’re not going to
have any structural issues,’” Ms. Castillo said.

BY CLAIRE WILKINSON

BUILDERS SPELL OUT BENEFITS OF MASS TIMBER

B

uilders and developers need to have robust
communication with their insurers, show detailed
information and help educate
them on sustainable materials
like mass timber, experts say.

Clear communication
about a project can help underwriters get
more comfortable in
providing coverage for
these risks, they say.

It has been challenging
at times for construction
companies to persuade
insurers and brokers that
mass timber is different from
light-gauge wood frame, said
Michelle Luster, corporate
risk manager at Swinerton
Inc., a general contractor
based in San Francisco.

“A lot of 2020, when many of
us were working full
time remotely, we spent
on calls trying to educate our
businesses on why this material performed
much like steel and concrete
when it came to fire and
water,” Ms. Luster said.

Proactive developers or
builders raise issues ahead of
time and show insurers the
planning and research
they have done, which in turn helps
inform insurers, said
Gary Kaplan, Chicago-
based president of
construction at Axa
XL, a unit of Axa SA.

“Being upfront about
calculating and
communicating their plan
to use such materials
ensures that everybody
involved in the project is
aligned,” Mr. Kaplan said.

Mass timber projects
have to be more
integrated from the design
component to the architect
standpoint, to the owner/
developer, contractors and
subcontractors, said Patrick
McBride, Dallas-based head
of construction property
at Zurich North America.

“The material and structure
is manufactured somewhere
else and then it’s shipped
to the site to be erected, so that
integration and coordination
is critical to achieve some
of the efficiencies that are
expected,” Mr. McBride said.

Claire Wilkinson

The Ascent, a 284-foot, 25-story apartment building under construction in Milwaukee is described as the tallest mass timber structure in the world.
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Causation questions limit COVID comp claims

BY LOUISE ESOLA
lesola@businessinsurance.com

M any COVID-19-related workers compensation claims are denied, according to recent data that shows a third to half are deemed to not involve workplace contraction of the virus.

Often workers don’t press the claims after the initial denial and experts say questions over compensability have kept claim counts and costs low.

“The trend is that most employers are denying claims because of the question-able causation of developing it at work,” said Rich Lenkov, capital member and head of the workers compensation practice at Bryce Downey & Lenkov LLC in Chicago. “You can catch it everywhere, and most of the claims I am seeing you are getting the causation question.”

While there is no centralized database of COVID-19 claims, some states such as Florida and Texas have been releasing regular reports on claims activity.

Several large workers comp insurers declined to comment on claims activity. In recent months negative publicity over workers allegedly contracting COVID-19 at work and not being compensated for their illness has been commonplace.

The Florida Division of Workers’ Compensation’s most recent data, from April, shows that 35,438 COVID-19 claims have been denied since 2020. There were 34,797 claims accepted in 2020 and 30,564 in 2021.

In March, the Texas Department of Workers’ Compensation reported that insurers denied 45% of COVID-19 positive test claims. Despite more than 18,000 denials of claims with positive tests or diagnoses, there were only 166 disputes filed with the DWC as of Feb. 6.

“It is true that COVID claims are being denied at a higher percentage than non-COVID claims,” said Matt Zender, Las Vegas-based senior vice president of workers compensation strategy for AmTrust Financial Services Inc., who pointed to data from the California Workers’ Compensation Institute.

The CWCI found a COVID-19 denial rate of 37%, compared with a non-COVID-19 denial rate of 12%. Of the COVID-19 claims denied: 58% were denied for medical reasons, which include a negative test or no test, and 32% of the denials were non-industrial, “meaning that they were not exposed at work or the employee withdrew their claim,” Mr. Zender said. The remaining claims were denied due to reporting errors, “which usually meant that the employee was not an employee of the policyholder,” he said.

The difficulty of proving contraction at work is one of the reasons behind the opposition to COVID-19 presumption orders and laws, which require employers to assume that the disease was caught at work, unless proven otherwise. Still, many states allowed for presumptions, even in cases only for those working in such industries as health care and public safety.

The National Council on Compensation Insurance reported that COVID-19 claims weren’t as bad for comp insurers and employers as many had anticipated.

An analysis of data from 45 jurisdictions in conjunction with several state ratings agencies found an average cost of $7,800 per COVID-19 claim. Indemnity, or income-replacement, claims accounted for 41% of reported COVID-19 claims — meaning such claims were mild and did not require medical intervention.

Without the COVID-19 claim denial figures, would the picture be different for the comp industry? It’s likely, according to Katie Williamson, director of data science at NCCI. In a presentation at NCCI’s Annual Insights Symposium in May she went over data of what a pandemic looks like in terms of a surge in infections in the United States. For workers, the issue that could keep comp claims at bay is “adjusting for compensability,” she said.

How do you prove — or disprove, as employers in presumption states are tasked with — contraction at work?

“The easiest way to go is to make a denial,” said John Novella, a partner in the workers compensation practice in the Princeton, New Jersey, office of Goldberg Segalla LLP.

According to Mr. Novella, employers and their insurers in states such as New Jersey have limited time to either deny or accept a claim.

“If you have a case where it’s a car accident, it’s clear you are going to accept (the claim). But with occupational illness like COVID exposure … we don’t have all the facts so we can’t recommend the client accept the case without all the facts,” he said.

From there, if the denial is appealed “there are a lot of avenues to explore for investigating,” he said.

“Obviously, we have to get medical records, family doctor records; those would have information on a histo- ry of the claimant,” Mr. Novella said.

“The doctor might know that a family member got COVID, or they were at a restaurant.”

“You also look at prior medical history, history of (chronic obstructive pulmonary disease), smoking, asthma. Those are all types of illnesses that could cause symptoms as opposed to COVID.”

Social media searches regarding social events attended by a claimant or whether the worker has children in school could be another avenue to dispute workplace infection, he added.

Yet such investigations aren’t common, and most denials are not appealed, according to experts.

Jonathan Barrish, Chicago-based partner with Litchfield Cavo LLP, said only two claims made it to litigation in Illi- nois, which is a presumption state. In both cases, arbitrators ruled in favor of the claimants, despite a judge ruling in one that the employer successfully rebutted the presumption, he said.

Even without a presumption in place employers are “going to take the cases where it is obvious and deny the rest,” Mr. Barrish said. In workplaces such as health care settings, workplace spread of COVID-19 makes sense, while in others it might not, he said.

“If there is no evidence that anyone in the work environment has COVID that’s an easy one to deny,” he said.

MORE EMPLOYER VACCINE MANDATES IN PLACE, BUT FEWER IMPLEMENT POLICIES

Presumption laws could be at the heart of why some employers are maintaining COVID-19 vaccine mandates, yet trends show the move to require vaccines is waning in the wake of federal measures being struck down.

While employers increasingly implemented COVID-19 vaccine mandates or testing requirements in the past year, only a small percentage that don’t have such policies say they plan to make them mandatory, according to a March survey of 1,275 in-house lawyers, C-suite executives and human resources professionals conducted by the employment law firm Littler Mendelson PC.

Overall, 41% of those surveyed said they have vaccine policies in place, compared with 21% in the 2021 survey. Only 1% plan to implement mandatory vaccine or testing policies, and 2% say they are unsure.

Even as the percentage of employers putting policies in place nearly doubled since the last survey in August 2021, the largest share of respondents in the latest survey — 56% — said they will not implement mandates or testing unless required by law.

The increase in the number of employers putting policies in place is surprising given federal mandates were struck down by the Supreme Court, said Devjani Mishra, New York-based shareholder with Littler Mendelson.

“There were people who were down the path,” she said, setting up their policies in anticipation of the embattled Occupational Safety and Health Administration requirements.

“Those things stalled out, but those companies went ahead,” Ms. Mishra said of employers that continued with mandate plans.

The uptick in employer mandates might also stem from careful risk management, said Jeffrey Adelson, general counsel at Adelson McLean APC in Newport Beach, California.

In many states, if someone is determined to have contracted COVID-19 at work, “it is presumed to be a workers comp claim,” Mr. Adelson said. “You have presumptions of compensability in various states.”

Michael Bradford
SPAC rules could reassure D&O insurers, dampen investor enthusiasm for vehicles

BY JUDY GREENWALD
jgreenwald@businessinsurance.com

Proposed U.S. Securities and Exchange Commission disclosure rules for special purpose acquisition companies may deter some SPAC-related transactions but leave directors and officers liability insurers feeling more comfortable offering coverage for the risks, even as demand for the transactions has significantly slowed.

SPACs, also called blank check companies, are publicly traded shell companies formed to raise capital to acquire private companies, which they usually have two years to do after their initial public offering.

A deSPAC transaction occurs when a private company merges with a SPAC. In the next step, the merged entity operates as a publicly traded company.

The transactions are often seen as less costly alternatives to traditional IPOs, though some critics say they can also be used to circumvent regulatory scrutiny.

The growth of SPACs last year was explosive, with 613 formations completed. But there has been a significant slowdown in SPAC and de-SPAC activity this year, in part because of the anticipated regulations but also because of factors including stock market volatility and over issuance.

“I would anticipate that the deSPAC space may see more scrutiny as it relates to private company targets.”

Andrew Pendergast,
NFP Corp.

A major participant, investment bank er Goldman Sachs, said in a statement, “We are reducing our involvement in the SPAC business in response to the changed regulatory environment.”

However, there are still hundreds of SPACs seeking a target company, observers say.

The 372-page SEC proposal published in late March would require additional disclosures for SPACs, which are publicly traded shell companies formed to raise capital to acquire private companies, which they usually have two years to do after their initial public offering.

The final rules, comments on which were due by the end of May, to differ much from the proposal. “It’s unlikely to go through exactly as is,” but the SEC “may have to be more slyly placed to make major changes,” said Larry Fine, New York-based management liability insurance leader for Willis Towers Watson PLC.

The proposed rules “do add significant disclosures and transaction complexity for SPACs and could discourage prospective SPAC sponsors, and it could throw some cold water on any deSPAC transactions,” said Kevin LaCroix, executive vice president in Beachwood, Ohio, for RT ProExec, a division of R-T Specialty LLC.

“They’re really just trying to level the playing field,” with traditional IPOs, said Pam Greene, Boston-based partner, head of North America corporate governance and ESG consulting, at Aon PLC.

“I would anticipate that the deSPAC space may see more scrutiny as it relates to private company targets,” which would be required to be co-registrants under the proposed changes, said Andrew Pendergast, New York-based managing director and SPAC practice leader for NFP Corp.

Eric Senatore, New York-based executive vice president for Sompo International, which has been active in the market, said the rules create additional hurdles, including increased time and cost, and a greater risk of liability. “The original IPO may become the only way a company can become public,” he said.

Removing the safe harbor provision would “strongly discourage private companies from going the deSPAC route vs. going the traditional IPO route,” said Derek Lakin, New York-based senior vice president and national SPAC practice co-leader for Lockton Cos. LLC. It will “take away one of the main advantages of doing the SPAC,” he said.

However, strong proposed transactions will still be able to move forward, said Machua Milliet, Boston-based SPAC leader at Marsh LLC.

Many believe the rules may encourage D&O underwriters to write coverage for SPAC-related businesses.

Tim Fletcher, Los Angeles-based CEO of Aon PLC’s financial services group in the U.S., said that over the long term, “you’re going to see better deals come to market,” which will “give insurers comfort in terms of deploying capital” into the segment.

If insurers see that the rules have a positive effect on the quality and level of disclosure in the deals, they may be more comfortable underwriting SPACs, said Anton Lavrenko, New York-based regional head, financial institutions and private equity North America, with Allianz Global Corporate & Specialty SE.

There may be other implications as well. Andrew Doherty, New York-based national executive and professional risk solutions practice leader for USI Insurance Services LLC, said more disclosures may result in increased errors and omissions liability for investment bankers.

“That’s always been a difficult line of coverage,” he said.

Henry P. Van Dyck, a partner with Faegre, Drinker, Biddle & Reath LLP in Washington and a former financial crime prosecutor with the Justice Department who often worked in parallel with the SEC, said the proposal portends “likely increased future enforcement actions.”

The rules will create additional materials upon which to base lawsuits, said Yelena Dunaevsky, vice president, transactional insurance, at Woodruff Sawyer & Co. in New York. “Litigation has been fairly brutal over the last few months” and will continue “depending on how the rules play out,” she said.

SEC’s Proposed SPAC Regulations

Major provisions of the U.S. Securities and Exchange Commission’s proposed rules and amendments on special purpose acquisition companies would:

- Enhance disclosures and provide additional investor protections in SPAC initial public offerings and in de-SPAC transactions.
- Address the treatment of business combination transactions involving a reporting shell company and amend the financial statement requirements applicable to transactions involving shell companies.
- Provide additional guidance on the use of projections in SEC filings to address concerns about their reliability.
- Assist SPACs in assessing when they may be subject to regulation under the Investment Company Act of 1940.

Source: U.S. Securities and Exchange Commission

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SPAC IPO ACTIVITY

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*As of March 15, 2022

Source: Pitchbook

Image 196x566 to 524x764
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Tech-driven opportunities accelerate

BY MATTHEW LERNER
mlerner@businessinsurance.com

Technology investment in the insurance sector continued at a record pace last year, with two recent reports showing insurtech funding breaking records.

While there were signs of slowing in the first quarter of 2022, experts say interest in the sector remains buoyant (see related story).

Investment interest in insurtech comes from the venture capital sector, hedge funds and private equity capital, as well as established property/casualty insurers, or “incumbents.”

“You can certainly say for 2021 there remains continued interest in insurtech,” said Emma-Lyn Shaw, managing partner with Flourish Ventures, a San Francisco-based venture capital firm with interests including insurtech and data and analytics, in San Francisco.

“Opportunities for innovation in the insurance sector will continue to attract venture capital,” said David Hoffman, Westfield, New Jersey-based vice president and research director at Forrester Research Inc.

“We’ve been predicting the pace of investment would continue due to the opportunities to transform the industry. The disruptive technologies in the industry continue to attract interest from investors,” Mr. Hoffman said.

Incumbent insurers’ interest in insurtech helps mark out the sector from other technology investments, said Ms. Shaw.

“The composition of investors specifically for insurtech is slightly different than technology at large because of the number of incumbents that are actively involved and looking strategically at insurtech. They’re an important contributor to the funding,” Ms. Shaw said.

Andrew Johnston, Nashville, Tennessee-based global head of insurtech at Gallagher Re, a unit of Arthur J. Gallagher & Co., said that the incumbent community is supporting the technology and looking to integrate it into their business through partnerships.

“We’re seeing traditional players acquire startups. They see the opportunity to accelerate their own technology initiatives, both customer-facing or more mundane, like cloud-based rating, quoting, and issuance technologies,” Mr. Hoffman said.

“There’s a greater openness from the incumbents to open up new technologies,” said Parker Beauchamp, founder and managing partner in Boulder, Colorado of Markd Ventures, a venture capital firm focused on insurtech that recently launched a $100 million investment fund. Consumers are also open to technology, he said.

Insurtech investing reached $19.8 billion in 2021, up 176% from the prior year, according to a recent report from Forrester, with a fourth-quarter funding record of $4.3 billion.

A report from Gallagher Re shows insurtech funding at a record $15.8 billion in 2021, more than the combined $13.4 billion in 2020 and 2019, with more than half of total funding, some $9.4 billion, invested in property/casualty insurtechs.

Differing methodologies account for the

QUARTERLY INSURTECH FUNDING VOLUME – ALL STAGES

<table>
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Source: Gallagher Re

Q1 INSURTECH FUNDING SLOWS AFTER RECORD HIGH

The first quarter of 2022 showed a substantial decline in the level of investment in the insurtech sector on a quarterly basis, although the decline was less dramatic when viewed year over year.

A recent insurtech report from Gallagher Re, a unit of Arthur J. Gallagher & Co., shows first-quarter 2022 funding at $2.23 billion, a steep drop from $5.3 billion in the fourth quarter of last year, but the decline was less pronounced when compared with $2.55 billion in the first quarter of 2021.

It is unclear whether the increase in the inflation rate and volatility in the stock market will affect future funding levels.

“As you look forward a bit, you are seeing that there is a slowdown,” said Emmalyn Shaw, managing partner with Flourish Ventures, a San Francisco-based venture capital firm with interests including insurtech and data and analytics. She cautioned, however, against drawing conclusions from a single quarter and added that investors cyclically optimize and alter investment portfolios.

Andrew Johnston, Nashville, Tennessee-based global head of insurtech at Gallagher Re, said he encourages observers against reading too much into one quarter and that it’s “more about looking for trends.”

“I’m not too caught up in a low quarter or a high quarter. ... There’s up and down quarters, but when I look at insurtech funding on average there’s more,” said Parker Beauchamp, founder and managing partner in Boulder, Colorado of Markd VC LLC, a new venture capital firm focused on insurtech.

Mr. Beauchamp said he is confident about the prospects for the sector and doesn’t fear a slowdown. He added that inflation, even when combined with geopolitical instability and other macro factors, is not likely to slow investment over the long term.

Matthew Lerner

BUSINESS INSURANCE JUNE 2022 9
Supply chain problems continue past COVID

BY CLAIRE WILKINSON
cwilkinson@businessinsurance.com

Companies working to rectify supply chain issues that began during the COVID-19 pandemic face continuing challenges as problems have been amplified by recent events, including slowdowns at West Coast ports related to labor negotiations, the Shanghai pandemic shutdown, and the Russia-Ukraine war.

Last month, Boeing Co. said production and deliveries of its 737 MAX aircraft were hit by shortages of a wiring connector; baby formula was in short supply across the United States due to pandemic-related supply chain issues and a recent recall; and the auto industry continues to be hampered by a semiconductor shortage.

Strategies to mitigate supply chain disruptions can help but may also raise insurance concerns. “Are crews may also be stuck on ships, creating logistics problems if they can’t return home or others can’t rejoin vessels,” Mr. Khanna said. Vessels operating in the Black Sea, a major trading region, have been severely disrupted, he said.

The Russia-Ukraine war has exacerbated ongoing supply chain issues and risks. “The cost of shipping one container from China to the U.S. a few years ago used to be $2,000 to $4,000 and is now $10,000 to $15,000 per container, which pushes up costs for everything,” Mr. Khanna said.

Higher freight rates and a shortage of container ship capacity are tempting some operators to use non-container vessels to transport containers, which raises questions around stability, firefighting capabilities and securing cargo, AGCS said in its Safety and Shipping Review 2022 report.

Local events, such as the Russia-Ukraine war and the latest port slowdown in Shanghai, are causing a global impact that is effectively “rewiring the way trade flows,” said Suki Basi, managing director of London-based Russell Group, a data and analytics company.

For example, efforts are being made by some countries to secure alternative gas supplies from Africa and South America in response to the Russia-Ukraine conflict. “New relationships are evolving all the time,” as countries look to trade with partners in “more secure parts of the world,” Mr. Basi said.

The latest Shanghai COVID-19 lockdown has created severe delays at the port, delivering a $28 billion hit to global trade, with clothing and textile industries having the most exposure, according to an analysis by Russell Group.

Any further supply chain shocks will continue to push up prices and slow down economic recovery in Western economies, but real-time data can help insurers, reinsurers, companies and policymakers understand and manage their risks, Russell Group said in its analysis.

BY CLAIRE WILKINSON

BY CLAIRE WILKINSON

### 2021 CASUALTIES/INCIDENTS

All casualties/incidents including total losses. Vessels over 100GT only.

<table>
<thead>
<tr>
<th>TOP 10 REGIONS</th>
<th>Loss</th>
<th>Annual change</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Isles, North Sea</td>
<td>668</td>
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<tr>
<td>East Mediterranean and Black Sea</td>
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<td>South China, Indochina, Indonesia and Philippines</td>
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<td>Japan, Korea and North China</td>
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<tr>
<td>Other</td>
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<tr>
<td>Newfoundland</td>
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<tr>
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<td>Baltic</td>
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<td>Great Lakes</td>
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<tr>
<td>Japan, Korea and North China</td>
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<tr>
<td>Iceland and Northern Norway</td>
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<tr>
<td>West Mediterranean</td>
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<tr>
<td>North American West Coast</td>
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<tr>
<td>West African Coast</td>
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<td>4</td>
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<tr>
<td>Other</td>
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<tr>
<td>Total</td>
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Source: Lloyd’s List Intelligence Casualty Statistics; Allianz Global Corporate & Specialty

### 2012-2021 CASUALTIES/INCIDENTS

All casualties/incidents including total losses. Vessels over 100GT only.

<table>
<thead>
<tr>
<th>TOP 10 REGIONS</th>
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</tr>
<tr>
<td>Total</td>
<td>26,707</td>
<td>305</td>
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</tbody>
</table>

Source: Lloyd’s List Intelligence Casualty Statistics; Allianz Global Corporate & Specialty
The property/casualty insurance market in North Macedonia is characterized by low penetration, significant foreign ownership, the lack of a domestic reinsurance market and some exposure to earthquake, all set against a background of political uncertainty. When this report was being prepared there were 11 companies in the country’s market, a large number relative to its size. Growth has remained below 10% over the past 13 years, and in 2020 the market recorded negative growth for the first time since 2003, although loss ratios stabilized at a level below 50% over the same period. Market sources indicated in late 2021 that most lines of business had been subjected to increased reinsurance costs, in some cases exceeding 10%, reflecting the hardening reinsurance market generally rather than the characteristics of the local primary market.

**MARKET DEVELOPMENTS**

- The nonlife market, including personal accident and health, decreased by 4.9% in 2020, compared with the 6% growth recorded in 2019.
- The COVID-19 pandemic disrupted supply chains and reduced household consumption, sending the economy into a sharp recession and interrupting growth momentum.
- Bulgaria has maintained a veto on North Macedonia’s EU accession talks citing outstanding historical and linguistic disputes. In January 2022, following the formation of a new government in Bulgaria, bilateral negotiations began to resolve the dispute.
- Following the completion in late 2017 of a joint project between the European Union and North Macedonia aimed at bringing the country’s insurance legislation more in line with the EU’s Solvency II regulatory regime, it was hoped that a draft of the proposed new insurance law would be presented to the parliament by the end of 2019. The delay of the 2020 parliamentary elections due to the pandemic and other political priorities have meant that progress has almost ground to a halt, although periodic discussions with the Ministry of Finance and the EU continue.
- Auto third-party liability remains by far the largest single class of business, despite the economic effects of the pandemic causing it to fall to some 50% of the nonlife market, having previously stood at over 60%.

**MARKET SHARE**

- Property: 22.3%
- Liability: 2.5%
- PA & Health Care: 13.2%
- Marine, Aviation & Transit: 1.3%
- MISC: 0.8%
- Surety, Bonds & Credit: 0.3%

**MARKET GROWTH**

- Life: 140, 120, 100, 80, 60, 40, 20, 0
- Nonlife: 140, 130, 120, 100, 80, 60, 40, 0
- PA & Health: 140, 130, 120, 100, 80, 60, 40, 0

**MARKET CONCENTRATION**

- 56.86% market share of top five insurers

**2022 GDP CHANGE (PROJECTED)**

- 3.2%

**COMPULSORY INSURANCE**

- Auto third-party liability
- Workers compensation (state scheme)
- Professional liability for insurance brokers, accountants, notaries, auditors, lawyers, liquidators, private detectives, travel agencies, land surveyors, health workers, bodyguards and bailiffs
- Personal accident for fare-paying passengers on public transport
- Aviation third-party liability
- Railway third-party liability

**NONADMITTED**

Nonadmitted insurance is not permitted in North Macedonia because the law provides that insurance must be purchased from locally authorized insurers. As an exception to this rule, insurance brokers are allowed to deal with nonadmitted insurers and reinsurers abroad if the insurance in question is not available in the market.

**INTERMEDIARIES**

Local intermediaries are required to be locally authorized to do insurance business. They are allowed to place business only with admitted insurers, though the law allows them to act as intermediaries in making contracts with foreign companies if insurance or reinsurance against the risk in question cannot be arranged in North Macedonia.

**MARKET PRACTICE**

It is believed that a number of foreign-invested risks are handled by international brokers based in Greece, Serbia or Bulgaria that are not licensed in North Macedonia. Some foreign-invested risks are also said to be placed directly abroad.

Information provided by Axco. For free trial access to global insurance intelligence, visit axcoinfo.com.
**AIG trademark suit goes back to court**

A federal appeals court reversed a lower court ruling in favor of American International Group Inc. in a decades-old trademark dispute with a small, similarly named insurance agency.

Maryland Heights, Missouri-based A.I.G. Agency Inc. allegedly began calling itself “AIG” around 1958, while American International Group was incorporated in 1967 and first began using the “AIG” trademark sometime between 1968 and 1970, according to the ruling by the 8th U.S. Circuit Court of Appeals in St. Louis in A.I.G. Agency, Inc. v. American International Group, Inc., doing business as AIG.

AIG obtained a federal trademark registration for “AIG” in 1981 that is still active, according to the ruling. AIG began communicating with A.I.G. in 1985, notifying it of the trademark registration and demanding it stop using “AIG” because “it was likely to confuse consumers.”

A.I.G.’s attorney responded it had the right to use the name in Missouri and Illinois because it had been doing so in those states before AIG registered its trademark. A.I.G. sued AIG in 2017, charging trademark infringement and unfair competition and violation of the Lanham Act, the federal statute that governs trademarks, service marks and unfair competition.

The U.S. District Court in St. Louis granted AIG summary judgment in the case and was overturned by a unanimous three-judge appeals court panel.

In overturning the lower court, the panel cited a legal doctrine that bars trademark infringement claims when there has been an unreasonable delay in making them.

The district court failed to conduct a meaningful analysis of when AIG’s alleged infringement became actionable, the ruling said. “The district court did not announce any test on which it relied for determining when a likelihood of confusion rose” as to the similarity in names it said.

“AIG also did not meaningfully analyze the strength of (AIG’s) mark at the relevant times, whether (A.I.G.) intended to confuse the public, the degree of care expected of potential customers, or the evidence of actual confusion,” the panel said, in overturning the ruling and returning the case to the district court.

**Google agrees to pay $100M in BIPA case**

Google LLC has agreed to pay $100 million to settle class-action litigation filed under the Illinois Biometric Information Privacy Act in which it was charged with using its photo app to collect the biometrics of thousands of people without providing notice or obtaining their permission.

The lawsuit, Lindabeth River and Joseph Weiss v. Google Inc., was first filed in U.S. District Court in Chicago in 2016 and was eventually heard by both state and federal courts, including the 7th U.S. Circuit Court of Appeals in Chicago.

The settlement agreement, which must receive final court approval, was filed in Cook County Court in Chicago on April 14.

The class of claimants includes all Illinois residents who appeared in photos in Google Photos between May 1, 2015, and the settlement’s preliminary approval, according to the settlement agreement.

Google said in a statement, “We’re pleased to resolve this matter relating to specific laws in Illinois, and we remain committed to building easy-to-use controls for our users.”

**Supreme Court rules against ADA plaintiff**

Private plaintiffs cannot be reimbursed for emotional distress damages under the 1973 Rehabilitation Act and the Patient Protection and Affordable Care Act, the U.S. Supreme Court ruled.

Jane Cummings, who is deaf and legally blind and communicates primarily through American Sign Language, sought physical therapy services from Keller, Texas-based Premier Rehab Keller P.L.L.C., according to the 6-3 ruling by the U.S. Supreme Court in Jane Cummings v. Premier Rehab Keller P.L.L.C. All six conservative justices voted against the plaintiff.

Ms. Cummings asked Premier Rehab to provide an ASL interpreter at her appointments, but it refused, telling her she could communicate with the therapist using written notes, lip reading or gesturing, the ruling said.

Ms. Cummings obtained care from another provider, then filed suit against Premier Rehab alleging discrimination on the basis of disability in violation of the Rehabilitation Act and the Affordable Care Act, statutes Premier Rehab is subject to because it receives reimbursement through Medicare and Medicaid.

The U.S. District Court in Fort Worth, Texas, dismissed the complaint, stating “the only compensable injuries that Cummings alleged Premier caused were ‘humiliation, frustration, and emotional distress’ and damages for emotional harm are not recoverable under either law.”

The decision was affirmed by the 5th U.S. Circuit Court of Appeals in New Orleans.

“Although it is ‘beyond dispute that private individuals may sue to enforce’ the antidiscrimination statutes we consider here, it is less clear what remedies are available in such a suit,” the majority Supreme Court opinion said, citing its 2002 ruling in Barnes v. Gorman.

The Supreme Court held in that ruling that government entities cannot, under most circumstances, be forced to pay punitive damages in cases involving the Americans with Disabilities Act.

The court ruled that under Barnes it “cannot treat federal funding recipients as having consented to be subject to damages for emotional distress.”

**Company, managers indicted in explosion**

A federal grand jury has indicted the operator and six managers of a Cambria, Wisconsin, corn mill where a May 2017 explosion killed five workers and injured 15 others.

Didion Milling Inc. and the six managers were charged with nine criminal counts, including two counts related to willful violations of federal workplace safety standards for grain handling, the Department of Labor announced.

The indictments, handed down by a grand jury in the U.S. District Court in Madison, Wisconsin on May 11, included counts of “document falsification in connection with a U.S. Department of Labor, Occupational Safety and Health Administration investigation and obstructing the federal OSHA investigation,” according to a DOL statement.

The company and the six officials were also charged with making false entries in a cleaning logbook.

Didion Milling was also charged with willfully violating two federal safety standards in the Occupational Safety and Health Act for allegedly failing to develop and implement a written program to effectively prevent and remove combustible grain dust accumulations and for allegedly not installing ventilation or suppression on a dust filter collector to prevent an explosion.

Two former Didion Milling shift superintendents pleaded guilty earlier to making false entries in the company’s cleaning logbook and in the baghouse log, which involved matters within the purview of OSHA and the Environmental Protection Agency, respectively.
John O’Donnell joined Pinnacol Assurance as CEO in February, bringing several decades of leadership experience to his new role leading the largest workers compensation insurer in Colorado. He was most recently an executive vice president at Allstate Corp., where he served as president, Western territory, and board chair of Allstate Canada. He previously worked at GMAC Insurance Group, now known as National General Insurance; Walt Disney Co.; and Goldman Sachs Group Inc. He says his leadership journey began as a United States Naval Academy graduate who spent several years in the Marine Corps as a pilot. Mr. O’Donnell, who is based in Denver, spoke with Business Insurance Assistant Editor Louise Esola about his transition into workers compensation and the future of the business. Edited excerpts follow.

**Q** What are some of the challenges facing the insurance industry right now, particularly the workers compensation sector?

**A** A lot of this comes down to how customers’ needs are evolving; one is just the digital transformation that we’re seeing across many industries. Everyone expects it to be easy and to be able to access things on demand when it’s most convenient for them. And, unfortunately, our industry probably lags a little behind some of the other industries. I’d say banking is one that has gotten it right, and that’s something that we’re working on, to make it easy, quick, and less friction for our customers. For workers comp, what will continue to be a challenge going forward is addressing some of the comorbidities outside of the illness or the injury that’s part of the claim. Some of those, as an example, would be depression or other mental health issues. And we find that people who have these issues, especially when they’re not referred to an expert in that area, take longer to return to work, and it’s just more of an arduous process for them to get through the physical injury.

**Q** As your background is not in workers compensation, are there aspects of the segment that drew you in?

**A** I worked for a couple of other insurance companies before, and I was able to connect to the mission. And, of course, having a background in the military, that’s been important for me in the roles that I’ve looked for afterwards. The mission in insurance is to protect people and then help them, in some cases, with one of the most challenging experiences that they’ll go through in their lives, whether it’s helping them when their house burns down, in personal insurance, or, in this case, caring for injured workers and making sure they get the right medical treatment and care and getting them back to work when they’re ready to go back. The combination of helping injured workers and protecting our policyholders is very important to me and something I can connect to, and it’s certainly something that our employees are very focused on.

**Q** Tell us about your military background and how it is helpful in navigating the insurance industry.

**A** One of the things that you learn right away in the military, even going back as far as the Naval Academy as a leadership incubator, is what style of leadership works and doesn’t work for you as an individual. I found out early on that I function best and most effectively as a servant leader. So, rather than dictating what I want people to go do, I try and bring them together as a team, understand what they believe, what their opportunities are and their challenges, and then I try and provide the right tools, remove barriers, and help people accomplish their goals collectively. I found that has been transferable to every leadership role I’ve been in. You find that people have great ideas. Sometimes you just have to unleash those and support those and empower them to reach their potential.

**Q** What are some of Pinnacol’s goals for the coming years?

**A** One of the things that we try and do here is understand how our customers are evolving and what we’ve noticed is customers are needing more coverage, have more complex coverage needs, than they have in the past. We also find that customers are finding it more convenient sometimes to bundle other lines of insurance with workers compensation. One of the challenges that we have at Pinnacol is based on our statute. We are only allowed to write business in Colorado and workers comp, so there are some partnerships we can use to go outside of the state, but it isn’t as effective as if we could just write our own business. So that’s one of the things we’ll be working on with the legislature—trying to evolve, trying to get more flexibility to meet customers’ needs, much like our competitors can.

**Q** As the pandemic wanes, what are some lessons learned in the insurance industry?

**A** There were certainly some lessons learned as we look back. One of those is that financial strength is really important, because different events come up and you have to be able to weather that storm as a company so you can be there for your policyholders and your customers. We’re proud that we had built a strong financial position, and we were able to prioritize our customers and injured workers without any interruption to the service they expect. The pandemic also accelerated many of the market forces that we were already seeing, such as the digital transformation, dispersed workers, employees’ desire to work from anywhere. And we already talked about some of the challenges with comorbidities, and we are seeing what we believe is an increase in mental health issues as an instance of those.

**Q** Recruitment is an issue in the insurance industry. What can the industry do to better attract and retain talent?

**A** We’ve been very innovative with a program that we started in 2017, which is an apprenticeship program that recruits high schoolers to come work a number of days a week with Pinnacol Assurance in jobs all around the company, ranging from underwriting to developers and customer service reps. Out of that program, people go on to get full-time positions with Pinnacol. Then, we’re actually expanding that to university degree programs. At any given time we have at least 5% of our workforce in this program.

For workers comp, what will continue to be a challenge going forward is addressing some of the comorbidities outside of the illness or the injury that’s part of the claim. Some of those, as an example, would be depression or other mental health issues.
The up-and-coming leaders honored in the Business Insurance 2022 Break Out Awards are thriving in one of the most dynamic insurance markets of the past few decades. Whether counseling clients on how to manage through such a tough and volatile environment or managing their own organizations as they rebound from the COVID-19 pandemic, these young managers and executives are helping to shape the insurance and risk management sector as it enters a new, technology-driven era.

The 40 honorees selected for the awards program represent some of the most talented leaders emerging in the industry. To be eligible for the award, nominees must work in commercial insurance or related sectors and cannot have worked in the field for more than 15 years.

To maintain diversity in geography and types of organization, the honorees are grouped in four regions of the United States: Northeast, South, Midwest and West. All of the nominations — which highlighted the nominees’ client-service skills, expertise and leadership qualities — were reviewed by BI editors. After selecting finalists, we contacted references to learn more details about the nominees’ achievements.

After two years of virtual award ceremonies due to the pandemic, the 2022 winners will be honored at live events in Chicago, New York and Los Angeles. Information on attending the events is available at businessinsurance.com.

In the following pages you can read interviews with all of this year’s winners and learn their views on navigating the hard market and attracting people to the industry, as well as their more youthful ambitions and what they like to do outside of work.

Edited excerpts follow.

Gavin Souter, editor
Brittany Baker was promoted to her current position on Jan. 1, from director of technical sales. She joined CyberCube in July 2019 after graduating from Emory University and working at Oliver Wyman Inc. and PricewaterhouseCoopers LLP, where she cultivated her expertise in the cyber sector.

What’s a lasting effect of the pandemic on the way you work?
I already had very flexible work arrangements with CyberCube, and PwC was also quite flexible, so that was less of a transition for me. What I have seen now, more recently, is a real appreciation for those in-person interactions, whether with my team or with clients. That’s something for which I have a greater appreciation now.

What’s your advice on navigating the current insurance market?
The biggest thing about cyber insurance and the market is that there is still an education gap, from an enterprise buyer through the insurers and the reinsurance market. Invest the time and resources in knowing what cyber risk is and having the right people in place.

Justin Pierce Berutich joined Euclid Transactional in June 2019 after working in the transactional liability group at QBE Insurance Group Ltd. and with Blue Chip Underwriting Services. Prior to QBE, he had been in private practice as a tax attorney and when he sought to become a service provider for the insurer, he was instead asked to join its tax group.

What’s a lasting effect of the pandemic on the way you work?
The pandemic forced us to become nimble, adapting new technologies, business processes, even leadership skills. We’ve done it in workers compensation and auto liability and other types of lines.

What is something about you that would surprise people?
I was a triathlete and had earned Ironman All World Athlete status for competing in Ironman races. I met my wife at a small race in Pennsylvania and we became engaged at another race.

What should the industry do to attract more young people to work in it?
Educate the next generation on how insurance is an exciting and challenging career and that we really touch every aspect of the business world.

What is something about you that would surprise people?
I did competitive horseback riding through high school on Long Island, where I grew up.

Favorite song?
This definitely changes. Currently, I am listening to the “Hadestown” soundtrack, which is a Broadway show we went to see recently, and I fell in love with it.

What’s a lasting effect of the pandemic on the way you work?
The pandemic forced us to become nimble, adapting new technologies, business processes, even leadership skills. We’ve learned to work, collaborate, hire and onboard remotely. Euclid Transactional has tripled in size since March 2020.

What’s a problem that needs fixing in your sector?
We need more awareness and penetration with respect to tax insurance. Despite tax insurance being around for decades, it’s still largely unfamiliar to many taxpayers and their advisers. Tax insurance can provide an efficient and economical solution for tax uncertainty.

What did you want to be when you grew up?
I think it probably changed a lot over time. Policeman, fireman, soldier, professional athlete. I’m pretty certain it probably wasn’t tax team leader, but I really enjoy what I do. It’s an exciting industry, with an amazing team at a great company.
Samantha Billy was promoted in May to a national role after serving as greater New York team leader for Aon’s cyber solutions brokerage practice. She started with Aon in 2013 as a broker and moved to the cyber and professional risk team the following year. After a stint in London in 2017, she returned to New York in 2018.

What’s a lasting effect of the pandemic on the way you work? The way we communicate, internally and externally. Where now we use Webex, previously we would just call people and send emails. It’s more important than ever to stay connected with everybody. It’s been a really great lesson to learn.

What’s a problem that needs fixing in your sector? The quantification around our space and getting data and the transparency of data on both sides to help clients understand where the risks and the losses are coming from, and for the underwriters and reinsurers so they can underwrite the risks. There’s been a lot of volatility because it’s such an emerging coverage field, so it’s very important for both sides to provide data and be transparent.

What should the industry do to attract more young people to work in it? It’s important to build a culture where people enjoy working, that fosters people and makes them want to join. What attracted me to Aon when I had several opportunities out of school was the people I was working with.

Favorite hobby or pastime? I love to travel. I love to experience new places and cultures and people. Diversity of thought is important. That’s one of the reasons I moved to London for a bit.

What did you want to be when you grew up? I always knew I wanted to be in business. My mom was in business, and I really looked up to her.

Matthew Durkin’s management responsibilities cover three regions after adding Westchester’s western territory to his portfolio, which already included the Mid-Atlantic and Midwest regions, some two months ago. He has been in his current management role for four years and was previously a senior underwriter, having followed a friend to the company in 2014 shortly after college.

What’s a lasting effect of the pandemic on the way you work? The pandemic and nearly two years of remote work made me realize how much I like and how important being in an office environment is. From building and keeping team culture and training purposes for newer employees, it’s an important aspect of the industry and has a huge impact on development.

What’s your advice on navigating the current insurance market? Agents and insurers should embrace and leverage the digital experience in their own way but make sure the human touch and relationships with their trading partners is not lost. There’s still plenty of room for direct interactions.

What should the industry do to attract more young people to work in it? There are so many different paths to go down and so much opportunity. We do internships at Chubb and at Westchester and we need to have that opportunity well understood in the two or three months interns are with the company.

What is something about you that would surprise people? That I graduated college with plans to be a teacher and after I got through the student teaching, I made an immediate pivot.

Favorite hobby or pastime? I’m really into food. On Sundays at the house, I make pasta from scratch. I also play quite a bit of golf, which I started playing because everyone in insurance plays golf.

Edward Cooney looked to insurance after earning his undergraduate degree in finance and business administration as the finance sector recovered from the crises of the late 2000s. A 2009 summer internship at Conner Strong & Buckelew led to his joining the broker in January 2010. Among his other responsibilities, he co-chairs the broker’s cyber practice.

What’s a lasting effect of the pandemic on the way you work? I think it would be all surrounding communications. Our business, it’s a very face-to-face, interpersonal communications business. It’s all about relationships.

What’s your advice on navigating the current insurance market? Premiums are generally on the rise, coverages are often being restricted, deductibles and retentions are going up, and so I think policyholders really need to scrutinize coverage options that are available to them.

What’s a problem that needs fixing in your sector? Making sure that people have an appropriate work-life balance and that they’re able to rest, relax, recuperate before returning to the office. Working from home and having no division between hours worked and where you sleep is a difficult combination.

What should the industry do to attract more young people to work in it? Highlight that insurance is exciting. People don’t realize how many things it touches and how integral it is to the functioning of business and the economy.

What is something about you that would surprise people? I have very diverse interests. I can find myself falling down rabbit holes, (for example) to try to study Moldavian politics. At the same time, I’m very happy to watch the silliest new reality show.

Favorite hobby or pastime? I’m a huge football fan, particularly a big fan of the New York Giants.
JILLIAN RAINES
Partner
Cohen Ziffer Frenchman & McKenna LLP
New York

After graduating from law school, Jillian Raines worked in insurance recovery for several years before she took an opportunity to join Apple Inc., where she worked on insurance-related issues and supported business units. When her former colleagues set up their own shop, she moved back to private practice at Cohen Ziffer in 2021.

What’s your advice on navigating the current insurance market?
In response to COVID, the market had a strong reaction in terms of making sure that there’s clarity around how things may or may not be covered. I see that happening again with respect to what’s going on in Ukraine. What needs to be
navigated a little bit more carefully is this almost real-time reaction by the market to some of these significant exposures. It requires careful attention to the actual terms of the insurance policies.

What should the industry do to attract more young people to work in it?
There’s always been a divide in law schools around the academic curriculum, for example, taking a class on insurance law versus taking a project-based course where you are interning or being seconded. Having those dedicated project-based learning opportunities earlier on would be great. And I’ve had dreams of teaching an insurance recovery course, because it’s just not something that is part of the core curriculum at law schools.

What is something about you that would surprise people?
I dabble in a lot of art, so I oil paint in my spare time. I’ve never been classically trained, but it’s a meditative joy.

Favoriote hobby or pastime?
I love distance running. I would not say I’m competitive, but I’ve run a series of half marathons and two full-length marathons. My dream is to do an ultramarathon.

MARC SCHEIN
National co-chair cyber center of excellence
Marsh McLennan Agency, a unit of Marsh LLC
New York

After working for a while as a general commercial property/casualty broker, Marc Schein figured that to stand out from other, more experienced brokers he needed to find a niche. He focused on educating himself about cyber risk.

What’s your advice on navigating the current insurance market?
Start early and focus on controls. Insurers now are becoming much more cognizant of the controls businesses have in place when looking to put out limits around cyber insurance than they were three or four years ago prior to the pandemic. In the past, businesses perhaps were able to transfer the risk rather than fixing the risk.

What should the industry do to attract more young people to work in it?
Let them know about the leadership opportunities that are going to be available in our space as we see this massive generational shift of folks retiring in the insurance industry.

What is something about you that would surprise people?
I’m a huge Dallas Cowboys fan. My dad grew up in Texas, and we used to travel around Texas and go to the Cowboys training camp. One year, my sister, who was about seven at the time, was looking to get Emmitt Smith’s autograph and she was getting crushed by the fence. Emmitt pushed everybody back and pulled her over the fence, and there was a young woman that worked for the Cowboys — Susan Skaggs — who brought me and my family over to the field, and we had lunch with Emmitt Smith and Troy Aikman.

What did you want to be when you grew up?
A professional wrestler.

Favorite song?
“New York, New York” by Frank Sinatra.
Insurance is a career that Tracey Waller pivoted to after working in theater for several years. Attracted to the stability of the sector, she began as a proofreader for one of the industry’s main underwriting and claims information organizations. She worked her way up, earning her CPCU and MBA along the way, and is now working to transform small commercial underwriting with data and analytics.

What’s your advice on navigating the current insurance market?
The landscape for small businesses has changed significantly over the last couple of years, and the last thing they want to give significant thought to is their insurance. Something like 65% of the businesses are owned by Gen Xers and millennials and their expectations about insurance are a lot different. My advice for navigating that is to recognize the reality of what is. The expectation is that insurance is going to be straightforward, as fast as everything else we do on our phones every day, and the service will be there when they need it.

What should the industry do to attract more young people to work in it?
A couple of things. Embrace the really exciting innovations that are happening in data science. That’s a quickly growing industry and it’s one that really seems to be getting the attention of those joining or about to join the workforce. Continuing to push that innovation and technology forward can help attract new joiners to the industry. And continuing to focus on diversity and leadership across the industry.

What is something about you that would surprise people?
That my undergrad degree is in theater.

Favorite hobby or pastime?
I really love going to baseball games. I’m a fan of the New York Mets.

What did you want to be when you grew up?
I wanted to be a writer.

What’s a lasting effect of the pandemic on the way you work?
The biggest effect for me personally has been flexibility and having flexibility for the team, understanding that at the end of the day we’re all human and we’re trying to find that balance of our work and personal life.

What should the industry do to attract more young people to work in it?
I am struck as to why more young people don’t join insurance. It’s a product that’s been around since the days of insuring ships going across the seas and frankly is an exciting industry that pays well, and through economic recessions has survived time over time again. The digital transformation that we’re going through is what’s going to become an attraction for younger people to join our industry.

What is something about you that would surprise people?
I’m a very outgoing person and spend a lot of time out in the field, but the thing that actually charges me is getting to come home at the end of the day and just spend time with a good book.

Favorite hobby or pastime?
I’m a car nut. Whether it’s an older classic car, with the smell and sound of that engine running, or a newer exotic car. I have a 1975 Corvette that my mom bought when she turned 18 and I bought it off her five years ago, so it’s a fun family heirloom.

Favorite song?
“Are You Gonna Be My Girl?” by Jet.
Jorge Aviles doesn’t expect to be doing anything other than insurance recovery litigation for the rest of his career, which he happily discovered out of law school while working for five years at Anderson Kill P.C. “I don’t see myself switching. I really like coverage litigation and policyholder recovery work,” he said. After moving to his current role at Hunton Andrews Kurth LLP in 2020, he has continued his work helping corporate policyholders in complex recovery disputes.

What’s a lasting effect of the pandemic on the way you work? People have proven that they’re a lot more resilient in the way they do their work, allocate tasks and manage projects. The workforce has proven itself capable of still functioning, and, for lawyers, delivering a good work product, paying attention to detail and serving clients well even though we are not in the office all the time.

What’s your advice on navigating the current insurance market? As we have seen, risks that arise are unpredictable. We didn’t know we were going to be in a pandemic, and now COVID-19 litigation is a hot topic. It’s a matter of being flexible and keeping ahead of trends and emerging risks as they arise.

David Barnes credits mentors for helping him grow in a profession he enjoys, among them CAC Specialty’s executive chairman, Paul Sparks, who showed him the importance of building lasting relationships with clients. Mr. Barnes joined CAC Specialty when it launched in 2019 and is senior vice president on the transactional liability team and co-head of the team’s contingent and litigation risk solutions team. Prior to joining CAC, he was a vice president at McGriff, Seibels & Williams Inc.

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What should the industry do to attract more young people to work in it? We want to emphasize to professionals coming out of business schools, law schools and others that insurance is a creative, fun, challenging and professional environment. I bet that at the top 50 law schools, very few people will leave and go to an insurance brokerage firm or an underwriter. In our view, they should.

What is something about you that would surprise people? For a significant portion of my life, I thought I was going to be a rock star.

Favorite song? “Hello in There” by John Prine.

Matthew W. Beato
Partner
Wiley Rein LLP
Washington

Matthew W. Beato wanted to litigate when he joined Wiley Rein LLP 10 years ago. The firm’s insurance practice delivered. He had the opportunity to litigate in federal and state courts throughout the country. Named a partner in 2021, he has spent his entire career in insurance litigation at the firm, focusing primarily on directors and officers liability and securities cases.

What’s a lasting effect of the pandemic on the way you work? A reduction in business travel. Some business travel will come back, but some won’t. Some mediations will be conducted remotely, permanently. I don’t see clients as much in person as I used to, but I see them a lot more over Zoom. With some clients, like the ones we have in London, we see a lot more over Zoom than in person because of the distance.

What’s your advice on navigating the current insurance market? Insurance is extremely fluid; something always pops up that’s new. There are new exposures — cyber and ransomware, that sort of thing. You have to be on top of new developments, reading industry news and keeping up with developments in case law. If you’re not doing that, you’re going to be behind.

What should the industry do to attract more young people to work in it? Realize that when people hear the word “insurance,” it’s not something everybody wants to do. In the current job market, we can’t assume that every position is going to be filled like it used to. We have to make the case for why this is a career path where you can be successful.

What is something about you that would surprise people? I really like to travel. I visited all 50 state capitals last year.

What did you want to be when you grew up? An athlete before I realized not everybody can be in the NBA or NFL.

BIAN BOONE
Regional CEO, Southeast
Hylan Group Inc.
Lake Mary, Fla.

Brian Boone joined AGIS LLC in 2009 because he recognized a company with “very smart people” and a commitment to his development. He left AGIS about 18 months after it was acquired by Hylant in 2011, moving to Los Angeles for family reasons and taking a position outside the insurance sector. He returned, though, when a leadership opportunity arose as Orlando office president for the broker.

Earlier this year, he was promoted to regional CEO, Southeast.

What’s a lasting effect of the pandemic on the way you work? It created opportunities for us to bring in talent. We found some amazing talent in the pandemic and have grown substantially.

What’s your advice on navigating the current insurance market? There are a lot of headwinds in the business and being able to communicate that to your clients and finding them a right solution, being creative and innovative, is so important. We can’t make assumptions about our clients and what they’re at in their life-cycle if we don’t ask questions.

What should the industry do to attract more young people to work in it? We do a good job of focusing on schools with insurance programs, but there’s great talent at any university or college. There are so many great opportunities in the insurance business — it’s just getting the word out.

What is something about you that would surprise people? I’m very competitive, and so is my wife. We love playing “Jeopardy!” against each other. She’s quicker on the trigger.

Favorite song? My dad was a big Doors fan. I grew up playing competitive soccer, and driving down Alligator Alley between Naples and Fort Lauderdale listening to “Roadhouse Blues” as the sun was setting was always memorable for me.

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Hylan Group Inc.
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Favorite song? My dad was a big Doors fan. I grew up playing competitive soccer, and driving down Alligator Alley between Naples and Fort Lauderdale listening to “Roadhouse Blues” as the sun was setting was always memorable for me.
Taylor Forst knew early on that he wanted a career in insurance and risk management. Studies at the University of Georgia fired his passion for the sector, and he joined Willis Towers Watson PLC soon after graduation. After eight years with the broker, in August 2021 he joined Alliant, where he handles large property accounts, mostly public entity business.

What’s a lasting effect of the pandemic on the way you work? I lived near our Charlotte, North Carolina, office but relocated to Atlanta, so I’m more flexible in my working arrangement. I’m closer to many of the markets that we deal with and can strengthen those relationships with in-person meetings as opposed to being in Charlotte where it was done more by phone or Zoom.

What’s your advice on navigating the current insurance market? Communications is at the heart of what we do, but now, more than ever, it is really important that we keep (clients) abreast of the latest changes. Some lines of coverage are changing by the day, and we have to ensure that we are providing them with constant guidance and updates on what they can expect for their renewals.

What’s a problem that needs fixing in your sector? Although we’ve made a lot of strides from a data collection, information technology perspective, we’re still behind some of our peers in the financial world. Benchmarking is something industrywide that we could reinvest resources into. Anything we’re able to do that makes our clients’ jobs easier with regard to data collection and analytics is something that we should certainly invest in.

What is something about you that would surprise people? It would surprise people to find out how horrible I actually am at the game of golf.


What should the industry do to attract more young people to work in it? I think the insurance industry historically has focused on promoting and hiring through risk management programs at universities. It’s a great college major, and it generates incredible talent. But it’s also a great career choice for those who are not risk management majors, like myself. I think you can take smart people and train them to work in the industry. You can teach insurance, but it’s much harder to teach the soft skills that strong workers inherently bring to the table.

What is something about you that would surprise people? In college, I did a very nontraditional study abroad program in Romania and Hungary. It involved living in a Romanian home with cherry farmers and an internship coaching cheerleading for an American football team in Budapest. It was a pretty amazing experience, just by throwing yourself into the culture.

Favorite hobby or pastime? Cooking. It’s my favorite way to unwind after a long day and a great mental break.

Favorite song? “Baba O’Reiley” by The Who. It’s not my everyday listening song, but it plays before every Georgia kickoff and it carries the best memories of cheering on the Bulldogs.

What’s a problem that needs fixing in your sector? “Raspberry Beret,” by Prince.

What’s a lasting effect of the pandemic on the way you work? The flexibility and being intentional about where you spend your time. You are no longer required to spend time in the office to be present.

What’s a lasting effect of the pandemic on the way you work? You can teach insurance, but it’s much harder to teach the soft skills that strong workers inherently bring to the table.

What’s a lasting effect of the pandemic on the way you work? It’s given us the flexibility to work from home. We are in the office part time.
MORGAN SHRUBB 33
Head of terrorism, crisis management & special risks, Americas
Axa XL, a unit of Axa SA
Atlanta

Morgan Shubb, a graduate of the University of Georgia’s program in international affairs and a longtime swimmer, was working as underwriting assistant at Hiscox Ltd. when a serendipitous moonlighting gig as a swim instructor for the children of the insurance company’s head of terrorism led her to a role with that unit. The individual noticed her background in international studies and thought she’d make a good fit for the team. She joined Axa XL in 2019.

What’s your advice on navigating the current insurance market?
It’s important to find a mentor to help you navigate the environment. I wouldn’t be where I am today without mentors. It’s important to network and meet people outside of your organization. The industry is so big, but it’s small; you will end up working with people you worked with in the past, coming full circle. Keep your network open. Keep your old contacts intact.

What’s a problem that needs fixing in your sector?
The first thing that comes to mind are the diversity and inclusion initiatives. I hope these initiatives move forward. Getting more women in leadership is important.

What should the industry do to attract more young people to work in it?
Education. Insurance is a hidden gem in the business and finance world. Insurance is often overlooked in business majors. If we spend time educating college students and exposing them to the insurance industry, that is the best way to get new talent.

Favorite hobby or pastime?
I am into tennis. I am a member of a women’s tennis team. We play in the spring and fall, and I play mixed doubles with my husband in the summer.

SABRINA TIMMINS 36
Vice president, branch manager
CNA Financial Corp.
Dallas

A “people person,” Sabrina Timmins imagined a career on the insurer side would confine her to a desk, and so — degree in risk management from Temple University in Philadelphia in hand — she ventured into broking. She then went back and forth before landing her current spot. “My perception was not accurate,” she said. “Having carrier and broker perspectives has been one of the best things for my career. It has helped give me credibility.”

What’s a lasting effect of the pandemic on the way you work?
Pre-pandemic, I was a remote employee. My team was then scattered across the country. We were always on conference calls, but we never used videos. While people hate videos, I love them.

What’s your advice on navigating the current insurance market?
It’s constant communication. At the end of the day, you have to communicate to manage expectations. Having been on the broker side helps me as I am able to put myself in their shoes.

What should the industry do to attract more young people to work in it?
We make fun of ourselves a lot as an industry. We are the brunt of our own jokes. I am an insurance nerd, but I think the industry is a hidden gem. It’s recession-proof. You can travel the world. You can learn about many industries. We need to promote more the positives.

Favorite hobby or pastime?
Going to concerts.

What did you want to be when you grew up?
An attorney, which is how I ended up going into risk management. Someone in college convinced me to not be an attorney; they said it was not a great life.

Favorite song?
“Living” by Dierks Bentley. I pay attention to lyrics. It’s talking about living and taking it for what it is and being more positive and embracing the here and now.
ELIJAH ADEIRE 36
International servicing leader-large property
Zurich North America
Chicago

Elijah Adedire’s journey in the insurance industry began during graduate school at Cornell University when he took an internship at Zurich. He soon realized that insurance offered an opportunity to make an impact. Mr. Adedire started out as an internal consultant in 2013, and though he left to join Deloitte for a few years, his passion for insurance saw him return to Zurich in 2019.

What’s a lasting effect of the pandemic on the way you work?
Remote work and virtual meetings are here to stay. Pre-COVID I used to go to the office three times a week, but during the pandemic the dynamic changed to 100% remote. Technology has enabled us to be successful, to still collaborate and deliver great service to our customers.

What’s your advice on navigating the current insurance market?
We have to continue to evolve our processes. The insurance market as a whole is known for a lot of data. Data is increasing at an exponential rate, which can also be a disadvantage, because we have a lot of legacy systems, old processes, a lot of manual data entry. We have to have a more efficient way to capture what is relevant and not overwhelm people with laborious work.

BRADLEY DLATT 32
Associate attorney
Perkins Coie LLP
Chicago

Bradley Dlatt is an associate in Perkins Coie’s insurance recovery practice who represents corporate, nonprofit and individual policyholders in coverage disputes. In 2021, he helped clients recover eight figures in insurance recoveries across all major areas of coverage.

What’s a lasting effect of the pandemic on the way you work?
The emphasis on digital connection in many ways made my job easier because it meant that we could really give clients what they needed in real time through video conference, or the increased reliance on email and zoom, and that we could connect even more than we already were.

What’s a problem that needs fixing in your sector?
The insurance world would be better off on the insurer side and the policyholder side if there were more efforts to demystify insurance, to make it simpler both in terms of how the policies are written but also in terms of how the risks to be insured are explained and ultimately underwritten.

What should the industry do to attract more young people to work in it?
As the daughter of a risk manager, Lauren Gorte knows a bit about insurance, but during the pandemic the dynamic has enabled us to be successful, to still collaborate and deliver great service to our customers.

What should the industry do to attract more young people to work in it?
If young people understood that insurance is really about empowering businesses and nonprofits and individuals to be able to take chances and to innovate and to be creative, I think they would see the attraction of the industry.

What is something about you that would surprise people?
I have a deep passion for music and for art, for theater, and that’s something I get to explore in my personal life.

LAUREN GORTE 34
Senior vice president, chief operating officer, accident & health, North America
Chubb Ltd.
Chicago

As the daughter of a risk manager, Lauren Gorte knows a bit about insurance, even if she didn’t envision a career in the industry. After an internship at the Federal Reserve, the economics major decided against a government job, then considered consulting before her father suggested insurance underwriting. Ms. Gorte joined Chubb, then Ace Ltd., in 2009 and has since held various leadership roles in cyber liability and now accident and health.

What’s a lasting effect of the pandemic on the way you work?
The benefit of being able to connect over video more frequently and easily with brokers, clients and colleagues. I don’t think you’ll ever be able to replace the benefits of in-person interaction, but the reality is I can have meetings with so many more people internally and externally via a zoom or Webex.

What’s your advice on navigating the current insurance market?
Understanding the issues, whether you’re a broker understanding what your clients are dealing with or having that discussion with your underwriter to assess what’s top of mind for them.

What’s a problem that needs fixing in your sector?
I come from an insurance family, and, even then, I still struggled to find my path into the industry. We have a real need to continue to build a diverse talent pool for our industry. That starts with attracting talent, making them aware of the career paths and opportunities.

What did you want to be when you grew up?
A professional athlete. I always played multiple sports. I subsequently tore both of my ACLs and had reconstructive surgery, so I had to pivot to something with less contact. Insurance fits the bill in a lot of ways.

Favorite song?
“Love It If We Made It” by The 1975.
2022 PROPERTY INSURANCE SURVEY

BUSINESS INSURANCE
About a quarter of the risk managers surveyed for this year’s Business Insurance property insurance survey said they have reduced the number of properties covered under their property insurance program due to the pandemic. A third of them, on the other hand, said they have added to the number of properties covered. Overall, the survey found there is an average of 68.4 properties or facilities covered per property insurance program.

INSURERS
An average of 12.5 insurers participate in an organization’s property insurance program, covering an average of $1.3 billion in total asset value, with an average total premium of $4 million. This compares with an average of 6.1 insurers covering an average of $2.0 billion in total asset value at an average of $4 million total annual premium in 2021. Forty-six percent of this year’s respondents use only one insurer to cover all their properties.

CAPTIVES
The percentage of respondents that use captives to insure some or all of their risks increased to 37%, compared with 18% last year.
Satisfaction Level
At last renewal, 66% of respondents saw a rate increase, compared with 80% last year. The satisfaction level dropped to 85% from 90%. And 23%, compared with only 8% last year, of respondents said they will be looking for a new property insurer in the coming year. The last time respondents switched their property insurers was about 6.5 years ago on average.

Policy Rates
- Increase: 80% in 2021, 66% in 2022
- Decrease: 4% in 2021, 14% in 2022
- Remain the same: 13% in 2021, 18% in 2022
- Did not renew/not sure: 3% in 2021, 2% in 2022

Policy Satisfaction
- Satisfied: 90% in 2021, 85% in 2022
- Not satisfied: 6% in 2021, 11% in 2022
- Not sure: 4% in 2021, 4% in 2022

Looking to Change Insurer
- Yes: 8% in 2021, 23% in 2022
- No: 55% in 2021, 46% in 2022
- Not sure: 37% in 2021, 31% in 2022

Claims
In the past 12 months, 48% of the respondents have filed property insurance claims. Seventy-two percent of respondents said their policies include costs of claims preparation.

12 Months of Filed Claims
- Filed a claim in the past 12 months: 48%
- Did not file a claim: 43%
- Not sure: 1%
- Prefer not to answer: 8%

Claims Preparation
- Yes: 72%
- No: 11%
- Not sure: 17%

Covered Zones
More than half of the respondents said they have properties that are located in flood-prone zones.

Covered Properties with Emergency Response Plan
- All: 60%
- 75% of covered properties: 7%
- 50% of covered properties: 8%
- 25% of covered properties: 8%
- 10% of covered properties: 3%
- None: 8%
- Not sure: 6%

Emergency Response Plan
Sixty percent of respondents said all of their covered properties have emergency response plans and their organization updates the emergency response plans on average every 2.1 years.

Most Important Factors
Breadth of coverage, price and value-added services are the top three most important factors that will motivate risk managers to switch their policies.

Breadth of Coverage 66%
Price 63%
Value-Added Services 37%
Servicing Team Members 23%
New Insurer 8%
Other 3%
ARE YOU PREPARED TO TAKE ON A LARGE LOSS?

IT ALL STARTS WITH A PLAN

FIRST ONSITE's business continuity planning emphasizes emergency preparedness and actively helps large facilities plan for the unknown and unknowable. Together, we'll develop procedures that promote smooth communication with clients, insurance partners, and our restoration team so all parties can respond quickly to disaster, mitigating losses and reducing business downtime.

YOUR PARTNER IN PROPERTY RESTORATION

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When a friend told her about an opportunity in public health from Ohio State University, her sister who had moved to the West Coast, but after college she decided to follow her heart and pursue a career that she describes as innovative and ever-changing.

That led to a position in 2014 and a move to Aon, she was immediately interested. In general, it’s the hybrid model. Before it was five days in the office, so a lasting effect is shifting to how we are eventually going to be going back to the office but with the ability to be effective and productive working remotely.

What’s a problem that needs fixing in your sector? There’s a couple of lines of business, like property, for example, where we’re experiencing inflation. One of the challenges is how an industry do we tackle inflation, how do we make sure we are accounting for that appropriately on the property underwriting side, and that we have proper insurance-to-value. The other piece would be social inflation that we’re seeing on some of the casualty lines of business.

What should the industry do to attract more young people to work in it? We’ve come a long way in a short period of time and that is going to help attract young talent. COVID forced the issue of much more flexibility that wasn’t necessarily there in the insurance industry. The other thing is it’s become much more casual. Whereas I was in a suit five days a week, being able to work remotely, virtually, has enabled us to be more relaxed in our overall appearance.

What did you want to be when you grew up? I wanted to be an architect.

Favorite song? “Here Comes The Sun” by the Beatles.

With a degree in neuroscience and a minor in public health from Ohio State University, Emma Meyer’s focus was to find a career that matched her skills. When a friend told her about an opportunity in health care professional liability at Aon, she was immediately interested. That led to a position in 2014 and a career that she describes as innovative and ever-changing.

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As a philosophy major, Claire Louko had not planned on a career in insurance, but after college she decided to follow her sister who had moved to the West Coast to join Liberty Mutual as an underwriter. Ms. Louko interviewed with Liberty Mutual and in 2007 started out in property underwriting. She was recruited by CNA to join its ceded reinsurance team in 2014 back in her hometown of Chicago.

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Shaping the future of insurance

CNA congratulates the talented professionals who earned Business Insurance Break Out Awards this year. Your leadership and innovation help advance our entire industry, and we look forward to seeing your continued impact in the years to come.

Jeremy Schumacher
Director of cyber underwriting
Safety National Casualty Corp.
St. Louis

While in law school, Jeremy Schumacher determined law was not a career path he wanted to follow. He was drawn to contractual law, however, which led him to insurance where his father, grandfather and great-grandfather had worked. The training and mentorship he received at various insurers ultimately led him to Safety National in 2014, where he serves as director of cyber underwriting.

What’s a lasting effect of the pandemic on the way you work?
The knowledge that I can work from home and get things done while having the opportunity to see my kids — especially during summer when they are home.

What’s a problem that needs fixing in your sector?
We would benefit from solid historical data that could be relied on for underwriting purposes. That is hard to come by in an ever-changing cyber world, where exposures are constantly shifting. In cyber, it’s not just the accident or mistake that causes the loss, it’s the malicious actors that are out there trying to attack and harm our insureds.

What should the industry do to attract more young people to work in it?
Get into universities and schools and talk about what you do on a day-to-day basis. Insurance doesn’t have a fun connotation, but we don’t do a good job of explaining and selling the interesting things we do every day.

What is something about you that would surprise people?
My favorite movie growing up was “Top Gun.” I’ve been waiting 20-30 years for a sequel and when “Top Gun II” was announced I got my tickets minutes after they became available.

Favorite hobby or pastime?
I still enjoy running. We got a pandemic puppy and when I’m home I go out twice a day and do a couple of laps around the neighborhood with my dog.

Lauren Tredinnick
Head of public entity national accounts and property
Munich Re Specialty Insurance Co.
Madison, Wisconsin

A habit of talking out of turn in her high school calculus class led to an insurance career for Lauren Tredinnick. For talking in class, she was given the choice of a week’s detention or attending a career fair. She chose the fair and because of her love for math, she was attracted to actuarial science. This shaped her career path and ultimately led her to Munich Re.

What is your advice for navigating the current insurance market?
I would say to listen. Right now, especially in the public entity space, our clients are facing very different challenges. To provide the best solutions that they need versus what we think they need, we must really understand their situations.

What is a problem that needs fixing in your sector?
Recruiting and retention. There will be a big talent gap if we’re not already facing it. There is a lot of opportunity to hire great talent, train them and bring them on to our teams. That will be huge for the next five to 10 years. Our reach could be better, especially across a more diverse landscape.

Favorite hobby or pastime?
I am a runner and a reader. I try to incorporate these in my everyday life to provide balance, but it’s also a way I engage with people. I like to talk with people about books and I enjoy running with people.

What is something about you that would surprise people?
Probably that I play saxophone professionally. I am in the Wisconsin National Guard band. We wear a lot of different hats in the National Guard, but that one is probably my favorite.

What did you want to be when you grew up?
A rock star. I wanted to be a guitar player and a singer in a rock ‘n’ roll band.
BREAK OUT AWARDS

HARRISON BURKA 31
Assistant vice president, predictive modeling and business intelligence analyst
Alliant Insurance Services Inc.
Santa Ana, California

Harrison Burka, who is with SES Risk Solutions, a subsidiary of Alliant Insurance Services Inc.’s Alliant Underwriting Solutions, started out as a business analyst at a law firm before joining the insurance industry in November 2018. The beginning of his career at SES revolved heavily around analytics, specifically how the use of internal and external data could help determine claims drivers.

**What’s a lasting effect of the pandemic on the way you work?**
In working remotely, you need to hold yourself accountable. There’s not anyone looking over your shoulder making sure you’re doing your work.

**What’s your advice on navigating the current insurance market?**
Collecting as much data as you can is only going to help you in the future. The future of insurance is heavily digital, so just being able to acquire that third-party data and leveraging it will help move your company forward.

**What should the industry do to attract more young people to work in it?**
Express the exciting nature of it. I think it’s exciting because it’s extremely similar to gambling, where you’re kind of Vegas and you’re setting the odds of insuring risk, so you base it on probabilities.

**What is something about you that would surprise people?**
I can moonwalk, and I do a pretty good representation of Michael Jackson dancing. It comes out at weddings sometimes, and it definitely will not come out at the awards ceremony.

**What did you want to be when you grew up?**
I really wanted to be a sports agent, because I played football and had lots of friends that could potentially become players, but found out getting into that is very difficult, and it’s also a lot of just dealing with big personalities, and that wasn’t something I really wanted to do.

MATTHEW JABER 31
Western zone team leader, risk engineering
Coalition Inc.
San Francisco

Matthew Jaber started his career at Travelers in 2013 in its underwriting development program, where he became a cyber specialist. He moved to Coalition in 2019 to help develop underwriting strategy and products, where he is responsible for all underwriting for the Western zone.

**What’s a lasting effect of the pandemic on the way you work?**
I realized I’m a morning person. Basically, because of the pandemic, and it’s all working at home, I don’t have to commute to the office, which is saving me so much time in the morning, so I can roll out of bed and work.

**What’s a problem that needs fixing in your sector?**
Inclusivity at the highest rank and, to that end, bringing a business planning and career advancement emphasis to our women’s focused initiative. That’s something I’m proud to be championing and leading at Reed Smith in my role as co-chair of my office’s Women’s Initiative Network.

**What should the industry do to attract more young people to work in it?**
Young people’s eyes tend to glance over if you just say you’re an insurance lawyer. But when you give color, giving examples of cases we handle, it tends to pique interest.

**What did you want to be when you grew up?**
I’m a third-generation lawyer, so entry into the legal field was a natural choice. Now, becoming an insurance attorney was never on my radar during law school, but an on-campus interview during my third year of law school convinced me to go into the insurance field. The firm’s partners made insurance recovery litigation sound like really cutting-edge, important work, and it turns out that it was, and still is.

**Favorite song?**
My wedding song, which is “Making Memories of Us” by Keith Urban.

ASHLEY JORDAN 37
Partner
Reed Smith LLP
Los Angeles

Ashley Jordan represents Fortune 500 and middle-market companies in complex insurance claims disputes. She has recovered more than $150 million in insurance proceeds for her clients through strategic negotiation, litigation and alternative dispute resolution, and handled billions in insurance claims.

**What’s a lasting effect of the pandemic on the way you work?**
Virtual meetings with clients. Zoom and Teams meetings certainly seem to be outlasting the pandemic, and with corporate counsel facing ever-increasing pressures on their time, some clients just prefer the convenience of virtual meetings.

**What’s a problem that needs fixing in your sector?**
Data and leveraging it will help move our policyholders, actively underwrite. It goes back to transparency, really communicating and strengthening and building relationships.

**What is something about you that would surprise people?**
That I’m very competitive when it comes to playing ping pong. I grew up playing ping pong with two of my brothers, and I’m definitely open to challenging anyone in the insurance industry.

**What did you want to be when you grew up?**
I wanted to be an NBA basketball player. That was always my goal, but the basketball gods crushed my dreams, and they topped my height at 5’8”, so I vicariously live through Stephen Curry right now.

**Favorite song?**
“Baby Beluga” by children’s entertainer Raffi. I have a daughter who’s six months old and we’re playing that song a lot. It’s a hit in our household.

KAIT JOVEN 31
Director, product delivery
Carpe Data
Santa Barbara, California

Kait Joven didn’t intend to build a career in the insurance industry when she joined a technology startup in 2012, after graduating from the University of California, Santa Barbara. But her early work as a social media analyst for the company that is now Carpe Data led to the development of software for injury-related claims. Less than a decade later, Ms. Joven leads a team of 20 product delivery engineers.

**What’s a lasting effect of the pandemic on the way you work?**
I already worked remotely when the pandemic hit, so one of the nice things is I was able to be a resource to my coworkers as they figured out how to do this — and how to stay sane while working from home. The biggest impact has been using my voice at work … and I have more to offer than just my work experience.

**What’s your advice on navigating the current insurance market?**
With data and insurance, it’s making sure we aren’t playing into people’s unconscious bias. There’s so much that you can do within insurance to make it equitable for people and accessible.

**What’s a problem that needs fixing in your sector?**
Specifically in technology, there is a lot of bias in writing algorithms. The more diverse your team is in working with data the more we’ll be able to avoid accidentally writing bias into the programs and the products that we’re creating.

**What is something about you that would surprise people?**
I am really into “Dungeons and Dragons” and tabletop games. I just had a high fantasy-themed wedding — “Dungeons and Dragons,” “Lord of the Rings,” stuff like that.

**What did you want to be when you grew up?**
An actress or ballerina or be on Broadway.

**Favorite song?**
“My Universe” by BTS and Coldplay.
DANIELLE LUCAS
Director of business development
Pie Insurance Holdings Inc.

Danielle Lucas’ career in the insurance industry started in 2009 when she took a job as an administrative assistant for a local agency while studying at California State University, Northridge. She continued working in the industry after graduating, eventually becoming Pie Insurance’s first business development employee in 2019. Today, she manages a team of 45.

What’s a lasting effect of the pandemic on the way you work?
The way we form relationships and communicate. It’s not even the mechanism of how we communicate but ensuring that we’re more thoughtful in the way we communicate. We have to be more mindful of the dialogue and the point that we are trying to get across.

What’s your advice on navigating the current insurance market?
Make sure you’re staying on top of the trends that are going on in the industry, specifically the trends around technology. We, as a society, have higher expectations around speed and instant results, so our customer base is going to have the same needs.

What’s a problem that needs fixing in your sector?
We are doing a disservice to our customer base because of the lack of scalability within our industry. We’re finding (the industry) is not able to provide that level of shopping for coverage that customers want to see because of the lack of ability for human interaction. Being able to provide technology to support efficiency and ease of use is going to open avenues.

RACHEL MAZIE
Vice president, account executive
Lockton Cos. LLC
Los Angeles

Rachel Mazie was drawn into the insurance industry through a college internship in Lockton’s London office that allowed her to strategize with different teams and get to know clients. She went on to spend four years on Lockton’s international team and moved to the commercial insurance domestic team in 2016. In 2020, she was promoted to vice president.

What’s your advice on navigating the current insurance market?
Transparent, open communication and proactive strategy are critical for brokers in a hard market or otherwise. The hard market accentuated the importance of truly knowing clients as far as their goals, their exposures and risk management programs and being able to relate that in a meaningful way for underwriters was super important. As we’re seeing a transition out of the hard market, my advice is to maintain the important momentum of deeply understanding the client’s business to continue bringing fresh ideas.

What’s a problem that needs fixing in your sector?
We’re facing an industrywide generation gap. We’re seeing staff shortages for claims professionals, loss control engineers, and at my firm it seems like we can’t hire fast enough to keep up with our growth. In addition to succession planning, I think we have a lot of work to do with engaging and mentoring the next generation of industry professionals.

What should the industry do to attract more young people to work in it?
Insurance needs some PR help. It feels like a secret industry where people arrive on accident and stay on purpose. Internship programs and recruitment outreach could really be infused with new energy, enticing projects and an emphasis on opportunities across the globe.

What is something about you that would surprise people?
I love being out in the water — paddle-boarding, kayaking, sailing — all the water things.

ERIN PARKER
Vice president, deputy commercial insurance manager
Chubb Ltd.
Los Angeles

Erin Parker has moved up quickly in the industry since she started in insurance in 2011. She joined Chubb in 2015 and, after multiple promotions, serves as deputy commercial insurance manager of the Los Angeles office. She is also actively involved with developing the risk management minor program at her alma mater, the University of Southern California. “I love working with my alma mater and discussing career opportunities with the students,” she said.

What’s a lasting effect of the pandemic on the way you work?
My time management. I had never really thought to schedule time for myself before.

What’s your advice on navigating the current insurance market?
Having a solid network is one of the most important ways. I’m still in touch with colleagues I met when I first started my career. I’m able to ask them for advice, discuss our interests and share challenges in the marketplace.

What’s a problem that needs fixing in your sector?
There are so many retirements happening in this industry, and we need new talent to come in, train and learn the industry.

What should the industry do to attract more young people to work in it?
Engagement at the college level is the best course of action. When students have the opportunity to understand what we do and experience it firsthand through working with us and internships, it makes the industry feel more personal.

What did you want to be when you grew up?
I always thought I would be in technology and be like my parents in a programming or engineering role. I watched them work during an exciting time while growing up in Silicon Valley.

What’s your favorite song?
“September” by Earth, Wind & Fire.

LEANNA PEPPERCORN
Casualty adviser
Marsh LLC
San Francisco

Leanna Peppercorn’s experience in the insurance industry began eight years ago with Marsh’s Talent Recruitment Accelerated Careers program, where she worked on one of the first insurance programs for ride-share companies. Being part of creating insurance for the new industry helped shape how she views the role of insurance. Today, she is the lead casualty adviser for complex accounts across multiple industries, handling both complex casualty and affinity programs.

What has been the lasting effect of the pandemic on the way you work?
I don’t think I’d be the only one to say Zoom- and call-fatigue is very real… I’ve seen people respond very positively to clearly written and concise emails versus taking up their time. I’ll continue to use all types of communications going forward, but I’m not going to put pressure on myself to get on people’s calendars and hold every single discussion live. A clear and well-written email is going to be the way of the future as our industry becomes more casual because of the pandemic.

What’s your advice on navigating the current insurance market?
Don’t be afraid to ask questions and challenge the status quo if you think you have a good idea — and see it through.

What should the industry do to attract more young people to work in it?
Investing in educating young people on what we do, ideally as far back as middle and high school. Young people see silly personal lines insurance commercials with songs and spokespeople, and that’s not what we do. It really is such an interesting and dynamic industry, and there are so many career paths and opportunities.

What is something about you that would surprise people?
I had traveled to all seven continents by the age of 14.

Favorite song?
“Don’t Stop Believin’” by Journey — it’s my go-to karaoke song.
The Public Entity Risk Solutions team has an array of customized, innovative insurance solutions designed to help you manage both current and emerging risks.

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Police liability market still tough for buyers

TWO YEARS AFTER THE MURDER OF GEORGE FLOYD BY A POLICE OFFICER AND THE NATIONWIDE TURMOIL THE KILLING SPARKED, THE LAW ENFORCEMENT LIABILITY INSURANCE MARKET, WHICH WAS ALREADY HARDENING, REMAINS CHALLENGED, AND MANY EXPERTS SAY IT IS UNLIKELY TO DRAMATICALLY CHANGE ANY TIME SOON.

Signs of a moderation are beginning to show, though, due to efforts to reform police department policies and procedures, some say.

Legislative efforts to reform police liability, such as a Colorado law that calls for police officers to pay 5% of any jury award against them up to $25,000, have failed to gain much traction elsewhere (See story page 33).

Mr. Floyd, a 46-year old African-American, died in Minneapolis on May 25, 2020, after Derek Chauvin, a white police officer, was filmed kneeling on his neck for about nine minutes. The incident led to protests in numerous cities. Mr. Chauvin was later found guilty of second-degree murder and sentenced to 17 to 21 years in prison.

The law enforcement liability market has been further aggravated by so-called nuclear jury verdicts, civil unrest, the

By Judy Greenwald
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  Risk managers await guidance on cannabis in educational and municipal settings. PAGE 37
Pandemic and the social environment. Police liability has always been challenging and a loss leader in the Public Entity space due to the many exposures that come with operating a police department such as the police force, jail and vehicles, said Adam Mazan, Newport Beach, California-based vice president in the casualty practice of Risk Placement Services, a unit of Arthur J. Gallagher & Co. He said the market has become more challenging due to police-related incidents posted on social media and front and center in the news, driven by the use of body cameras and cell phones. “The situation is still tenuous,” said Sandra McFarland, New York-based senior vice president in Marsh LLC’s U.S. public entity casualty placement practice. “We are still seeing reduced capacity,” which is contingent on the client’s location and size, she said. Ms. McFarland said there is about $5 million in limits available for law enforcement coverage from individual insurers, and entities seeking higher limits must use multiple insurers, which are offering less capacity than they did previously.

Small municipal government organizations have been successful in obtaining coverage through pools, and most public entity insurers are still offering law enforcement liability as part of an overall integrated program, but larger cities have some difficulty in securing capacity, Ms. McFarland said. Robert Bookhammer, Dallas-based senior vice president for USI Insurance Services LLC, said that in one recent case “we’re having to bifurcate” the law enforcement coverage from the public entity package.

Rates and restrictions are increasing, and “there seems to be fewer and fewer markets that are willing to write it,” a trend that has continued since 2020, said Jose Peralta, Washington-based managing director, U.S. public sector and national practice leader, commercial risk, at Aon PLC. “The reality is, what’s driving underwriters’ perspective seems to be the huge level of uncertainty,” he said. In the current environment, settlement and jury awards are hard to predict, he said. In Washington, recent state court rulings have led to more cases being filed in state rather than federal court for police liability claims, where plaintiffs face fewer challenges, said Ann Bennett, executive director of the Tukwila-based Washington Cities Insurance Authority, a risk pool that self-insures the first $4 million of each loss for its members, then reinsures above that.

Meanwhile, the social justice movement has influenced jurors’ attitudes toward law enforcement, and there has been an overall increase in the frequency and severity of plaintiff claims, Ms. Bennett said. In December, for instance, a federal jury in Austin, Texas, awarded $67 million to the family of a man who was fatally shot by police officers, according to news reports. The Washington Post reported in March that more than $1.5 billion has been spent to settle claims of police misconduct involving thousands of officers who have been repeatedly accused of wrongdoing.

“Any account that has demonstrated a propensity for frequency is going to be looking at double-digit” rate hikes and higher retentions, Mr. Dillard said. In addition, most insurers still in the market are asking for much more information on coverage applications, Mr. Peralta said.

But the market is “marginally” better than it was during most of 2021, said John Klecha, Meriden, Connecticut-based national public entities practice leader, QBE North America.

“We are pushing rate on every renewal. It’s a function of their loss experience,” training, and policies and procedures, he said.

Considerable attention was paid to a 2020 Colorado law that removes police officers’ qualified immunity, but it has gained little traction elsewhere. Among its provisions, the Enhanced Law Enforcement Integrity Act removes qualified immunity in cases in which police officers are charged with wrongdoing and makes them pay $5,000, or up to $25,000, of judgments against them. While Connecticut, New Mexico and New York City — in addition to Colorado — have approved measures to modify police officers’ qualified immunity, the concept has not been adopted so far elsewhere, including on the federal level, experts say. The Connecticut and New Mexico laws permit people to sue police officers for violating their rights under their respective state constitutions. New York City’s law allows citizens to sue police officers for excessive force or unlawful searches and seizures. “I think people are looking to Colorado to see how it plays out and whether it should be part of the criminal justice reform agenda,” said Deborah A. Ramirez, a law professor at Northeastern University School of Law in Boston, who says police officers should purchase their own personal liability coverage.

Sandra McFarland, New York-based senior vice president in Marsh LLC’s U.S. public entity casualty placement practice, said, “The truth of the matter is, claims are always paid by public entities.” Requiring police officers to pay part of the liability awards against them “could really discourage them from taking the position,” she said.

Judy Greenwald

BUSINESS INSURANCE JUNE 2022 33
Public entity risk managers continue to face difficult liability renewals as insurers increase rates, curb capacity and restrict coverage.

Concerns over increased litigation, such as historic sexual molestation claims against educational institutions and municipalities, failure to educate claims and transgender accommodation-related lawsuits against schools, and police and public official liability claims against cities are making it harder to place insurance programs, experts say.

While some new capacity is becoming available, several insurers have pulled back from a market that had already seen a contraction in capacity, they say.

“Public entity is one of the hardest and tightest corners of the market,” said Ben Merris, CRC Insurance Services Inc.

To navigate the difficult environment, risk managers should start renewals early, ensure they have all the information insurers require and consider new program structures, they say.

“Public entity is one of the hardest and tightest corners of the market,” said Ben Merris, Essex, Connecticut-based senior vice president, director of public entity, at wholesale brokerage CRC Insurance Services Inc.

The market has improved slightly from 2021, but it is still tough for buyers, said Megan Medrano, Los Angeles-based West Coast region vice president for Marsh LLC's education and public entity casualty placement team.

“We’re still definitely challenged with fallout from the pandemic, from civil unrest, and also from natural disasters,” she said.

Reductions in primary capacity have led buyers to rely more heavily on excess capacity, which is more expensive.

“We tell people when we’re looking at their renewals that they’re definitely going to see in their primary liability limits 15% to 25% increases, and in the excess layers you can see anywhere from 30% to 40%,” Ms. Medrano said.

Increasingly, public entities buying coverage in the private market are looking to transition to public entity pools to access capacity, she said.

“This year, rates are still increasing, but unless an account has a significant issue, the chances are they will be moderate rather than ridiculous,” said Steve Levene, Greenwich, Connecticut-based executive broker at EPIC Insurance Brokers & Consultants, which focuses on large public entities and pools.

Rates had previously increased more substantially as court settlements and verdicts have risen, so a 10% increase this year is coming on top of sometimes a doubling of rates over the past couple of years, he said.

In addition, concerns over the actions of police officers have led to the imposition of sublimits on police liability risks (see story page 32) and sexual abuse allegations and settlements have made sexual abuse and molestation coverage difficult to find for public entities, Mr. Levene said.

The opening of revival windows for abuse lawsuits has led to a surge in molestation claims, which, in turn, has led to big increases in the cost of coverage, said Mr. Medrano of CRC.

Increasingly, insurers are carving out SAM coverage from general liability policies and offering much lower limits for the risk, Ms. Medrano of Marsh said.

In addition, the tight labor market, which has led to a reduction in experienced staff, has created problems for errors and omissions coverage for school leaders, said Doug Manwaring, Cincinnati-based chief underwriting officer for public entities at Liberty Mutual Insurance Co., whose book is about 80% educational institutions and 20% government entities.

“IT takes time and resources and commitment to train new staff coming in to understand things like individual education programs and how to address those with parents,” Mr. Manwaring said.

In addition, frustrations with virtual learning environments during the pandemic and increased friction over the
POLICE
Continued from page 33

tice leader and president of Connecticut operations for USI.
While the public entity insurance sector cut some capacity, insurers are being less aggressive regarding rates and terms and conditions, but the risks are still being scrutinized, he said. Rates are increasing about 10% to 30%, he said.
"Definitely, we’re starting to see some market stabilization," which is a change from the "very tumultuous" previous two years, said Thanh Hoang, Concord, California-based senior vice president and public entity risk solutions underwriter with Munich Re Specialty Insurance.
"We’re starting to see less program restrictions and fewer dramatic rate changes," although coverage will depend upon loss experience and jurisdiction, with the focus on entities’ individual characteristics, Mr. Hoang said.
Insurers are taking less of a blanket approach to renewals this year, said Brian Frost, Woodland Hills, California-based executive vice president for Amwins Inc.
Insurers "still writing law enforcement at this point are comfortable with it but are being picky about it" and may be asking more questions, said Timothy Staunton, Chicago-based vice president of wholesale broker Apex Insurance Services.
The outlook is for more of the same. "It’s going to remain firm," Mr. Dil-


ted by the negative publicity associated with speed chases and body camera policies, address local issues, including high-speed chases and the use of tasers."

"We’re seeing a lot more departments moving toward social media to provide swift and concise information" related to high-profile incidents, showing camera footage to the public, and explaining the next steps they plan to take in conducting their investigations, he said.
"That goes a long way when the time comes to avoiding liability," he said.
Efforts to address the use of force include having social service workers work alongside police department personnel to de-escalate some situations, said Sandra McFarland, New York-based senior vice president in Marsh LLC’s U.S. public entity casualty placement practice.
Mark Dillard, president of Richardson-based Public Risk Underwriters of Paragon Insurance Holdings LLC, said police departments “seem willing to look at their deficiencies” and to address local issues, including high-speed chases and the use of tasers.

"They are dealing with an environment by restructuring their programs to include additional self-insured retentions higher in their coverage towers, Mr. Merris said.
"We had a couple of placements in the past year where we put a retained limit form on top of another retained limit form," he said.

Renewal strategies
Brokers always ask policyholders to provide renewal information early, but this year it is “critical,” Ms. Medrano said. Policyholders should also be aware that their program structures are likely to change because the market is so fluid, she said.
Buyers should also be able to demonstrate they have policies and procedures in place to deal with concerns, such as how they intervene with parents over potential failure to educate claims against schools, and that they have an organizational commitment to the policies, said Mr. Manwaring of Liberty Mutual.
Policyholders can also work through the difficult market by restructuring their programs to include additional self-insured retentions higher in their coverage towers, Mr. Merris said.
"We had a couple of placements in the past year where we put a retained limit form on top of another retained limit form," he said.
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A December 2021 University of Sydney study, which analyzed available studies on the relationship between driving performance and concentrations in blood and saliva of THC, showed results indicating that blood and oral fluid THC concentrations are relatively poor or inconsistent indicators of cannabis-induced impairment.

"Higher blood THC concentrations were only weakly associated with increased impairment in occasional cannabis users while no significant relationship was detected in regular cannabis users. This suggests that blood and oral fluid THC concentrations are relatively poor indicators of cannabis-THC-induced impairment," said study lead author Danielle McCartney from the Lambert Initiative for Cannabinoid Therapeutics.

The lack of both rapid test technology and a reliable standard defining impairment may mean effective testing is still some ways off, said Paul Shives, vice president, safety services, with J.A. Montgomery Consulting in Parsippany, New Jersey. "It's going to be awhile," he said.

In addition to employee concerns, there are environmental issues associated with the growing cannabis industry, said Rich Erickson, senior associate with First Environment Inc., a consulting firm in Butler, New Jersey. "These are big facilities in small towns," he said, which brings with them issues including those surrounding odor, water and solid waste disposal.

Neighbors of cannabis facilities may dislike the odor or activity associated with them, which can lead to land use issues in court.

"It's the world of unintended consequences. You have legislation go into effect and there are a slew of consequences you don't realize until they're in front of you," said Ms. Sharpe of Dorsey & Semrau.

Given the value of the crops, disputes over issues such as land use, which can cause a business to halt or alter operations and lose income, could become costly, Mr. Cooney said.

Along with municipalities, educational institutions are also grappling with emerging cannabis legislation and the drug's legalization.

Ike Jenkins, director of risk management for the University of Delaware and the chair of the RIMS 2023 annual conference programming committee, said, "The receipt of federal research grants requires compliance with federal regulations" and that such criteria "may be inconsistent with newly adopted legislation. Universities will need to carefully evaluate their position and policies in light of conflicting federal and state legislation."

Mr. Turkalo said such federal funding is often "key to the operation of many institutions" which could be directly affected by the financial ramifications of not adhering to federal guidelines.

Mr. Jenkins added that higher education institutions continue to be bound by the federal Drug-Free Schools and Communities Act of 1989 and federal law continues to outlaw marijuana. "Regardless of what state laws say, many universities will continue to prohibit marijuana use on campuses," he said.

Risk managers await guidance on cannabis

BY MATTHEW LERNER
mlerner@businessinsurance.com

As more states legalize medical and recreational cannabis, risk management professionals in municipal and educational settings face numerous new issues but have been provided with little guidance on how to address them.

Concerns over how use of cannabis by off-duty police officers might affect their on-duty performance is a prime concern.

In addition, cannabis remains illegal under federal law, classified as a schedule 1 narcotic by the Drug Enforcement Administration, which creates additional uncertainty for risk managers in states where the drug has been decriminalized.

In 2012, Colorado and Washington were the first states to decriminalize recreational cannabis. On April 22 of this year, New Jersey became the latest state to allow the use of cannabis by people over 21, granting New Jerseyans the legal right to possess up to 4 ounces of cannabis. On May 3, Illinois followed suit.

"It's a real challenge," said Mark Turkalo, national risk management leader for Marsh LLC in New York. "How do you operate? How do you react to something for which you literally have two opinions?"

From land use and environmental issues to policies for municipal employees, many municipalities are grappling with new and unanswered questions.

"Our messaging has been telling clients to be very cautious until further clarification is given," said Edward Cooney, partner, senior account executive, underwriting manager public entity practice, for Conner Strong & Buckelew in Parsippany, New Jersey. Mr. Cooney is an underwriting manager for New Jersey's Municipal Excess Liability joint insurance fund, which covers nearly 700 municipal entities in the state.

Sue Sharpe is a senior associate with Dorsey & Semrau LLP, a law firm in Boonton, New Jersey, that works with the MEL. The current situation is like being in "a holding pattern and hoping further guidance comes along. We're just all assuming ... there will be further guidance."

Some guidance on how to handle the use of cannabis by municipal employees could come in the form of New Jersey Senate Bill 2656, said Paul Shives, vice president, safety services, with J.A. Montgomery Consulting in Parsippany.

The bill, which "concerns use of cannabis by certain law enforcement officers during non-work hours," is sponsored by Sen. Paul Sarlo, a Democrat, and was introduced in May. It has been referred to the Senate Law and Public Safety Committee.

"Under the provisions of this bill, an employer is prohibited from taking any action which has the effect of prohibiting an employee from using cannabis items during non-work hours except when the employee is a law enforcement officer and the duties of the employment require the possession of a firearm," the legislation says.

"It's a real challenge. How do you operate? How do you react to something for which you literally have two opinions?"

Mark Turkalo, Marsh LLC

CANNABIS TESTING CAN BE COMPLEX, INACCURATE

Testing for marijuana impairment is one of the bigger challenges brought on by state decriminalization of adult cannabis use. Unlike alcohol, for which both standards and a technology solution exist in the form of the breathalyzer, testing for the presence of or impairment by cannabis is more complex.

“It's not just a breathalyzer as with alcohol, an easy test. With cannabis, it's a urine sample. It's a much more invasive way of testing and it's not immediate,” said Mark Turkalo, national education and public entity placement leader for Marsh LLC in New York.

There is also evidence that cannabis differs from alcohol in terms of impairment. The National Institute of Justice, part of the U.S. Department of Justice, supported researchers from RTI International, a research nonprofit, to study how levels of tetrahydrocannabinol — which produce the cannabis “high” — in the body correlate with performance on impairment tests and concluded that THC levels in biofluids were not reliable indicators of marijuana intoxication for study participants.

The researchers reported that the one urine sample. It's a much more invasive way of testing and it's not immediate,” said Mark Turkalo, national education and public entity placement leader for Marsh LLC in New York.

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Apps change dynamics of injury reporting

BY MICHAEL BRADFORD

As enthusiasm grows for apps that help injured workers navigate the workers comp claims and recovery processes, the technology is evolving past downloadable programs to include web-based platforms that can be accessed from a wider range of devices.

Since apps began replacing email, faxes and phone calls that helped workers move from injury to recovery, the popularity of technology that connects them with claims and medical professionals has mushroomed, experts say.

Travelers Cos. Inc. introduced MyTravellers for Injured Employees three years ago and has seen “explosive use of it over time,” said Rich Ives, vice president of business insurance claims in Hartford, Connecticut. More than 145,000 injured workers are registered to use the web-based portal, he said.

The popularity of apps is not expected to wane. A 2021 survey of 115 workers comp professionals by Enlyte Group in San Diego ranked mobile apps as the technology expected to have the biggest impact on comp over the next 10 years. It was the first time in three years that telemedicine didn’t hold the top spot.

Whether injured workers use an app downloaded onto a mobile device or a web-based portal accessible from nearly any device, they are able to access a suite
of services from insurers and third-party administrators that typically includes communications with adjusters and physicians, benefit payment tracking and frequently asked questions.

Texas Mutual Insurance Co. has replaced the mobile app it created around three years ago with one that can be accessed by a phone or other device, said Jeanette Ward, chief operating officer at the Austin-based insurer. The new app was created largely from input from injured workers at a time when the insurer was moving from on-premise applications to more cloud-based and vendor services, she explained.

LONG-TERM OUTLOOK

Mobile apps and other injured employee communication technologies are expected to have the biggest effects on the industry in the next five to 10 years.

“One of the things we realized we no longer needed to do is require anyone to download an app on their phone,” Ms. Ward said. “Now we have an injured worker app that’s responsive whether you’re using a web portal or your phone. It’s much more user-friendly.”

In fact, she said of apps strictly built for use on phones, “we are seeing that going away. Things like password management are evolving as well. The whole goal is to make it as user-friendly as possible so people will want to utilize it.”

When designing its smart.ly web-based platform, Sedgwick Claims Management Services Inc. decided not to create a downloadable app, said Leah Cooper, Chattanooga, Tennessee-based managing director, global consumer technology. “We found that it’s much easier to get someone to a mobile accessible site than it is to download something from the store.”

The largest group of 145,000 workers using the tool – 65% – are ages 25-34, with workers older than 55 making up 45% of users. Gallagher Bassett Services Inc. sees about 20% of its claimants using the TPA’s mobile app, and those tend to be younger workers, said Russell Pass, Rolling Meadows, Illinois-based chief information officer, executive vice president of product development. Another 20%, generally older, prefer the web-based app and the remainder, who tend to be the oldest claimants, are sticking with the traditional telephone-based process, he said.

Insurer finds demographic profiles of users of injured workers portal defy expectations

Using apps and other technology to manage worker injuries doesn’t appeal only to tech-savvy young workers, as Travelers Cos. Inc. discovered when it began offering its web-based portal MyTravelers for Injured Employees.

“We thought there was a younger age demographic that would want this,” said Rich Ives, vice president of business insurance claims at Travelers in Hartford, Connecticut. “And one of the surprises that we learned was that demographics of all ages not only wanted the tools, but utilize them just as much.”

Travelers found that usage of MyTravelers for Injured Employees, which is not mandatory for injured workers, closely mirrored “the demographics of our injuries at large,” Mr. Ives said. “That’s been an interesting finding for us.”
Courts address claims with successive injuries

BY SHERRI OKAMOTO

Supreme Courts throughout the country this spring addressed statutory considerations for workers compensation claims that deviate from typical patterns and involve successive injuries.

High courts tackled questions about statutory deadlines for claims alleging multiple injuries and the effects of pre-existing conditions on subsequent injuries. They also examined how a multiplier for people who can’t return to their at-injury employment as the result of an injury should be applied to a claimant hurt in successive accidents.

North Carolina

Last month, the North Carolina Supreme Court in Cunningham v. Goodyear Tire & Rubber Co. addressed the timeliness of a worker’s claim for benefits from one of the multiple injuries she suffered.

Doris Cunningham injured her back twice in 2011. She filed workers comp claims for both injuries and settled both claims. In May 2014, Ms. Cunningham injured her back again.

She saw a physical therapist at an onsite medical facility in June 2014, then went a few months without treatment. When she returned to see the therapist in February 2015, Ms. Cunningham reported her back pain had never completely subsided since the 2014 injury and that she felt a recent increase in pain.

In April 2017, Ms. Cunningham suffered yet another back injury. She then filed workers comp claims for the 2014 and 2017 injuries.

Goodyear moved to dismiss the 2014 claim as time barred. In North Carolina, a claim must be filed within two years after the last payment of medical compensation. A deputy commissioner agreed the 2014 claim was untimely and the Industrial Commission affirmed.

The Court of Appeals reversed, with a majority finding Ms. Cunningham’s 2014 claim was timely since her April 2017 visit to the physical therapist was related to the 2014 injury, and she filed her claim within two years of that date.

The state’s supreme court agreed the April 2017 visit for treatment of the 2014 injury made the claim timely.

Kentucky

In April, the Kentucky Supreme Court addressed how to apply a statute requiring permanent disability benefits be tripled when an injured worker doesn’t retain the physical ability to return to the type of work he or she was doing at the time of injury to a worker with two separate injuries.

In Apple Valley Sanitation Inc. v. Stambaugh, the employer argued that the multiplier should not be applied to successive injury claims if the employee had no significant change in job duties between the first injury and the second.

Jon Stambaugh suffered two injuries 85 days apart while working for Apple Valley as a garbage collector. An administrative law judge applied the three-times statutory multiplier to Mr. Stambaugh’s benefits for both injuries, finding he lacked the physical capacity to return to the type of work he performed at the time of either injury.

The Workers’ Compensation Board affirmed, as did the Court of Appeals and Kentucky Supreme Court.

The high court said the three-times multiplier was intended to compensate an injured worker who has a permanent alteration to his ability to labor and earn money due to his injury.

The court ruled that its application depends solely on whether an employee has the physical capacity at the time of the benefits hearing to do the type of work performed pre-injury.

Given the extent of Mr. Stambaugh’s injuries and the medical evidence that his injuries would prevent him from performing his job duties, the court said application of the three-multiplier was proper.

Oregon

The Oregon Supreme Court was also presented with a situation in April involving a worker with two injuries — but in Johnson v. SAIF Corp., one injury was ruled compensable and the other was not.

Marisela Johnson was injured when her hand was caught in an elevator door at work. Her employer’s insurer, SAIF Corp., accepted liability for a sprain of Ms. Johnson’s left shoulder and trapezius, as well as an injury to the hand, but it denied liability for a rotator cuff tear, elbow sprain and forearm sprain.

A medical arbiter examined Ms. Johnson and identified a loss of grip strength. The arbiter attributed 50% of the loss of Ms. Johnson’s grip strength to the hand injury and 50% to the shoulder injury that SAIF had not accepted as compensable.

Based on the arbiter’s report, the Workers’ Compensation Division’s Appellate Review Unit issued an order on reconsideration awarding Ms. Johnson benefits for a 7% whole person impairment. An administrative law judge overturned this decision, finding there should not have been apportionment for Johnson’s loss of grip strength since her hand injury was at least 50% of the cause of her loss in grip strength.

The Workers’ Compensation Board ruled that the benefits for Ms. Johnson’s hand injury could not include the portion of impairment attributable to the denied claim for injuries to the left shoulder, and the Court of Appeals initially agreed.

After the Oregon Supreme Court remanded the case for reconsideration, the Court of Appeals reversed its earlier decision and ruled that when a worker’s impairment is due to a combination of the compensable injury and a preexisting condition, he or she is entitled to be fully compensated for a new impairment if it is due in material part to the compensable injury, except where an employer has made use of the statutory process for reducing liability after issuing a combined condition denial.

The Supreme Court upheld the decision, concluding that a worker is entitled to benefits for the full measure of his or her impairment where the accepted conditions are a material contributing cause of the impairment as a whole.

Wyoming

Lastly, the Wyoming Supreme Court upheld a denial of benefits to a retail worker in Boylen v. State ex rel. Department of Workforce Services, finding she failed to prove her alleged back injury was a second compensable injury.

The decision from March involved Rhonda Boylen, a sales associate at a motorcycle dealership. In 2019, she allegedly felt discomfort in her back while moving a heavy motorcycle. She did not report the incident to anyone that day or during her next shift.

Three days later, Ms. Boylen allegedly experienced excruciating pain in her back while turning away from her kitchen sink. When she sought medical treatment, she attributed her injury to moving the heavy motorcycle at work.

Ms. Boylen filed a workers comp claim, which the Department of Workforce Services denied. The Office of Administrative Hearings upheld the denial, finding Ms. Boylen had not carried her burden of proof.

The Wyoming Supreme Court noted that a subsequent injury may be compensable when an initial compensable injury ripens into a condition requiring additional medical treatment, but in this case, since Ms. Boylen’s second alleged injury occurred just three days after the first, “the second injury can hardly be described as a ripened condition from an initial compensable injury that required additional medical treatment.”

The court also expressed reservations about whether the initial injury had occurred since it went unreported, did not require treatment and was never determined to be compensable. The court also said it was clear from the record that the OAH had rejected the idea the first incident was connected to the latter.

The court said the OAH identified inconsistencies in Ms. Boylen’s reports and testimony, and her expert failed to provide a reasoned medical explanation as to how she had “progressed from a minor injury, with no significant symptoms for three days, to an explosion of muscle spasms,” and so substantial evidence supported the OAH’s conclusion that Ms. Boylen failed to prove that her alleged second injury was caused by the first.
Employers could face more OSHA rules

The Occupational Safety and Health Administration has been quite busy over the past few months on the rulemaking front, and it does not seem to be slowing down despite the fact that COVID-19 still sucks most of the air out of the room. Much of what is on the forefront is, however, not COVID-19 related.

Over the past six months, OSHA managed to publish a new proposed regulation to dramatically expand the requirements of its Improve Tracking of Workplace Injuries and Illnesses Rule, also known as the Electronic Recordkeeping Rule; initiate an enforcement National Emphasis Program addressing outdoor and indoor heat illness prevention; and launched a rulemaking for a Heat Illness Prevention Standard.

OSHA’s E-Recordkeeping Rule has had a long and tortured history since its inception in 2016, when President Barack Obama’s OSHA enacted it. As designed, the E-Recordkeeping Rule required hundreds of thousands of workplaces to, for the first time, proactively submit injury and illness data to OSHA through a web portal. In 2019, the Trump Administration amended the rule to remove the most onerous requirement: for very large establishments with more than 250 employees to submit detailed injury information from OSHA Forms 300 and 301 Incident Reports.

Fast forward to 2022 and the return of a Democratic administration, and we are seeing President Joe Biden’s OSHA revisit many of the Trump administration’s policies. In the context of e-recordkeeping, the new administration is not content to just reverse the Trump rollbacks but seems set on over-compensating, that is, pushing the E-Recordkeeping Rule even further than when it was first issued during the Obama administration.

Fast forward to 2022 and the return of a Democratic administration, and we are seeing President Joe Biden’s OSHA revisit many of the Trump administration’s policies.

Specifically, under the new proposed amended E-Recordkeeping Rule, workplaces with 20+ employees in certain high-hazard industries will continue to be required to electronically submit data only from their OSHA Form 300A Annual Summary, but now, OSHA intends to require workplaces with 100+ employees (rather than the prior 250+ employee threshold) in certain high hazard industries to annually electronically submit to OSHA the information from their full panoply of OSHA recordkeeping records: 300 logs, 301 incident reports and 300A annual summaries.

As many as tens of thousands more establishments will be covered by the proposed amended E-Recordkeeping Rule — as one of the major coverage thresholds will be 100+ employees (rather than 250+) — and the scope of the data required to be submitted is significantly greater and more invasive.

The 300A Annual Summary data is pretty bare bones: just the number of recordable cases, total man hours worked, and the total number of cases meeting various recording criteria. Requiring submission of information from 300 logs and 301 incident reports means that OSHA will have custody of the details about individual recordable cases, with employee names, particulars about the parts of their bodies that were injured, information about their medical treatment — an entirely different look under the hood than the last five years under the Trump administration.

This has huge implications for employee privacy, as well as great potential for harmful use of the data against employers by plaintiffs attorneys, insurance companies, union organizers, competitors, the media, etc. Moreover, OSHA intends to use the collected data to target its enforcement resources.

On the heat illness front, at the end of 2021, OSHA published in the Federal Register an Advanced Notice of Proposed Rulemaking initiating a formal rulemaking focused on “Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings.” The ANPRM included more than 100 questions OSHA posed to interested stakeholders signaling a broad rule covering outdoor and indoor work settings, which likely will include provisions requiring everything from written heat illness prevention programs and engineering and administrative controls to work-rest cycles, self-pacing and paid cool-down rest breaks.

Also expected are rigid acclimatization requirements; training for employees and supervisors; physiological, medical and exposure monitoring; and emergency response plans.

While this heat illness rulemaking plays out, likely over several years, OSHA also recently launched a heat illness prevention enforcement national emphasis program. The emphasis program addressed that same hazard for a number of industries, including general industry, construction, maritime and agriculture. This emphasis program is intended to augment OSHA’s current heat illness enforcement, which to date has just involved complaints, referrals and severe incident reports. As part of the NEP, OSHA will initiate programmed (pre-planned) inspections in indoor and outdoor work settings in approximately 70 high-risk industries when the National Weather Service has issued a heat warning, alert or advisory for an area.

The NEP establishes heat priority days when the heat index is expected to be 80°F or higher, when the agency will inquire during inspections regarding the existence of any heat-related hazard prevention programs and training.

These two regulatory developments — expanding e-recordkeeping and addressing heat illness — are a clear sign that while OSHA continues to address COVID-19 in the workplace, like much of the rest of the country, the agency is also trying to move past that singular focus.
Public entity risks reach new levels

Public entity risk managers are having as hard a time as any insurance buyers as they prepare for renewals. A combination of marketwide trends and sector-specific challenges has created insurance and risk management conundrums that would test even the most seasoned risk professionals.

As we report beginning on page 32, in the past couple of years, the most high-profile problem municipalities have had to face is police liability coverage. Highlighted by the chilling recording of the murder of George Floyd in 2020, police misconduct is being graphically documented with far more frequency than just a few years ago. The inevitable increase in lawsuits and claims against police departments led to severe restrictions in capacity as insurers and reinsurers cut limits or exited the market.

Other liability concerns are also testing the ability of buyers and brokers to find adequate coverage for municipalities and school districts. Increased friction between parents and teachers that resulted from virtual classes during the pandemic, fights over social issues such as the treatment of transgender students, and the emergence of historic sexual abuse claims are making already wary insurers even more concerned about the limits they offer and prices they charge.

On the property side, things are not much better. As people continue to move away from parts of the Northeast and Midwest to areas of the country that are more vulnerable to windstorms, such as Texas and Florida, inevitably the public entities and school districts in those states grow larger and occupy more buildings. The increase in the instances of costly hurricane losses over the past three decades has been felt acutely in the public entity sector, and, looking ahead, the situation is unlikely to improve anytime soon (see chart).

While there are some signs that the property/casualty market may be stabilizing, given the economic environment, there’s no reason to think that there is not more uncertainty to face in the years ahead.

To address the issues, risk managers at public entities and their brokers are having to be inventive in the way they approach their insurance programs and the resources they turn to. Like buyers in the private and publicly owned sector, they can to some extent look to self-insurance facilities. While captives are not as attractive to public entities as to private companies because they do not see the same tax benefits, municipal risk pools and other structures are gaining in popularity in the hard market.

If there is any upside to the troublesome market it would be that risk managers are likely to receive more attention as they seek to implement policies that help avoid losses in the first place. Changes in police protocols, policies to intervene in contentious school disputes, and improvements in property resilience should all be considered more seriously as ways to improve safety and save taxpayers money over the long term.

Work environments evolve

Work life and what shape it takes as we move beyond the pandemic continues to evolve. To get a sense of where it’s at, we asked Business Insurance’s 2022 Break Out Award winners: What’s a lasting effect of the pandemic on the way you work? While some of the answers were what you’d expect, others were quite surprising.

Technology has been a critical tool in the pandemic and will continue to be so, as many award winners reported. It facilitated the immediate shift to remote work and forced many to embrace the benefits of video technologies such as Zoom and Teams. While email and phone communications had been prevalent before the pandemic, many winners reported that video calls have become essential, enabling them to stay in contact, not just with colleagues, but with business partners and customers on a regular basis face-to-face.

In a relationship business, the ability to connect much more easily and efficiently with so many more people around the world is a lasting effect for many. Others noted how much more productive they can be when not hopping on an airplane every few days. Some business travel will come back, but some won’t. Several winners suggested. Most every winner said they had become a better communicator because of digital reliance. Virtual meetings, then, are likely to continue.

But Zoom and Teams fatigue is also real. Technology that can help build relationships can also drive people further apart, and while back-to-back video calls enhance productivity, they can be time-consuming and may not be the solution to everything. As one award winner said: “I’ve seen people respond very positively to clearly written and concise emails versus taking up their time.”

Some award winners reported that the digital shift and remote work environment have given them a newfound appreciation for in-person interactions and for being in the office. Whether collaborating with colleagues, building a team culture, or training new employees, some work may be best done in person. Onboarding new employees remotely, for example, can be challenging when they are adjusting to a new role and industry. Just because some work and training can be done remotely doesn’t mean that it necessarily should. Activities like brainstorming sessions and negotiations with clients may lose some of their effectiveness when done remotely. And whatever happened to the impromptu conversation over coffee?

A key takeaway from this year’s winners may be that building sustainable personal connections, whether in-person or remotely, will continue to be an important part of the industry.

Having a nimble and flexible approach is another important hallmark. Many honorees said they appreciated the fluidity that remote and hybrid work models have introduced. As one honoree said: “Previously, you would want to wait until everyone was together to knock something out. Now, the world is your oyster, no matter where anyone is geographically.”

That adaptability and flexibility, not to mention resilience, have carried this year’s cohort of winners along their already impressive career paths through one of the most unpredictable events in the industry’s history. Perhaps a lasting effect of the pandemic on the way they work is that there is no one-size-fits-all approach.
The forecast for loss reserving

Actuarial work is exhilarating, and reserving, especially so. But let’s not pretend that insurance loss forecasting inspires excitement in everybody. In fact, when compared with pricing or data science, the reserving function comes across as staid, more... reserved.

Why is that? Well, unlike other actuarial practice areas that are more commonly perceived to foster experimentation and innovation, reserving teams are weighed down by the need to understand not just the current state of a company’s financials but also how those financials have changed over the past quarter and why. This is not dissimilar to the way that luxury watch brands view time-tested designs of the past with all the benefits of modern technology. Rolex’s contemporary Submariner timepiece, for example, is almost indistinguishable in design from its 1953 predecessor, yet the demand is just as high. Its value is in its appearance rather than the inner workings, which are more state-of-the-art. For actuarial teams, this demand for consistency in models and approaches imposes a similar inertia that appears—at first glance—to inhibit genuine innovation.

This is not to say that stability isn’t important: Insurers are not looking for their financials to be disrupted on a constant basis, and some stability in a world of uncertainty is appreciated. But using judgment to gloss over what data is saying is potentially worse than pretending something isn’t happening — it’s hiding it.

The work of a reserving team is to forecast. While they are never going to be 100% right in their analysis and results, they can reduce the noise, become more transparent in their underlying assumptions, and communicate them in easy-to-understand everyday language.

The reality, obviously, is far more nuanced. Some signals should be ignored as the noise that they are, but trends such as the potential impact of inflation and rising costs, or sudden changes in political factors such as global conflicts or institutional prioritization of environmental, social and governance goals. While these recent trends suggest an increased reliance on external insight and judgment, it is technology that enables such insights, providing the tools to analyze and communicate with clarity.

Making space for creativity

A conspicuous area of opportunity is the use of process automation technology to make space for deep analysis by reducing the time that high-value resources, such as actuaries and database administrators, spend performing low-value tasks such as data management and manipulation. Ostensibly the value here is in reducing costs, but most insurers overwhelmingly prioritize increased value rather than lower costs when looking to increase their use of automation. Manual processes are accelerated, and key indicators are delivered as soon as data is available. This enables actuaries to quickly orient where their attention is best deployed and focus on the appropriate analysis. The better the information and the more quickly it is obtained, the more time there is to react appropriately to that information.

Taking an innovative look

Technology-powered techniques such as machine learning can be used to reassess the data cohorts used in analyses. What were once homogenous data groups are now groups being affected by changing factors — where the historical mix of business has become more volatile. Machine-led techniques can identify the underlying loss drivers within a data set to isolate those elements that demonstrate consistency. These pockets of stability can then be analyzed using traditional techniques. In other words, applying innovative techniques during the data processing stage allows us to do fewer complex things during the analysis phase, while still improving our forecasting ability. This has a corollary benefit of simplifying the reporting element of the reserving process, which can often be onerous.

Using communication

Another often overlooked area is how technical results are communicated back to the business. The work of a reserving team is to forecast. While they are never going to be 100% right in their analysis and results, they can reduce the noise, become more transparent in their underlying assumptions and communicate them in easy-to-understand everyday language.

They should be shrewd not just in how they complete the analysis but also in knowing who they are sharing the results with, how they will receive the information and anticipating how they will react to that information. There are two potential pitfalls that often cause stumbles: producing an overwhelming volume of information, thereby running the risk of burying the most important message or spending too long focusing on something that simply isn’t material. Data visualization tools can be very powerful in building a narrative through a complex set of diagnostics to identify and communicate the key driving trend, while also providing the context within the wider business.

The vision for an ideal team

It is crucial to develop and maintain a strong vision of how an actuarial team should be performing in the future but at the same time be strategic in how innovations can be incorporated so that a clear line through the financials is maintained. Companies need to take a larger view of what they want to do in the next two to five years. They need to imagine their ideal operating model and make incremental improvements to get there.

Companies need to balance the science and art, elevating both. As a result, companies’ most valuable resources — their teams — will be stretching themselves to do more value-added analysis and critical thinking. Just like James Bond’s Omega Seamaster watch, beneath the traditional facade lies a world of innovation and technology.
Hub introduces nonprofit specialty practice

Hub International Ltd. said it has launched a nonprofit specialty practice. The practice serves organizations including associations, arts and cultural entities, foundations, public advocacy, religious and other charitable organizations and will be led by Hub’s Scott Konrad, North American nonprofit practice leader.

The nonprofit specialty practice is the broker’s 10th specialty in five years, Hub said. Hub International CEO and President Marc Conde said in a statement that nonprofits face unique operational, financial and governance challenges.

Ryan sets up group captive for auto liability risk

Ryan Specialty Group Holdings Inc. said it had formed a group captive that will offer $2 million in buffer layer capacity for auto liability risks.

AXSAL Re, which is managed by Ryan Specialty unit Keystone Risk Partners, is a member-owned group captive managing general underwriter designed for transportation companies or other policyholders with large fleets, a Ryan statement said.

AXSAL Re will distribute through insurance brokers and agents. The buffer layer is usually the layer between primary and excess layers.

The $2 million buffer layer auto liability limit can attach above a minimum of a $1 million primary policy. The product is designed to attach in the most challenging layer within the first $10 million of an auto liability tower, according to an email from Doug Deitch, president of Keystone Risk Partners.

Chubb increases financial institution bonds

Chubb Ltd. said it has expanded its suite of financial institution bonds from one to six.

The five new fidelity bonds will provide coverage for insurers, broker-dealers, banks, fiduciaries of Employee Retirement Income Security Act plans, and investment companies. Chubb already offered a bond for asset managers.

Bonds of up to $25 million will be available for asset managers, banks and insurers. ERISA bonds will provide coverage up to the statutory required limits per insured plan, not exceeding $50 million for all plans. Broker-dealer and investment company bonds are up to statutory limits, not to exceed $25 million.

The bonds provide coverage for financial losses due to employee and third-party dishonesty, and coverage for computer fraud, funds transfer and social engineering fraud is also available.

Munich Re Specialty offering surety bonds

Munich Re Specialty Insurance Co., the North America specialty property/casualty insurance business of Munich Re Group, said it is offering contract and commercial surety bonds.

Available in all U.S. states and Puerto Rico and sold through retail brokers, single bonds will be issued up to $100 million and aggregate programs up to $250 million. Larger issuances may be available on a case-by-case basis, Munich Re said in a statement. Bonds are available for all contract markets, from small and emerging contractors to larger accounts, including bid bonds, performance bonds, payment bonds and maintenance bonds.

Specific surety bonds offered to both small businesses, individuals and large commercial accounts include license and permit bonds, court and fidelity bonds, public official bonds, miscellaneous bonds and subordination bonds.

The business is headed by David Pesce, Munich Re Specialty Insurance head of surety, who joined the company in June 2021 to lead its expansion into contract and commercial surety, the statement said.

Marsh introduces renewable energy facility

Marsh LLC said it has launched a renewable energy facility providing dedicated insurance capacity for mid-scale solar and battery energy storage system risks in the U.S. and Canada.

Backed by five insurers, the facility provides projects with under 50-megawatts capacity with pre-agreed coverage terms for construction all risk, operational all risk, general liability and excess liability, either as a package or individual policies. Liability limits of up to $25 million are available, and for qualifying projects there are no set limits for replacement cost and business interruption coverage.

Developed by Marsh Specialty’s renewable energy practice, the facility also provides expedited policy issuance and uniform terms and conditions.

Renewable energy companies have been challenged to find sufficient capacity for smaller standalone solar and BESS projects in a quick enough timeframe to satisfy developers, consultants and financiers, Marsh said in a statement.

Insurtech unveils e-commerce product

Insurtech Foxquilt Insurance Services Inc. said it has introduced an e-commerce insurance product for small businesses in Canada.

The Toronto-based company said it plans to introduce the product in the U.S. later this year.

The product enables small-business owners in more than 500 professions to quote, buy and receive their business insurance online, with premiums beginning at $500 annually, it said. Up to $2 million in limits is available, according to a spokeswoman.

Gallagher acquires habitation brokerage

Arthur J. Gallagher & Co. said it has acquired Mokena, Illinois-based Hruska Insurance Center Inc., a retail property/casualty brokerage that specializes in coverage for the commercial real estate industry.

Terms of the deal were not disclosed. Founded in 1956, Hruska Insurance Center places coverage for condominiums and apartment complexes and supports commercial and personal lines clients in the upper Midwest.

MGU buys motorsports, entertainment broker

Professional Program Insurance Brokerage, a division of Specialty Program Group LLC, said it has acquired Jones Birdsong LLP, a specialty brokerage focused on the motorsports and entertainment industries.

Terms of the deal were not disclosed. Founded in 2011 and based in Chanhassen, Minnesota, Jones Birdsong provides property/casualty, executive and professional liability coverage for racetracks, racing events, individual competitors and racing teams.

Petaluma, California-based Professional Program Insurance Brokerage is a managing general underwriter that specializes in niche and emerging risks such as cannabis, medi spas, e-cigarettes and tattoo shops.

Risk Strategies buys broker with private equity focus

Risk Strategies Co. said it has acquired Advisor Brokerage Services LLC of Austin, Texas.

Terms of the deal were not announced. Advisor Brokerage Services focuses on serving alternative asset management companies and offers specialized insurance covers for large financial institutions, hedge funds, private equity firms and family offices.

Patriot makes Virginia acquisition

Patriot Growth Insurance Services LLC said it has acquired Business Benefits Group Inc. and its subsidiary, Incisive Financial Group LLC.

Terms of the deal were not disclosed. Fairfax, Virginia-based Business Benefits Group provides commercial insurance covers including commercial auto, directors and officers, errors and omissions, and property, in addition to employee benefits. The broker has two offices in Fairfax and 55 employees.
become complacent, so I won’t be either. However, a successful DE&I effort patient but persistent. Rome wasn’t built in a day, and a successful DE&I effort won’t be either. However, with patience you can’t become complacent, so I couple it with persistence.”

“My advice for anyone new to the DE&I area is to be patient but persistent. Rome wasn’t built in a day, and a successful DE&I effort won’t be either. However, with patience you can’t become complacent, so I couple it with persistence.”

“On a Saturday afternoon: I enjoy taking my dog for a walk and going on a shopping outing with my sister.”

**NEW JOB TITLE:** Waukee, Iowa-based chief diversity officer, Holmes Murphy & Associates LLC.

**PREVIOUS POSITION:** Des Moines, Iowa-based partner/attorney, Belin McCormick P.C.

**OUTLOOK FOR THE INDUSTRY:** As it pertains to diversity, equity and inclusion, efforts will continue to be imperative for businesses that wish to compete in the ever-changing markets. Employees will simply demand it. The insurance industry has seemed to understand this imperative from the start, but its outlook depends on how it can ensure its efforts are more than box-checking in response to a tragic event and are designed to really drive sustained change from the mailroom to the boardroom.

**GOALS FOR YOUR NEW POSITION:** My goal for my new position is to help Holmes Murphy become a DE&I leader not only in the insurance industry but also in the general business industry. In addition, I hope to help not only improve the experience of those who interact with Holmes Murphy but those who interact with our clients and our communities.

**CHALLENGES FACING THE INDUSTRY:** Although the insurance industry has made great strides in its DE&I efforts, there is still much to do to ensure adequate representation not only in entry-level positions but also at executive levels. People of color comprise approximately 24% of the entry-level workforce but only 8% of the senior and executive management. Similarly, while women comprise approximately 57% of the entry-level workforce, they comprise only 18% of the senior and executive management. And this data doesn’t even begin to address other areas of diversity that may be outwardly less visible but equally important. Closing these gaps when the governance of many companies is designed to maintain them is probably the largest challenge facing the insurance industry regarding DE&I and highlights the need for not just diversity but also equity and inclusion to really drive change.

**FIRST EXPERIENCE:** My first experience in the DE&I field was helping my legal clients navigate how to improve their workplaces for all employees using affirmative action programs, voluntary affirmative action programs, and eventually standing up their own DE&I programs.

**ADVICE FOR A NEWCOMER:** My advice for anyone new to the DE&I area is to be patient but persistent. Rome wasn’t built in a day, and a successful DE&I effort won’t be either. However, with patience you can’t become complacent, so I couple it with persistence. If you have something that needs to be addressed or something you want to do, be the squeaky wheel until it gets addressed or done.

**DREAM JOB:** Chief diversity officer in any field lagging in this area.

**COLLEGE MAJOR:** Psychology.

**LOOKING FORWARD TO:** The challenge of driving sustained change at Holmes Murphy, a company that I believe is committed to doing more than simply paying lip service to DE&I.

**FAVORITE MEAL:** Chicken and noodles and mashed potatoes.

**FAVORITE BOOK:** I love to read, so this is a tough question, and I will cheat and give two answers: “Becoming” by Michelle Obama and “A Time to Kill” by John Grisham.

**HOBBIES:** Reading, traveling, riding my Peloton, attending Broadway shows.

**FAVORITE TV SHOW:** “This is Us.”

Visit [www.businessinsurance.com/ComingsandGoings](http://www.businessinsurance.com/ComingsandGoings) for a full list of this month’s personnel moves and promotions. Check our website daily for additional postings and sign up for the weekly email. Business Insurance would like to report on senior-level changes at commercial insurance companies and service providers. Please send news and photos of recently promoted, hired or appointed senior-level executives to editorial@businessinsurance.com.
Pet health apps provide purrfect leads for insurers

It appears those handy mobile apps that give you details on your pet’s health are also fetching major wins in the pet insurance market.

The limited access to veterinarian services during the pandemic led to the creation of more pet health applications, which typically linked pet owners with pet insurers, who are the real winners, according to an article on TechCrunch.com.

According to the article, pet owners seeking information on pet care has “lit up the (venture capitalist) world as startups roll out these relatively simple apps which turn out to be big money-spinners when this insurance angle is attached.”

One booming insurer and pet app — Stockholm-based Lassie A.B. — claims it reduces not just vet costs but also prevents injuries from happening in the first place. Pet owners are then rewarded with lower insurance prices if they complete educational courses on good pet care.

Insurance salesman reaches life goal

An insurance salesman in Frisco, Texas, recently had a pretty sweet how-was-your-weekend, high-five-inducing tale to share at the water cooler.

As Thomas Hodges, an agent with New York Life, relayed to his colleagues, and the readers of Texas Monthly: He took the ice as an emergency goalie for the Anaheim Ducks during their season finale against the Dallas Stars at the American Airlines Center in Dallas.

Mr. Hodges, who has been playing hockey since he was 12 and played for Southern Methodist University, serves as an emergency replacement goalie for the NHL. For Mr. Hodges, who played the final period for the Ducks, it was the fifth time he had been summoned to dress for a game but the first time he actually got some game time.

He made two saves and gave up just one goal, on a power play.

Android users apparently safer

Sorry everything-Mac enthusiasts. In the war between iPhone and Android users, one study has found that the latter are better drivers.

Car insurance rates web site Jerry.com analyzed driving behavior of 20,000 drivers collected during more than 8,000 miles of driving, and the results were “clear.” Android users took laps around iPhone users when it came to safe driving, the study found.

The results showed Android users achieved higher safe-driving scores than iPhone users in every category: safe driving, speeding, distraction, turning, braking and accelerating.

The study also found Android users outperformed iPhone users when it came to keeping their hands off their phones while driving.

Also relevant is that Android users achieved higher scores regardless of age, gender, marital status, education and credit rating.

Airline forgets vital check in the box

An airline that wanted to ensure all of its crewmembers were vaccinated against COVID-19 for the safety of passengers recently failed to ensure one of its pilots had completed training before take-off.

As reported by CNN, a Virgin Atlantic flight heading to New York’s John F. Kennedy Airport turned back to London Heathrow after it emerged the first officer hadn’t completed the airline’s final flying test.

Flight VS3 was about 40 minutes into its journey when a “rostering error” emerged, leading to the plane’s return to London, an airline spokesperson said in a statement to CNN.

The pilot joined the company in 2017 and is qualified in accordance with U.K. flight regulations but needed to complete the airline’s internal “final assessment” flight, the statement said.

Blockchain hits dislike on Facebook

A nonprofit blockchain developer is suing the company formerly known as Facebook over its new infinity logo, which the nonprofit says could cause brand confusion with the social media platform that it says has a “sordid” history regarding user privacy.

Switzerland-based Dfinity, which was founded in 2016 and registered a federal trademark for its infinity symbol logo in 2018, sued Meta Platforms Inc. in federal court in California in May. It alleges the confusion could hurt its efforts to attract people to its blockchain platform, which it wants to use to “take on Big Tech,” Reuters reported.

Facebook Inc. rebranded itself as Meta in 2021 to reflect its plans to focus on the virtual-reality “metaverse.” Meta has described its new logo as “symbolizing infinite horizons in the metaverse.”
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