D&O: Insurance coverage for information security leaders under scrutiny - PAGE 4


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OCTOBER 2024


## SPECIAL REPORTS



# NETWORK PROTECTION CONCERNS EXPAND

Unintended outages heighten anxieties over supplier dependencies

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## COVER STORY

The commercial cyber insurance industry has responded to the rising threat of malicious and nonmalicious service outages by developing ways to identify and quantify vulnerabilities, model incident outcomes and add defenses to stem losses. **PAGE 18**

## INSIDE







### VIEW FROM THE TOP



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# CISOs face D&O cover risks as hacks spread

BY SHANE DILWORTH
*sdilworth@businessinsurance.com*

Companies should review their directors and officers liability and cyber liability policies to ensure chief information security officers are adequately covered amid increased federal scrutiny of cyber breach reporting, experts say.

The executives face potential gaps in coverage with D&O policies typically excluding coverage for cyber-related events and cyber policies carving out securities-related claims, they say.

The interplay between D&O and cyber coverage is a critical issue in management liability, said Hartford, Connecticut-based Lee S. Siegel, an insurance coverage partner at Hurwitz Fine PC.

"D&O insurers don't want to be cyber insurers and create backdoor coverage for claims that weren't priced and included in the underwriting," he said.

D&O insurers are trying to expand cyber exclusions to eliminate coverage for those claims, he said.

Data breaches and other hacks can result in securities claims and regulatory investigations necessitating D&O coverage and other losses that trigger a cyber policy.

The threat of business interruption losses caused by a cyber event may necessitate at least $10 million in coverage and have the potential to rapidly erode cyber limits before a subsequent regulatory action or putative class action arises, said Andrea DeField, a Miami-based insurance recovery partner at Hunton Andrews Kurth LLP.

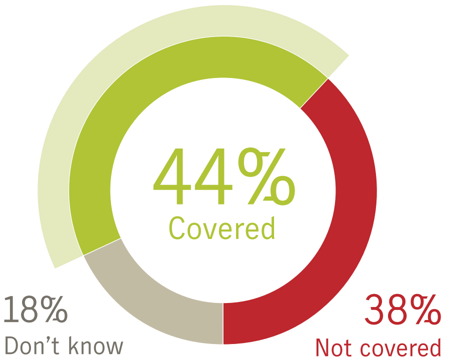
In addition, cyber events are increasing, placing CISOs in the crosshairs of securities litigation and regulatory investigations, she said.

> "CISOs are now often tasked with reviewing or taking the lead on 90-page insurance applications for a cyber policy; so now they're actually starting to think about insurance."
>
> Andrea DeField,
> Hunton Andrews Kurth

The executives face increased workloads resulting in exposure to more risks that would fall under both policies, Ms. DeField said.

Compliance with the U.S. Security and Exchange Commission's 2023 disclosure rule for cyber events requires regulated companies to determine materiality issues, leaving CISOs wondering about their own risks as the rule highlights company controls, she said.


**PERCENTAGE OF GLOBAL CISOs COVERED BY D&O INSURANCE**




Source: Hedrick & Struggles' global chief information security officer (CISO) survey, 2023

CISOs are also becoming more involved in the insurance process.

"CISOs are now often tasked with reviewing or taking the lead on 90-page insurance applications for a cyber policy; so now they're actually starting to think about insurance when, maybe a few years ago, that was completely siphoned off to the risk manager who was in charge of it, along with maybe legal or the CFO," Ms. DeField said.

Because they are more involved in the process, they are advocating to ensure that they are covered, she said.

CISOs can also be subject to depositions if a party in litigation is unhappy with responses to a request for electronically stored information or the format in which it is produced, said Jonathan Meer, a New York-based insurance coverage partner at Wilson Elser Moskowitz Edelman & Dicker LLP.

The costs of responding to a CISO's deposition would likely be covered by the insurer defending the case, said Washington-based Ruth Kochenderfer, D&O product leader for the U.S. and Canada at Marsh LLC.

Concern about D&O coverage for CISOs skyrocketed after the hack of Tulsa, Oklahoma-based software company SolarWinds was disclosed in December 2020 and the conviction of former Uber Technologies Inc. CISO Joseph Sullivan in October 2022 for covering up a 2014 data breach.

In October 2023, the SEC alleged SolarWinds and its CISO, Tim Brown, defrauded investors about the cybersecurity of its products and downplayed the severity of the attack. A federal judge in New York dismissed the SEC's suit against SolarWinds and Mr. Brown in July.

Companies going public and smaller companies considering adding a CISO are also inquiring about D&O coverage for the role, Ms. Kochenderfer said.

Having a CISO added as an insured person can be as simple as adding an endorsement to a policy, said New York-based Peter Halprin, an insurance recovery partner at Haynes Boone LLP.

The endorsement should expressly state which C-suite executives are covered, Ms. DeField said.

"Don't try and fit your board and executives into an ambiguous definition. It behooves both the policyholder and the insurer to have clarity in what the policy is going to cover, and that's going to avoid coverage disputes," she said.

Insurers have been receptive to requests to have CISOs added as an insured person under D&O policies, said San Francisco-based Nick Reider, deputy D&O products leader for the west region in the financial services group at Aon PLC.

In the current soft market for D&O coverage, buyers may also be successful if they push to narrow cyber exclusions, he said.

Companies seeking to fill coverage gaps for CISOs should also review their cyber policy and ask if any problematic regulatory exclusions can be removed, Ms. DeField said.

"Don't put blinders on and look just at cyber or D&O. You have to understand how they work together and fill those gaps between policies with endorsements or another product," she said.

## WORDINGS KEY TO ENSURING PROTECTION

Having a chief information security officer added as a named insured under a directors and officers liability policy can be as simple as adding an endorsement, but there is a difference in how much coverage a named insured gets compared with a director or officer on the policy.

"Most policies give executive-level coverage, which is often the broadest, to duly appointed or elected directors and officers. The question to the client is, 'Is your CISO a duly appointed or elected officer under your articles of incorporation or bylaws?'" said Washington-based Ruth Kochenderfer, D&O product leader for the U.S. and Canada at Marsh.

Private company CISOs generally have coverage similar to a duly appointed or elected director or officer, but if CISOs at a public company are not a duly appointed or elected director or officer, they typically have coverage only for securities-related claims unless the individual is a co-defendant with a board member or officer, she said.

Public company D&O policies typically include CEOs, chief financial officers, chief operating officers, general counsel and their "functional equivalents" as covered directors and officers.

The term "functional equivalent," though, is ripe with ambiguity because CISOs often report to board members, said Miami-based Andrea DeField, an insurance recovery partner at Hunton Andrews Kurth LLP.

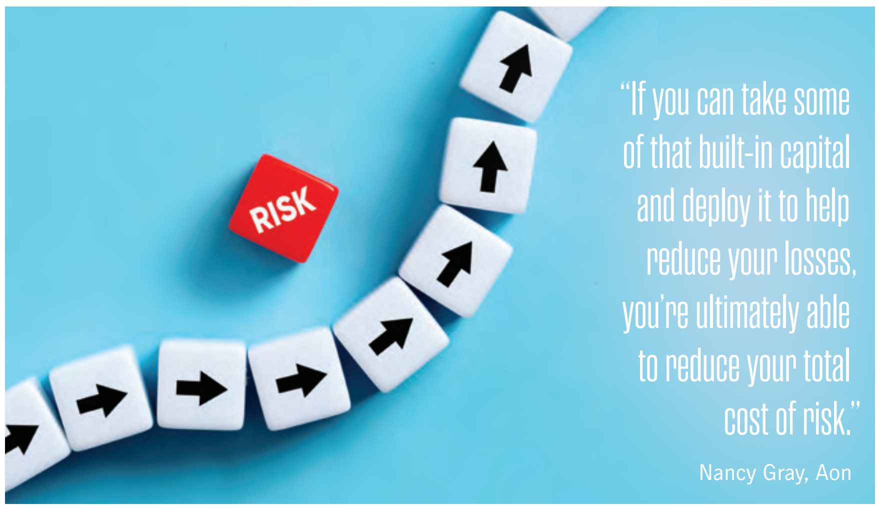
"I could see an insurer saying that a functional equivalent does not include someone who reports up," she said.

She recommends adding a clearly worded endorsement naming a CISO as a board member for D&O coverage.

*Shane Dilworth*

# Captive surpluses help fund risk strategies

BY CLAIRE WILKINSON
*cwilkinson@businessinsurance.com*




More organizations are tapping into their captive insurance funds to finance an expanding range of risk management projects and loss control activities as they deploy emerging technologies such as artificial intelligence.

But captive owners should conduct careful due diligence to ensure that using captive surpluses to fund the efforts is appropriate, experts say.

Risk managers and captive owners are having more conversations about how to access captive surpluses "in a compliant, constructive way to help improve company risk profiles," said David Arick, president of the Risk & Insurance Management Society Inc. in New York.

Captive owners are gaining more data on issues such as climate risk as they use captives to build out insurance programs in emerging sectors such as green energy, said Mr. Arick, Memphis, Tennessee-based managing director, global risk management, at Sedgwick Claims Management Services Inc.

Captive owners are also looking at how to use surplus funds to fulfill loss recommendations, especially in property markets affected by climate change, he said.

Mature captives that have built up a robust capital and surplus base are a good fit for this strategy, several experts said.

Some organizations like using their captives as profit centers and issue dividends back to the parent companies but investing in future loss-control efforts across worldwide operations can be advantageous, said Steve Bauman, New York-based global programs and captives director, Americas, at Axa XL, a unit of Axa SA.

"It could be any type of loss control for any line of coverage or situation, whether it be property or casualty," Mr. Bauman said. Captives are funding property improvements, vehicle telematics in auto and trucking fleets, and cyber awareness and training programs for employees, he said.

When captives have built up capital by writing profitable business there's an opportunity for captive owners to decide how to deploy that capital, said Nancy Gray, Burlington, Vermont-based regional managing director-Americas at Aon PLC.

"If you can take some of that built-in capital and deploy it to help reduce your losses, you're ultimately able to reduce your total cost of risk," Ms. Gray said.

Captives are writing more cyber coverage and funding cyber assessments and surveys, said Michael Serricchio, Norwalk, Connecticut-based managing director of Marsh Captive Solutions, a unit of Marsh LLC.

Technology and artificial intelligence-enabled loss mitigation strategies are gaining prominence, and some captives are investing in AI-powered surveillance cameras, Mr. Serricchio said.

"Let's say you have a big distribution center, and you're going to monitor forklift use, employee behavior, employee lifting and stretching. The cameras will pick up on a bad act and then report it to the manager, and then that manager will say, 'Correct this behavior.' And it saves claims," he said.

Karen Hsi, executive director, captive programs, University of California Office of the President in Oakland, said the university uses captives to mitigate insurance market fluctuations, control claims and access new reinsurance markets.

In 2022, its most mature captive, Fiat Lux Risk and Insurance Co., funded a $3.64 million unit to centralize and standardize cyber risk assessments across the university, Ms. Hsi said.

The initiative helped maintain or lower premiums despite market volatility at last year's renewal, she said.

Risk management initiatives funded by captives can help lower insurance costs by reducing claims, said Anne Marie Towle, Indianapolis-based CEO, global risk management and captive solutions, at Hylant Group Inc.

Manufacturers are using captive funds to provide slip-resistant shoes for workers to help prevent slips and falls, while health care facilities might deploy funds to provide employee training on how to lift and assist patients, Ms. Towle said.

Transportation companies are installing vehicle telematics that track driving behavior and help prevent accidents, she said.

Mature captives with built-up equity can fund upgrades of physical assets such as vehicle fleets, said Nate Reznicek, president and principal consultant at Captives.Insure LLC, based in Knoxville, Tennessee.

"Instead of the business buying the 20 new power units to keep the fleet upgraded, the captive will buy those assets and then lease them back to the operating entity," Mr. Reznicek said. Captives can also support payrolls for risk management departments, he said.

These strategies align the interests of the captive and insured business, potentially reducing loss ratios, Mr. Reznicek said.

Large organizations find that captives are more efficient vehicles than traditional capital expenditures, because they've already paid in premium to the captive, which helps save them money in the long run, Ms. Towle said.

"It's a corporate mindset around risk management. It positions the captive not just as a piggy bank but as a risk management force within the corporation," Mr. Bauman said.

**TOP RISKS UNDERWRITTEN IN CAPTIVES**
ACCORDING TO GLOBAL RISK MANAGEMENT SURVEY RESPONDENTS


Source: Aon PLC

## CAPTIVE-SUPPORTED PROJECTS SUBJECT TO TAX RULES, FACE REGULATORY HURDLES

Captive owners should conduct thorough due diligence and consider potential tax and regulatory implications before deploying captive funds for risk management projects, experts say.

From a tax perspective, captives should be guided by what commercial insurers do, said Chaz Lavelle, a partner at Dentons Bingham Greenebaum LLP in Louisville, Kentucky.

"If this is a service that commercial insurance companies provide, some sort of consultation on risk management, it's probably OK," Mr. Lavelle said.

"If it's really an expenditure that ought to be incurred by the insureds, then the insureds should incur that expense. They may lower their premiums if they incur those expenses," he said.

Soft dollar consulting may be viewed differently to installing a sprinkler system, he said.

Regulators may need to be informed if there are changes in how a captive is used, which could attract additional scrutiny, said Nate Reznicek, president and principal consultant at Captives.Insure LLC, based in Knoxville, Tennessee.

"If the captive or the insured are in some financial difficulties, the regulator is going to start to ask deeper questions about why changes are being made and potential solvency concerns," Mr. Reznicek said.

Regulators want to ensure a captive is positioned from a going concern standpoint to meet its risk retention, said Nancy Gray, Burlington, Vermont-based regional managing director-Americas, at Aon PLC.

Captive owners should consider whether a captive has the excess funding necessary to fund these types of projects without impairing the capital that's required for the long-term retentions within the captive, Ms. Gray said.

*Claire Wilkinson*

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Paradigm HERO Alexander Borges pictured with members of his Paradigm Management Team: Carol Sears, BSN, CCM, CDMS, Paradigm Network Manager; Sheila Bennion, RN, CCM, Director of Clinical Services; and Richard Adams, MD, Paradigm Medical Director

# HR seen as potential glue in claims process

**BY LOUISE ESOLA**
*lesola@businessinsurance.com*


As the workers compensation industry increasingly embraces concepts such as advocacy and treating the unique needs of injured workers, human resources managers can help case managers bridge the gap between the impersonal side of comp and the more empathetic, experts say.

While privacy concerns must be carefully managed, greater collaboration between HR and workers comp personnel can aid return-to-work strategies and reduce costs, they say.

"The work needs to be done long before the injury happens for employers to build a culture of trust and support that's going to ultimately drive better outcomes when we do experience a work illness or injury," said Karen Thomas, Jeffersonton, Virginia-based vice president of Clinical Solutions at CorVel Corp.

Human resources, whose job is to know the staff at an organization and maintain compliance with state and federal laws, often has more detailed information on workers' circumstances, experts say.

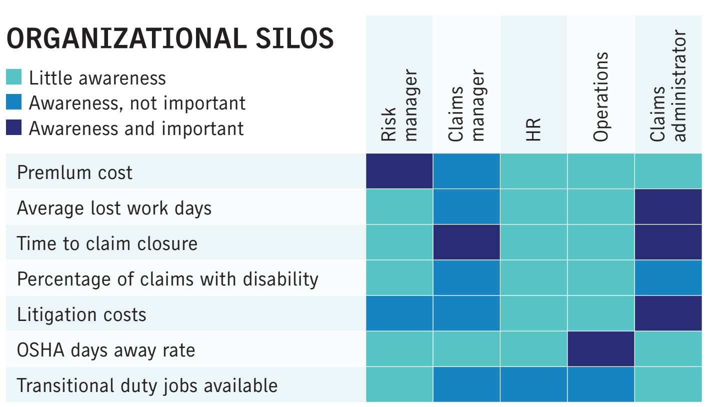
Departments within an organization, though, often operate independently and experts say that costs companies money in the form of workplace injuries and prolonged workers comp claims.

"Organizations exist often as a series of silos, and they have deep expertise in each area; those functions have their own responsibilities to the business, and they're responding to their unique business demands," said Greg Rodway, Boston-based senior vice president of consulting solutions for Marsh Advisory, a division of Marsh LLC.

The "issue of integration has been on people's minds for a very long time," he said.

Deb Weigand, Troy, Michigan-based managing director at Aon Global Risk Consulting, studies so-called operational friction within companies, focusing on the lack of coordination and understanding of objectives, and how that can affect workers comp's ultimate goal of return to work and claims closure for injured workers.

Weighing the goals and interests of a company's risk manager, claims manager, human resources department, operations team, and claims administrators against workers comp metrics, Ms. Weigand says there is no one objective "that everybody is chasing."




Source: Aon Risk Consulting

HR's job is "to get full pictures of our employees," said Victoria Gonzales, Beaverton, Oregon-based vice president of human resources at Tristar Insurance Group, who spoke on the issue at the Workers' Compensation Educational Conference in Orlando, Florida, in August.

"HR can be helpful in providing a full picture of a claimant: the work environment, the work group, coworkers, job descriptions," which can improve return-to-work scenarios, she said.

Heather Barnes, Syracuse, New York-based senior claims manager, Liberty Mutual Insurance Co., who also spoke at WCI, said that improving collaboration can help with investigating claims.

"How many times have I sat in on a claim review with a customer, and we finally have all of the parties at the table, and we present a claim, and we find out information that we probably should have known about a year or two ago at the beginning of the claim?" she said.

There are some roadblocks to integration, such as privacy concerns, according to experts who say those managing human resources often face a different set of compliance issues than the department managing workers compensation claims.

It's challenging for companies to rethink how they manage their departments, especially when considering what is required to comply with Equal Employment Opportunity Commission parameters, the Americans with Disabilities Act and the Health Insurance Portability and Accountability Act, said Kimberly George, Chicago-based global chief brand officer at Sedgwick Claims Management Services Inc.

> "HR can be helpful in providing that full picture of the claimant: the work environment, the work group, coworkers, job descriptions."
>
> Victoria Gonzales,
> Tristar Insurance Group

"Creating a project like this that might literally change who's doing what and how can be very scary," Ms. George said. "Anytime you change anything, it comes with risk, and they maybe feel like they have solid relationships for each of those people at the company that own what they do."

Regarding integration, risk management can help provide a "concierge" service to connect departments better, said Jeff Sickles, Berkeley Heights, New Jersey-based chief claims officer at Broadspire Services Inc., the third-party administration business of Crawford & Co.

"There's got to be somebody within that risk management department that is that concierge saying, 'I'm here for you whatever you need. I'm going to make sure you get it.' That's really what they need to do."

## EMPLOYEE WELLNESS PROGRAMS LINKED TO POSITIVE WORKERS COMP OUTCOMES

Robust employee wellness programs can improve workers compensation claim outcomes, according to experts.

Increasingly, human resources professionals are called on to assist with comp claims, particularly mental health-related claims through the use of employee assistance programs, said Carmen Penney, Collegedale, Tennessee-based manager of workers compensation for the transportation company US Xpress Inc., who spoke at the Workers' Compensation Educational Conference in Orlando, Florida, in August.

"In my role, I'm dealing with a truck driver on a terrible day. They may have been in a motor vehicle accident and there could have been catastrophic things happened," she said. "And, so, for us, a lot of times it is the EAP (that provides) somebody that is just there and can listen and help that person."

Wellness programs that provide mental health services have proven essential for Rivian Automotive Inc., with "direct" impacts on workers comp, said Marsha Wood, Chattanooga, Tennessee-based director of Environmental, Health and Safety, Occupational Health and Medical Management at the electric vehicle manufacturer.

"Especially in the comp realm, you have employees that may be out on lost time, and they're making less wages; their daily lives are affected financially, and they're stressed out," she said. "The quicker we can identify that … we can get them connected to employee programs and just some routine intervention techniques."

*Louise Esola*

# Data key for AI-based ergonomics strategies

BY JON CAMPISI
*jcampisi@businessinsurance.com*

Artificial intelligence is increasingly being used to enhance ergonomics programs, but the technology can't on its own reduce workers compensation claims, experts say.

Technology such as computer vision, which captures worker movements and uses infrared imagery to identify areas for improved motion, has existed for several years, but employers must implement risk mitigation strategies based on the data, they say.

"You need to have a comprehensive plan on how to manage the data," said Sean McDonald, Boston-based ergonomics practice leader for Willis Towers Watson PLC. "Are you ready to take action to address what it is that you're highlighting through your capture of artificial intelligence or from onsite ergonomics?"

Not knowing what to do with data collected through AI is a common problem for employers but a hurdle that must be overcome to improve worker movements and reduce injury claims, he said.

"We see a big gap in that clients may not be ready for what they're going to do with that data," Mr. McDonald said. "So, they invest in a process and want to capture this information, but they wind up just making mountains of data."

> "Employers are extremely pleased (with AI) because it gives them an objective risk score for the jobs or the tasks that are being evaluated."
>
> Deborah Lechner, ErgoScience

Musculoskeletal injuries are some of the most common workplace injuries, according to the U.S. Bureau of Labor Statistics. They also often lead to costly workers comp claims (see box).

Risk mitigation strategies to reduce musculoskeletal disorders typically come in the form of enhanced training for employees or modifications of workspaces, said Deborah Lechner, president and CEO of Birmingham, Alabama-based ErgoScience Inc., an ergonomics consulting company.

Before the implementation of AI, ergonomists physically observed workers to assess whether tasks were being performed correctly. AI turns what was previously a time-consuming, arduous task into a speedy process, experts say (see related story).

"Employers are extremely pleased (with AI) because it gives them an objective risk score for the jobs or the tasks that are being evaluated," Ms. Lechner said.

The use of AI in companies' ergonomics programs can be placed into two categories: inertial measurement, which measures worker posture and movement and can be calculated with wearable sensors that collect data on worker movement, and ergonomic applications, such as smartphone apps that record workers performing tasks to look for improper motions, said Steven Simon, senior risk control manager for St. Louis-based Safety National Casualty Corp.

"We have a long history of science and research and innovation and partnering with higher education research institutions to evaluate data and ensure that what we are doing is scientifically backed and research supported," said Dorothy Doyle, senior vice president and general manager of risk control services for Boston-based Liberty Mutual Insurance Co.

Collecting the data is a starting point for implementing effective risk mitigation programs, experts say.

"AI software gives you great data; it shows you the different risks involved in a particular job; it can give you some basic recommendations, but it can't really give you specific engineering recommendations to reduce the risk," said Mike Milidonis, Orlando, Florida-based national manager of ergonomics and employer services for Genex Services, an Enlyte company.

One of the more costly workplace improvement strategies following AI data collection is redesigning a workspace.

Many employers feel "constrained" by data analysis and have difficulty finding ways to adapt workspaces to help improve worker movement and function, said Ashish Savani, vice president of product development for Rolling Meadows, Illinois-based Gallagher Bassett Services Inc.

"They have to optimize their processes — the factory environment, the construction site — (and) use augmented reality to design those workflows," he said.

While employers in industries such as warehousing and manufacturing are already benefiting from AI in their ergonomics programs, experts see the potential for use in other sectors, including health care, agriculture and possibly even education.

"There are organizations that value and pride themselves on being employee-centric and they do see the importance of risk prevention through ergonomics and workplace safety," Mr. Savani said. "The more mature organizations or the more mature industries do understand and appreciate that there is an upfront cost, but this cost does have a way of paying back."

### INJURY DATA

Musculoskeletal injuries comprise some of the costliest workers compensation claims.

In 2021, they resulted in insurers spending:

**$13.3B** for injuries from overexertion in material handling.

**$4.7B** for injuries from awkward postures.

**$1.7B** for repetitive motion injuries.

Source: National Institute for Occupational Safety and Health

## INSURERS OFFER TECHNOLOGY ENHANCEMENTS

Insurers and technology companies offer various artificial intelligence-based programs for ergonomic assessments and other workplace safety services.

Liberty Mutual Insurance Co. created its ErgoValuator program, which it says helps employers identify overextension risks to improve safety and cut down on expensive comp claims.

The program comprises a video-based smartphone app that uses AI to record and analyze tasks performed by workers in strenuous positions, said Dorothy Doyle, Liberty Mutual senior vice president and general manager of risk control services.

"It's analyzing the weight of what they're lifting, the angle that they're bending, and then evaluating (the risk)," she said.

The ErgoValuator and other tools identify "risks that we may not have seen, and they are identifying risks that we may have seen much sooner, much more easily and much more efficiently," Ms. Doyle said.

Nationwide Mutual Insurance Co. partnered with San Francisco-based managing general agent CompScience Insurance Services Inc. for a specialty ergonomics program designed to prevent ergonomic risks before they occur, said Dale Hoppe, Nationwide's Des Moines, Iowa-based vice president of workers compensation.

"By working through cameras and utilizing vision analytics centered on cameras, we can actively see what is going on on a day-to-day, hour-by-hour, minute-by-minute basis with our customers and detect things," said Jacob Geyer, CompScience's chief insurance officer.

Nationwide says it has partnered with multiple insurtechs to help it reach its goal of reducing 1 million workplace injuries by 2030.

The CompScience partnership has resulted in a 23% decrease in ergonomic risks detected year-over-year for policyholders, according to information provided by Nationwide.

*Jon Campisi*

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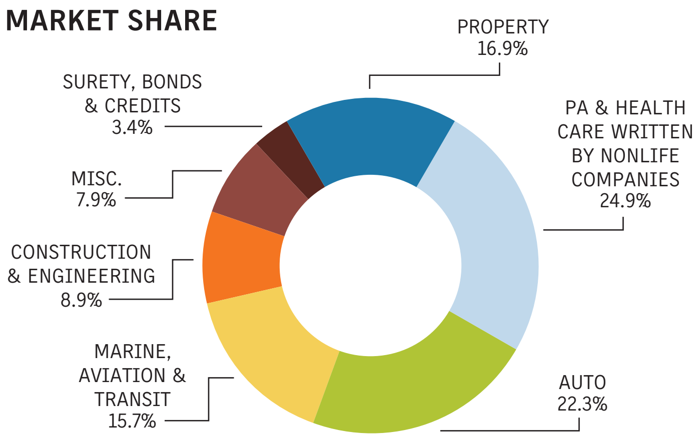
# PROFILE: EGYPT

**44**

GLOBAL P/C MARKET RANKING

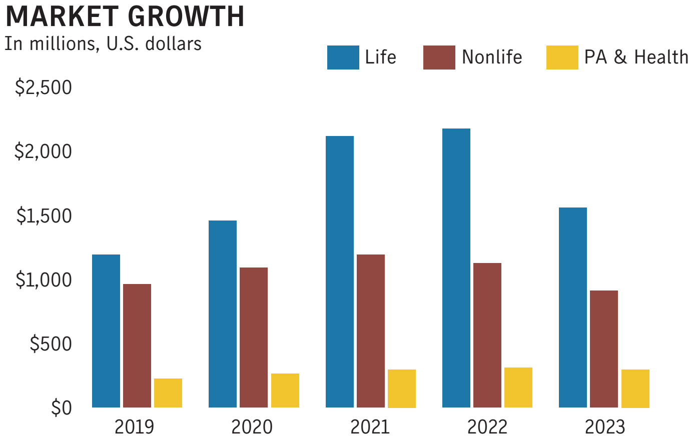
The Egyptian property/casualty insurance market remains underdeveloped. The principal reasons for low penetration are a lack of insurance awareness and understanding among the public and prevailing social and religious attitudes. Religious constraints are an important issue, and the authorities have been comparatively slow to introduce a definitive regulatory framework for takaful and retakaful, but this issue should be largely resolved once the New Insurance Law goes into effect. The local insurance market is generally optimistic about future prospects because most major insurers have increased their capital bases in anticipation of the law, indicating potential capacity increases. There is also optimism regarding the potential for new business once the law goes into effect, largely because of the proposed implementation of numerous new categories of compulsory insurance.

## MARKET SHARE

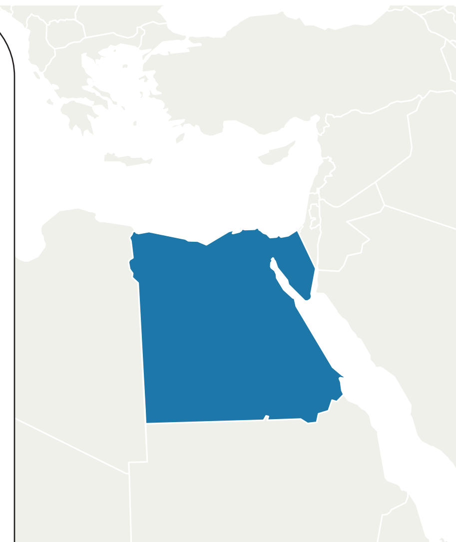



## MARKET GROWTH

In millions, U.S. dollars




Source: Axco Global Statistics/industry associations and regulatory bodies



### AREA

**386,662**

square miles

### POPULATION

**116.28**

million

### MARKET CONCENTRATION

**67.04%**

market share of top five insurers

### 2024 GDP CHANGE (PROJECTED)

**2.83%**

## MARKET DEVELOPMENTS

Updated September 2024

- On May 20, it was reported that the House of Representatives had approved the New Insurance Law, following earlier approval by the Senate. At the time this report was being prepared the measure had not yet been signed into law by the president. The new law is reported to deal with microinsurance, agriculture insurance and regulation of third-party health care administrators, as well as introducing risk-based solvency regulations in line with international practice. It also increases the no-fault indemnity cap on compulsory auto third-party liability policies.
- In March, the Insurance Federation of Egypt indicated it was examining ways to manage natural disaster risks and the effects of climate change in order to ensure sustainable development. It also said it was researching the most efficient business model for creating a natural disaster pool.
- The Economic Committee of the Egyptian Parliament has proposed establishing a state-owned reinsurer for the first time since 2007, when Egyptian Reinsurance Co. (Egypt Re) was absorbed into Misr Insurance Group.
- The Egyptian economy is projected to sustain a 2.8% GDP growth rate this year and a 5.27% rate in 2025, driven by structural reforms, despite the effects of the Israel-Hamas war and Red Sea disruptions. Inflation is expected to decrease from 34% in 2023 to 17% in 2025 due to monetary tightening. Privatization efforts are expected to enhance growth, although security concerns may impede trade and tourism.

### COMPULSORY INSURANCE

- Auto third-party liability for bodily injury
- Workers compensation (state scheme)
- Professional indemnity for insurance and reinsurance intermediaries
- Liability for clinical trials
- Third-party liability insurance (or other guarantee) for aircraft operators, covering injury or damage to passengers, luggage and goods carried on board aircraft and to crew and third parties on the ground
- Shipowners liability against oil pollution (financial guarantee or insurance)

### NONADMITTED

Nonadmitted insurance is not generally permitted in Egypt because the law provides that insurance must be purchased from locally authorized insurers, with some exceptions.

### INTERMEDIARIES

Brokers or agents must be authorized to carry on insurance business in Egypt. They are not allowed to place nonlife business with nonadmitted insurers, except in those cases where nonadmitted insurance is authorized.

### MARKET PRACTICE

Although the law is generally respected and nonadmitted placements do not occur where they are prohibited, some cases may exist where there is no insurance placement in Egypt, but local property or liabilities are covered under a multinational insurance program.

Information provided by Axco.
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### PLATINUM INVESTORS

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- Amwins Insurance Brokerage, LLC
- Aon
- *Business Insurance*
- Chubb
- CRC Group
- Gallagher
- Markel Group
- Munich Re Specialty
- Navigators, a brand of The Hartford
- Patrick G. and Shirley W. Ryan Foundation
- RSUI Group, Inc.
- RT Specialty
- Sompo International

### SILVER INVESTORS

- Allianz Commercial
- Arch Insurance
- AXIS
- Berkshire Hathaway Specialty Insurance
- Marsh
- RLI
- South Bay Search
- Starr Insurance
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- Zurich E&S

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or contact Kylie Maurer at (309) 438-7785, kmaurer@IllinoisState.edu

## Lloyd's insurers win BIPA appeal

■ A split Illinois appeals court panel relieved insurers from Lloyd's of London from defending against an Illinois Biometric Information Privacy Act class action because the allegations do not fall within the terms of two cyber policies.

The Appellate Court of Illinois, First District, ruled 2-1 in *Tony's Finer Foods Enterprises Inc. v. Certain Underwriters at Lloyd's* that Charlene Figueroa's allegations did not trigger the insurers' duty to defend because the employer authorized third-party timekeeping company Kronos to collect and store workers' biometric information.

The majority also said the insurers had no defense obligations under cyber policies issued from 2018 to 2020 because the class action did not involve a loss that resulted from a data breach, security failure or extortion threat.

Ms. Figueroa worked for the Chicago-based independent grocery chain from March 2017 until September 2018 and said in her state court class-action complaint that employees were required to clock in and out of work by scanning their fingerprints. She said Tony's violated BIPA by failing to obtain workers' consent before collecting their biometric data and failing to publish a schedule for the deletion of the information.

Tony's sued the insurers from Lloyd's in September 2022 after its request for a defense against the class action was denied. The parties filed competing motions for summary judgment, and the judge agreed with the grocery chain that the allegations fell within the terms of the policies.

The dissenting appellate judge said the lower court's ruling should be affirmed because the insurers at Lloyd's did not agree to provide a defense under a reservation of rights or initiate a lawsuit challenging its defense obligations.

## Broker sues former sales executives

■ A St. Louis-based AssuredPartners Inc. unit filed a federal lawsuit against two former sales executives and their current employer over the solicitation of clients.

The brokerage said in the complaint filed in *AssuredPartners of Missouri LLC v. Craig Bauer et al.* that Craig Bauer and Robert Bauer breached restrictive covenant agreements when soliciting its clients after their December 2023 resignations. Under those agreements, the former executives could not use AssuredPartners' confidential information or solicit active or prospective clients for 24 months after their departure, the complaint states.

Chris Bauer worked for Ricci Associates from October 1992 until it was acquired by AssuredPartners in September 2018. Robert Bauer worked for AssuredPartners and a predecessor in interest for roughly four years, court records show.

Prior to his resignation, Chris Bauer used his AssuredPartners email address to send confidential information about 10 restricted clients to his personal email account, the complaint states. He later deleted the emails from his AssuredPartners account.

After leaving AssuredPartners, the former sales executives began working for another brokerage, OneDigital Premier Services LLC, and contacted and solicited business from companies included in the emails that Chris Bauer sent to himself, court records show.

AssuredPartners contends the former executives breached their restrictive covenant agreements and that they and Clayton, Missouri-based OneDigital violated the federal Defend Trade Secrets Act and the Missouri Trade Secrets Act.

## School district loses coverage appeal

■ A Washington state appeals court ruled an insurer is not obligated to cover a $1.77 million attorney fees and costs settlement between a school district and a football coach whose contract was not renewed due to his post-game ritual of praying on the field with student players.

The three-judge appellate panel of the Court of Appeals of the State of Washington, Division One, said that under a provision in the Bremerton School District's policy there was no coverage for fees and costs resulting from an adverse judgment. The case is *Bremerton School District v. Schools Insurance Association of Washington.*

Joseph Kennedy sued the district in 2015 after it refused to renew his coaching contract, accusing it of violating his First Amendment rights to free speech and exercise of religion as well as the Civil Rights Act of 1964.

After a federal trial court and the 9th U.S. Circuit Court of Appeals ruled against Mr. Kennedy, the U.S. Supreme Court ruled in his favor in June 2023, reversing the school district's summary judgment award.

After remand from the U.S. Supreme Court, Mr. Kennedy and the school district reached a $1.77 million settlement for his attorney fees and costs. The school district sought coverage for the settlement from Schools Insurance Association of Washington, which denied the claim.

The school district sued Schools Insurance in Washington state court for breach of contract. The trial judge denied the school district's motion for judgment based on the pleadings in the lawsuit, finding the policy did not provide coverage for fees and costs arising from an adverse judgment for declaratory and injunctive relief.

## Insurer need not cover horse's death

■ A federal judge in Lexington, Kentucky, said a Swiss Re Ltd. subsidiary does not have to cover the May 2021 death of racehorse caused by a reaction to supplements designed to "increase his interest in breeding."

The judge in *Cypress Creek Equine LLC v. North American Specialty Insurance Co.* said exclusions requiring proper care and prohibiting the use of unauthorized medications barred coverage for Midway, Kentucky-based racehorse breeder Cypress Creek Equine.

Cypress Creek obtained policies from North American to cover racehorse Laoban from March 2016 through 2021. The insurer denied coverage for the stallion's May 2021 death, prompting Cypress Creek's lawsuit.

Cypress Creek said the policies were ambiguous and that it reasonably expected coverage because terms such as drug, medication and proper care were not defined, court records show.

The parties filed competing motions for summary judgment concerning the application of policy exclusions.

The judge said the failure to define drug, medication and proper care did not weigh in favor of coverage because the court could use the ordinary meaning of the words to decide coverage issues.

The judge also said Black Shot, the supplement given to Laoban, could be considered a medication subject to the exclusion, because its warning label described it as a drug that should only be administered by a veterinarian.

The unauthorized medication exclusion also said that injections should only be used as a preventive measure or to treat an accident, sickness or illness, the judge said.

The judge further found that administering an unnecessary medication was not proper care.

## DOCKET


### 'CAPTIVE' AGENTS' CLASS ACTION REVIVED

The 6th U.S. Circuit Court of Appeals said a judge erred when dismissing a proposed class action brought by "captive" insurance agents against Geico and two of its subsidiaries based on documents filed in response to the lawsuit. The three-judge appellate panel in *James Moyer v. Government Employees Insurance Co. et al.* said the lower court should not have relied on the insurers' documents on welfare benefits and profit sharing to find that the agents could not participate in any other benefits plans.

### APPEALS COURT RULES FOR INJURED WORKER

An injured construction worker who sought court permission to file an untimely workers compensation claim should have had his petition granted because his employer had knowledge of the accident days after its occurrence, the New York Supreme Court Appellate Division ruled. The court reversed a trial court decision dismissing the case of Matthew Benedetto against the New York City School Construction Authority over injuries he said he suffered after slipping on a tarp covering a hole in the floor of a school in Queens in March 2022. It said that while Mr. Benedetto failed to "demonstrate a reasonable excuse for his failure to serve a timely notice of claim," the construction authority had received "timely notice" of the accident from Gallagher Bassett Services Inc., its workers compensation claims administrator.

### COURT OVERTURNS COVID RULING

The Washington Court of Appeals overturned a jury verdict for an Alaska Airlines flight attendant who claimed she suffered from an occupational disease due to workplace COVID-19 exposure. The court, hearing an appeal by the airline, ruled that improper jury instructions resulted in a finding that Lisa Azorit-Wortham was entitled to be compensated for COVID-19 related injuries, and it remanded the case for a new trial.

# Jack Kudale

## COWBELL

Jack Kudale founded Cowbell Cyber Inc. in 2019 after holding senior positions at various technology companies. The Pleasanton, California-based managing general agent specializes in providing cyber liability insurance and related coverages to small and medium-sized businesses. In July, it completed its $60 million Series C funding round with an investment by Zurich Insurance Group Ltd., and last month it expanded its target market to include U.S. companies with up to $1 billion in annual revenue. *Business Insurance* Editor Gavin Souter recently spoke with Mr. Kudale about Cowbell's expansion plans, its use of artificial intelligence and how the federal government could help handle catastrophic cyber risks. Edited excerpts follow.

**Q You recently had a funding round with Zurich; what are your expansion plans?**

**A** We're really excited about this partnership with Zurich. Beyond their investment in our series, they operate in 200-plus countries, and their expertise in managing risk goes back 150 years. It's unique and something that we aim to leverage. Beyond the capital, this is about reducing time to market, whether it's announcing a new product or new services or even new geographies. We believe, as opposed to doing it on our own, that gives us a really good advantage.

We're building capacity in our platform to be able to manage risk for 300,000 customers globally from the current 30,000 we're at in the U.S. and be able to address their commercial insurance needs more than cyber. The technology underpinnings, the fully vertically integrated platform that we have built for cyber, we would love to apply that to other lines of insurance and also globally.

**Q Would that be related coverages, such as different types of technology errors and omissions insurance?**

**A** We just did a technology and cyber E&O product in the U.S. three months ago. That's given, that's like a table stake for anyone who provides cyber. If you want to serve the technology companies, you have to do technology E&O. The sky is the limit. We can go into miscellaneous E&O, the entire suite of D&O product lines. Those are the things that we are working toward. This has opened up an opportunity for us where we can launch a product in the same quarter, using our technology advantage, in any country, any market or any line, as long as it fits into that management and professional liability or adjacent space.

**Q How close is the relationship with Zurich?**

**A** It's a commercial partnership. We have 25 reinsurance partners, we have five fronting partners, and we have 30 investors in the company. Zurich happens to be in this unique position where they are investors as well as a capacity provider.

**Q Artificial intelligence has been such a huge topic over the past 18 months; how do you see it changing what you do?**

**A** AI is a five-year-old topic for us. Since our inception, we have taken a very different approach to risk selection and pricing, and we use a transformative AI model, which is a non-generative AI model. We continuously monitor a global risk pool comprised of 45 million businesses, and it has reduced the rate, quote and bind process for us. We can rate, quote and bind in a few minutes. It has also given us the distribution scale. We are a broker model, and today we have about 5,000 agencies broking our products.

Q&A

What we've been able to do with generative AI, in particular, is to get that precision in underwriting. MooGBT has really helped us enhance the accuracy and speed of the overall experience of our policyholders, and Cowbell Copilot has really helped us. The area that we are investing heavily in is using generative AI models to be able to put threat intelligence on full automation. We're looking to compress the cycle time of how fast we can identify new vulnerabilities that are being exploited in the marketplace. So, when there's a widespread event, we can quickly react and be able to take control and mitigate those risks.

**Q Earlier this year, you were in Washington speaking with lawmakers. Where do you see private industry and the government collaborating on cyber issues?**

**A** We've handled about three widespread events this year, starting with Change Healthcare, which had an impact on 900,000 physicians; CDK Global, where there were 15,000 auto dealers that were impacted; and CrowdStrike. All those three things are the tip of the iceberg, so my intent in agreeing to testify was to really bring that aspect to the lawmakers' radar.

We're working closely with the Federal Insurance Office as well as the National Science Foundation with respect to how does the public and private partnership help address the socio-economic balance in the event there is a catastrophic event. We're a big proponent that there should be a solution that exists in the marketplace so that, as an insurer, you can participate, and then the government will step in if the catastrophe is beyond something that the insurance industry can handle. We believe that a public and private partnership is important for us to protect the global economy.

**Q What was the feedback? It's something that people have been talking about for several years.**

**A** And it will take several more years. I haven't been in the insurance industry for 30 years, but I've been in business for 30 years, and I think that it is more likely that it will happen, but it will take time purely for a lack of an impairing catastrophic event in the cyber space.

The last three events were a great lesson, but none of them were that severe. You saw the severity of the CrowdStrike event, but I think the potential of a catastrophic event would be much bigger and much longer than what you saw with CrowdStrike.

**Q What's your outlook for the market?**

**A** We are all about small businesses, and the reason we are is because there are 330 million small businesses in the world, they employ about 2 billion people, they produce 56% of the world's GDP, and their biggest threat is the cyber threat. We think there's going to be continued demand for cyber, and we're looking at a long horizon. We believe that the cyber insurance risk line can actually help us bring accuracy to the professional and management liability lines, and that's why it excites us even more.

We're looking to compress the cycle time of how fast we can identify new vulnerabilities that are being exploited in the marketplace. So, when there's a widespread event, we can quickly react and be able to take control and mitigate those risks.

# CYBER DEFENSES EVOLVE TO FOCUS ON SUPPLY CHAINS

## Advances in modeling, data retrieval help insurers quantify threats from nonmalicious systemic outages

BY MATTHEW LERNER
*mlerner@businessinsurance.com*

Organizations' increased connectivity and reliance on the internet, web hosting services and other vendors have created new exposures with the potential to severely disrupt multiple businesses simultaneously.

Recent incidents, such as the CrowdStrike outage in July, demonstrate that a cyber event can incapacitate disparate businesses across multiple sectors without their being targeted (see story page 21).

Such nonmalicious service outages can have dire consequences similar to targeted or criminal attacks.

The commercial cyber insurance industry has responded to the increased exposures by developing ways to identify and quantify vulnerabilities, model incident outcomes and add defenses to stem losses.

> "Accumulation risk has been a topic of conversation for many years; it's not new. The discussions are getting louder in the wake of some of these supply chain events."
>
> Tresa Stephens, Allianz Commercial

Cyber modeling, which is used to quantify potential cyber losses, "is a relatively new discipline," said Mike Rastigue, Chicago-based vice president for cyber risk management with Aspen Insurance Holdings Ltd.

The models are used to help quantify systemic cyber risks, which are drawing enhanced scrutiny.

"Systemic risk has always been a concern for the cyber market, but the way we have defined systemic risk or analyzed it is what has shifted more recently," said Erica Davis, New York-based managing director, global co-head of cyber, for Guy Carpenter & Co. LLC.

Because it is so potentially pervasive, systemic cyber exposure can pose accumulation risks for insurers and reinsurers.

"Accumulation risk has been a topic of conversation for many years; it's not new. The discussions are getting louder in the wake of some of these supply chain events," said Tresa Stephens, New York-based North American head of cyber, tech and media at Allianz Commercial, a unit of Allianz SE.

As the threats evolve, tools to analyze and quantify the emerging exposures are being developed.

"Part of this is definitely a reflection of advancements in cyber cat modeling," Ms. Davis said. For example, changing scenario catalogs, which are collections of potential events made available by cyber cat model vendors, are "contemplated in the way we see cedents purchase the reinsurance," she said. Enhancements to data collection and the level of detail have also bolstered cyber coverages.

Changes to the risk landscape are also part of the equation, Ms. Davis said.

"You have got greater reliance on outsourced services, you've got increased connectivity, you've got advanced cyberattack techniques and a changing regulatory environment," she said.

The cyber insurance sector should continue to reassess its view of systemic risk in light of a changing threat landscape, she said.

The digitization of modern business has revolutionized operations and significantly increased digital risks, said Jonathan Hatzor, co-founder and CEO of Parametrix Insurance Services LLC, a New York-based provider of technology downtime insurance.

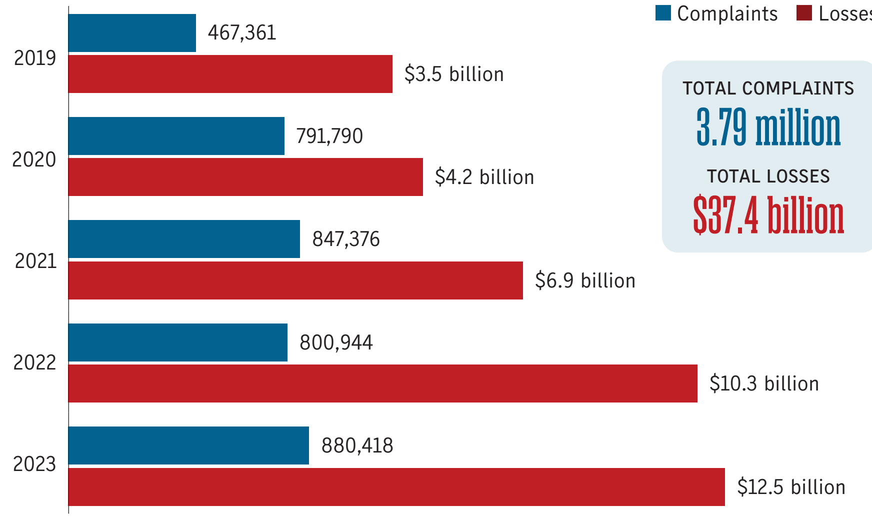
Contingent business interruption events have always been an exposure but are increasing as organizations rely more on third parties, Ms. Stephens said.

The evolving threats and regulatory

See **CYBER RISK** page 20

## FIVE YEARS OF COMPLAINTS AND LOSSES

Over the past five years, the Internet Crime Complaint Center has received an average of 758,000 complaints per year. These complaints address a wide array of internet scams affecting individuals across the globe.




Source: FBI Internet Crime Complaint Center compliance requirements surrounding data privacy present further challenges to organizations, she said.

## Risk concentration

Concentrations among service providers, contractors and other vendors leave organizations vulnerable if those suppliers fail.

"Tightly bundled technology solutions run the risk of creating single points of failure. Many businesses rely heavily on integrated systems and third-party IT services, which, while efficient, can also leave them vulnerable," Mr. Hatzor said.

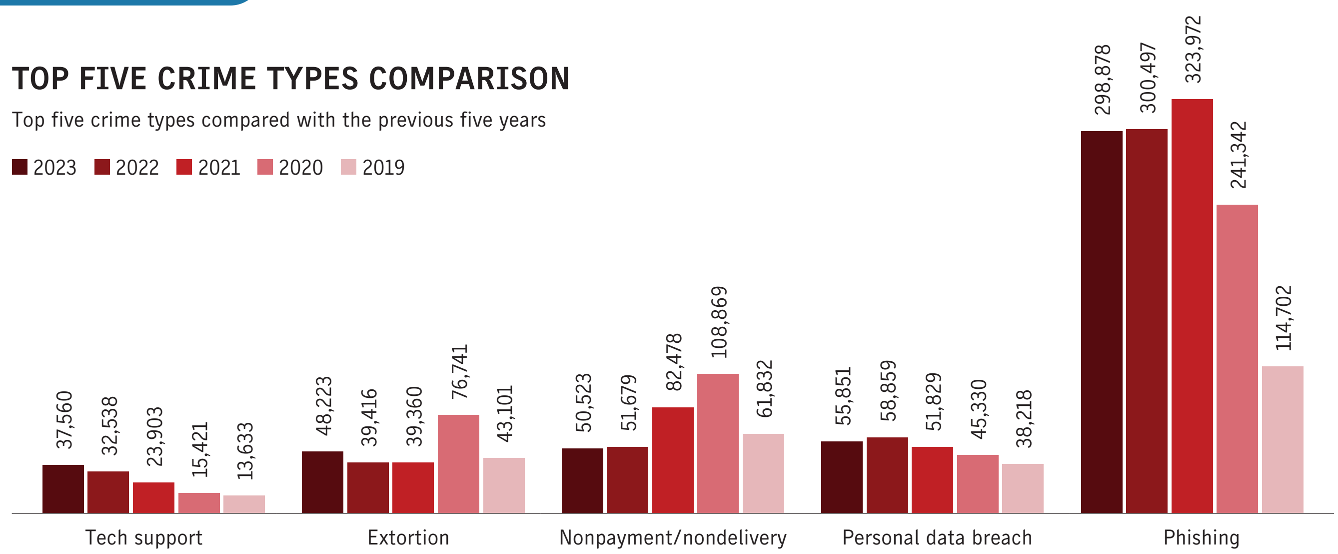
The advances in modeling and changes in the threat landscape have led to improvements in reinsurance products, Ms. Davis said.

> "You can have these third- and fourth-order losses from exposures that you didn't necessarily know you had, and this is where it gets really complicated."
>
> Mike Rastigue, Aspen Insurance

For example, if a reinsurer is "able to identify particular cyber catastrophe events in which a client's portfolio potential loss is outsized relative to peers, you can craft and design cover specifically for those scenarios, as opposed to buying something more all-encompassing. We've seen the market evolve in that direction. We expect that to continue," Ms. Davis said.

**TOP FIVE CRIME TYPES COMPARISON**

Top five crime types compared with the previous five years




Source: FBI Internet Crime Complaint Center

The developments parallel vendor management practices present in larger insurance markets such as property. Explicitly identifying, or "mapping," an organization's dependence on technology vendors is critical, experts say.

"We know that a lot of companies rely on technology firms, and we can ask our insureds, 'Who are your technology vendors?' to understand what the concentrations of systemic risk are from that dimension," said Michelle Chia, New York-based chief underwriting officer, cyber, Americas, for Axa XL, a unit of Axa SA.

She cited as an example money center, or global, banks, which regularly evaluate their primary networks, their secondary and tertiary reliances, and, in some cases, fourth-level reliances. "It's something that money center banks do to ensure that they understand what organizations they rely upon, what capabilities do they outsource. That's one of the things that I think would be helpful in understanding systemic risk," Ms. Chia said.

As organizations increasingly shift activities and operations online, risk has accumulated around cloud vendors, Mr. Rastigue said.

An average large business could have thousands of technology providers, he said.

"You can have these third- and fourth-order losses from exposures that you didn't necessarily know you had, and this is where it gets really complicated," Mr. Rastigue said.

## Risk management

The increased exposure requires increased risk management, including coverage reviews and identifying new threats, experts say.

Risk managers must be mindful of restrictive policy language and precise coverage parameters, especially as they relate to their particular business, said John Farley, New York-based managing director of Arthur J. Gallagher & Co.'s cyber practice.

"The risk manager needs to be focused on wording around contingent business interruption and potential sublimits or exclusionary language that may apply to organizations where they were not direct targets but they suffer consequences of an attack against another party," he said.

Just as underwriters instituted controls such as multifactor authentication with policyholders to combat ransomware, "there's that next level of right behavior that is needed to help manage cyber systemic risk, and that's taking a look at other reliances," Ms. Chia said.

# Cyber insurance rates soften as competition heats up

The market for commercial cyber liability insurance is largely stable, with many policyholders still seeing rate decreases, albeit smaller than earlier this year amid a general deceleration of reductions, experts say.

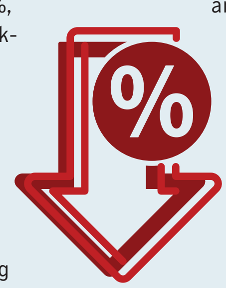
The sector has matured in recent years, with more insurers offering coverage and capacity and an expanded loss and claims history that has given cyber underwriters more data on which to base pricing and underwriting decisions.

"We've seen a maturity there. We've seen a lot more competition, and that competition has helped to drive pricing down or keep it stable today," said John Farley, New York-based managing director of Arthur J. Gallagher & Co.'s cyber practice.

In addition to new market entrants, some insurers that previously only wrote excess layers are writing primary coverage, resulting in increased capacity and a buyer's market, he said.

Pricing is stabilizing, and reductions are decelerating, "so we're starting to get to a place where we're almost close to zero. I would say by the end of the year, we'll be a little bit down," with likely decreases of less than 5%, said Meredith Schnur, New York-based U.S. and Canada cyber practice leader at Marsh LLC.

The continued rate softening of the past few quarters has largely ended, Ms. Schnur said. "They're not softening; if anything, they're stabilizing, and we're not seeing the intense decreases," she said.




Marsh's most recent pricing data, based on U.S. Marsh clients renewing their cyber programs in the second quarter of 2024 shows average total program annual decreases of 5.1% and second-quarter average primary declines of 3.6%. The changes do not include renewals with changes in limits.

Ms. Schnur added that although some middle-market policyholders have been buying cyber coverage for some time, "there are a lot more enterprises in that space, so the take-up rates are continuing to grow."

"The market's definitely stabilizing. It's not going up very rapidly; it's not coming down very rapidly," said Michelle Chia, New York-based chief underwriting officer, cyber, Americas, for Axa XL, a unit of Axa SA.

More businesses and organizations are buying cyber insurance, including small and midsized companies, she said.

Much of the market softness over the past few quarters has been in the middle-market segment, policyholders with annual revenue of $100 million to $1 billion, said John Kerns, New York-based executive managing director, cyber and technology, for Brown & Brown Inc.

"There's been a pause in terms of the significant reductions that clients have been seeing over the last 12 to 18 months," Mr. Kerns said.

Rates for large accounts, policyholders with more than $1 billion in annual revenues, were "slightly down," but they had not seen such significant reductions as smaller accounts.

Rating levels may fall under increased scrutiny as losses mount, said Mario Vitale, New York-based president of Resilience Cyber Insurance Solutions LLC.

"We've had some large events," Mr. Vitale said. "Not market-changing loss levels, but it's got everyone's attention. It is going to get underwriting to sit back hopefully and look at it and recognize that this is a serious risk to corporations."

*Matthew Lerner*

Danielle Roth, New York-based head of cyber claims for Axa XL, said systemic risk "is another area where we could encourage good behavior."

"We've seen underwriters develop a question set that focuses on controls in a very much more sophisticated way than they were doing it five years ago," Mr. Farley said.

Commercial insurers and reinsurers play a role in raising awareness around the importance of good cybersecurity and cyber hygiene, said Justyna Pikinska, London-based global head of cyber analytics for Gallagher Re, the reinsurance brokerage of Arthur J. Gallagher & Co.

Among the tools being used, outside-in scanning, which helps underwriters identify potential exposures related to a policyholder's website, is becoming popular in the cyber insurance sector, Ms. Pikinska said.

"Many insurance companies are actively going out of their way to help improve in that regard, and to help that product evolve," she said.

"The industry should focus on controllable areas, like mapping and managing aggregation risk. By understanding these points, we can evaluate key exposures and mitigate both malicious and nonmalicious threats," Mr. Hatzor said.

# CrowdStrike outage triggers protracted claims process due to business disruptions


The cyber infrastructure failure that began July 19 due to a faulty security update from leading cybersecurity vendor CrowdStrike Inc. generated a flurry of cyber insurance claims.

While industry sources were careful not to dismiss the possibility of further claims, most notices have likely been filed, they said. One source noted that this is the front end of what may be a lengthy process as claims are adjusted and adjudicated.

Austin, Texas-based CrowdStrike rectified its error and has provided updates about the incident via its website, concluding that according to its analysis, "together with a third-party review ... this bug is not exploitable by a threat actor."

"We have a pretty good sense of what the size of the event looks like today, in terms of volume of claims," said Elisabeth D. Case, Chicago-based global product manager, cyber, for Liberty Mutual Insurance Co.

Brokers were diligent in quickly filing claims and notifying all affected insurers, she said.

"Clients, globally, continue to notify their cyber carriers of potential claims from the CrowdStrike outage, but the frequency has slowed tremendously since late July," said Meredith Schnur, New York-based U.S. and Canada cyber practice leader at Marsh LLC.

"For the most part, there was a spike the first two weeks after, and now we still have a few notices trickling in, but I feel like we have a good idea of which of our insureds have or will notice us, and I don't expect to get many more," said Danielle Roth, New York-based head of cyber claims for Axa XL, a unit of Axa SA.

Some of the claims may be "precautionary in nature" and may not ultimately result in a serious loss, she said.

Clients with a large potential loss or substantially difficult cyber incident would likely be working with response and recovery personnel or vendors, giving added visibility and transparency to claims, Ms. Roth said.

Claims notices, though, are just the beginning of what will likely be an extended process, said John Kerns, New York-based executive managing director, cyber and technology, for Brown & Brown Inc.

"These are business interruption losses, and it takes considerable time to be able to determine the net income loss as a result of something like CrowdStrike. That takes time to adjust," Mr. Kerns said.

*Matthew Lerner*

# Diversity in the workplace

## PROGRESS SEEN ACROSS COMPANIES OF ALL SIZES

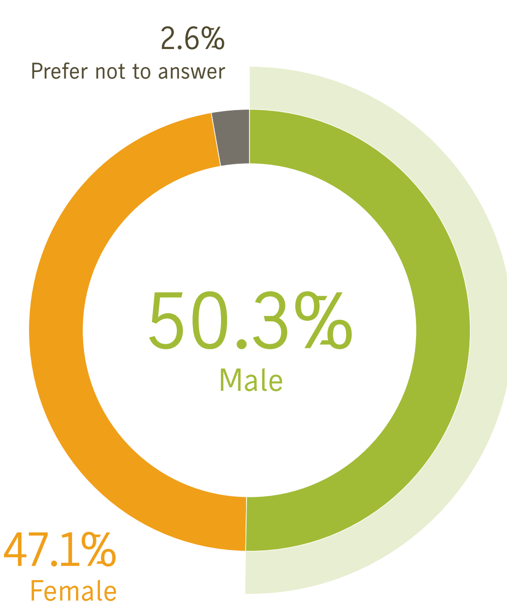
**BY ANDY TOH**
*atoh@businessinsurance.com*

More than 40% of insurance and risk management professionals surveyed have seen improvements in their companies' diversity, equity and inclusion efforts, according to the 2024 *Business Insurance* DEI survey.

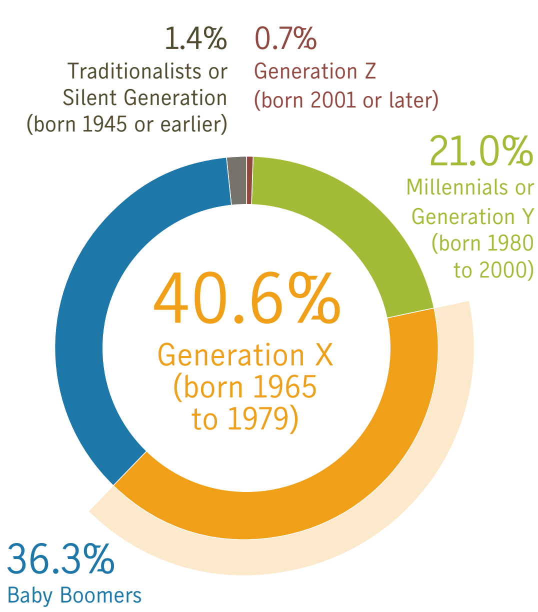
For the eighth year, *Business Insurance* commissioned Signet Research Inc. to conduct its annual diversity survey. Fielded between June 18 and July 18, the survey received 579 responses from U.S.-based professionals who indicated that they work or worked for a company that sells or distributes insurance or are or were involved as buyers of insurance for their organization. The base used is the total answering each question.

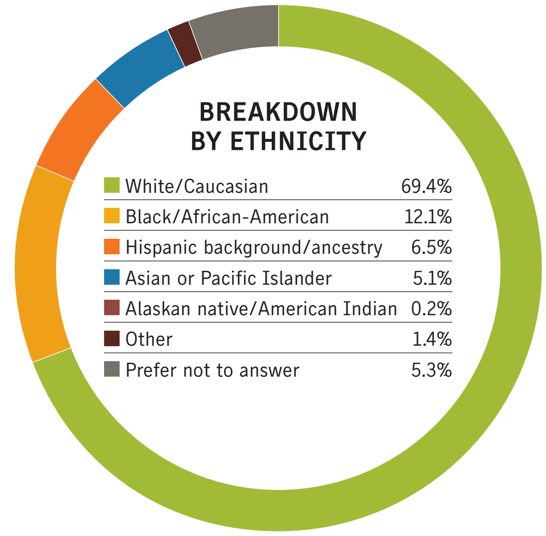
Following is the profile breakdown of this year's survey respondents, with some percentages not totaling 100% due to rounding.

### BREAKDOWN BY GENDER

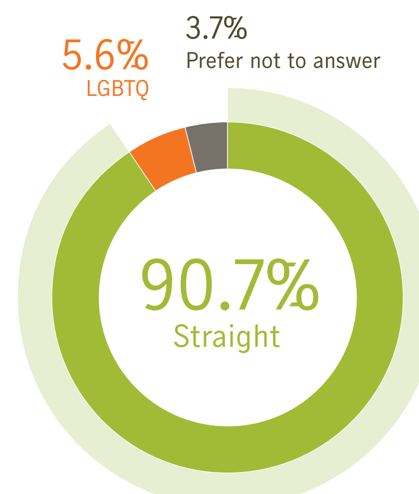



### BREAKDOWN BY GENERATION

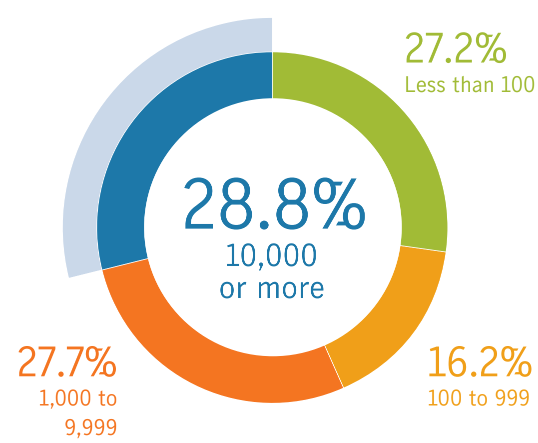


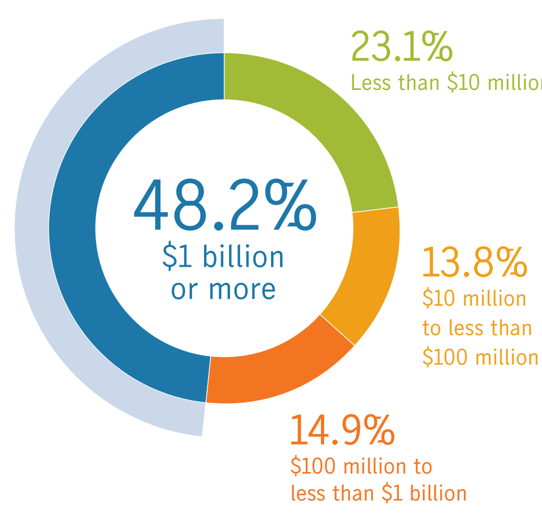

### BREAKDOWN BY SEXUAL ORIENTATION




### COMPANY SIZE BY FULL-TIME EMPLOYEES




### COMPANY SIZE BY ANNUAL REVENUE



## TARGETS & DEMOGRAPHIC DATA

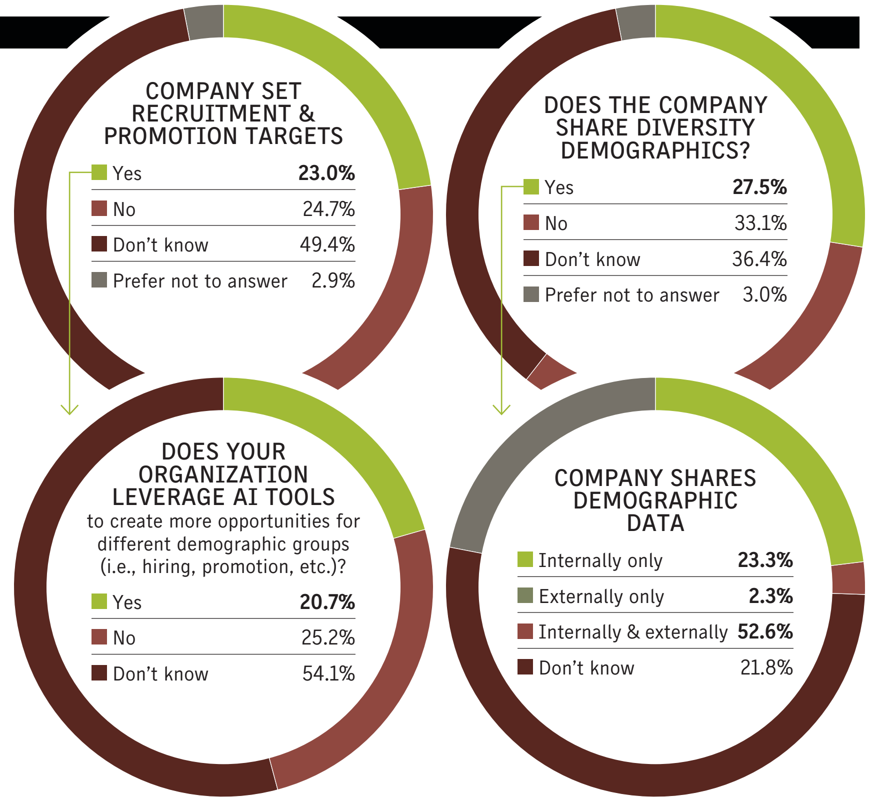
Over half of respondents (55.9%) said they don't know if their companies have any key metrics to measure their DEI efforts, while only 12.2% said their companies have measurable indicators. Respondents from the largest companies were more likely to say their employers have key performance indicators than those at smaller companies.

### DOES YOUR COMPANY HAVE KEY PERFORMANCE INDICATORS (KPIs) TO MEASURE ITS DEI EFFORTS?

| | ALL | Fewer than 100 employees | 100 to 999 employees | 1,000 to 9,999 employees | 10,000 or more employees |
|---|---|---|---|---|---|
| Yes | **12.2%** | 14.9% | **10.3%** | **15.8%** | **17.7%** |
| No | 31.9% | 58.9% | 39.3% | 16.4% | 14.0% |
| Don't know | **55.9%** | 26.2% | 50.4% | 67.8% | 68.3% |

Less than a quarter (23%) of respondents said their companies set recruitment and promotion targets, with 20.7% of these professionals indicating their companies leverage artificial intelligence to create opportunities for different demographic groups.

About 28% of respondents said their companies share diversity demographics, of which only 2.3% share the information externally only; 23.3% share it internally only; and 52.6% share it both externally and internally.



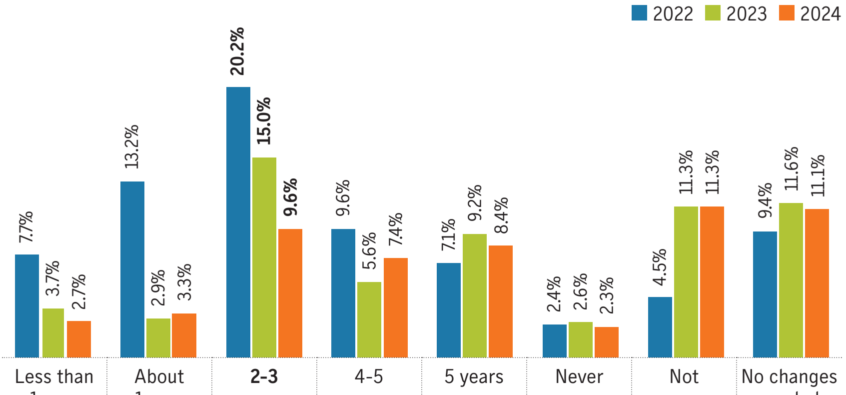

## MAKING PROGRESS

Forty-four percent of respondents this year, compared with 26% in 2022, said they have seen improvements in their companies' DEI efforts, while only 9.6%, compared with 20.2% in 2022, said it will be another two to three years to see changes or improvements. Improvements are seen across companies of all sizes in the survey.

### ALREADY SEE CHANGES

| | ALL | Fewer than 100 employees | 100 to 999 employees | 1,000 to 9,999 employees | 10,000 or more employees |
|---|---|---|---|---|---|
| 2022 | **26.0%** | 27.0% | 24.7% | 26.1% | 29.7% |
| 2023 | **38.3%** | 36.6% | 33.9% | 39.9% | 42.4% |
| 2024 | **43.9%** | **44.2%** | **36.1%** | **47.4%** | **44.0%** |

### HOW LONG WILL IT TAKE?

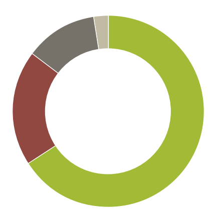



## DIVERSITY PRIORITY

About 66% of respondents said their organization recognizes diversity and inclusion as a priority, while 57% said their company has made changes to improve diversity and inclusion efforts in the past year.

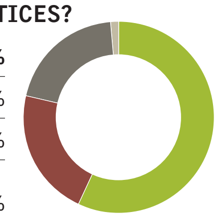
### DOES YOUR ORGANIZATION RECOGNIZE DIVERSITY AS A PRIORITY?

| | |
|---|---|
| Yes | **65.9%** |
| No | 19.5% |
| Don't know | 12.3% |
| Prefer not to answer | 2.3% |



### HAS YOUR COMPANY MADE AN EFFORT TO IMPROVE DIVERSITY PRACTICES?

| | |
|---|---|
| Yes | **57.0%** |
| No | 21.7% |
| Don't know | 20.0% |
| Prefer not to answer | 1.3% |



Insurance professionals at larger companies are more likely to feel that diversity and inclusion is considered a business priority in their organization, and they are also more likely to say that their companies are making efforts to improve their diversity and inclusion practices.

### DIVERSITY PRIORITY

| | Fewer than 100 employees | 100 to 999 employees | 1,000 to 9,999 employees | 10,000 or more employees |
|---|---|---|---|---|
| Yes | **56.0%** | 54.5% | 73.6% | **71.9%** |

### EFFORT TO IMPROVE

| | Fewer than 100 employees | 100 to 999 employees | 1,000 to 9,999 employees | 10,000 or more employees |
|---|---|---|---|---|
| Yes | **40.4%** | 48.4% | 69.7% | **66.2%** |

## DIVERSITY & INCLUSION

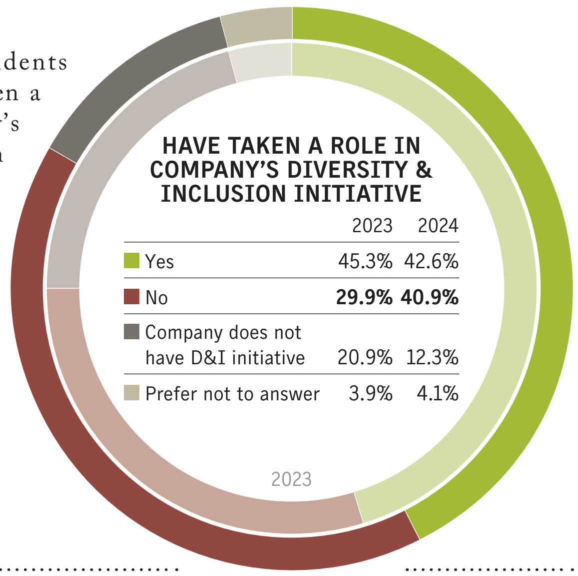
Respondents were asked if they feel there is diversity and inclusion at their workplace. Almost three-quarters (73.9%) said there are both diversity and inclusion; 11.0% said there is diversity but no inclusion, and 10.1% said there is neither.

As in prior years, male, white and older respondents were more likely to say there is both diversity and inclusion at their workplace than their female, non-white and younger colleagues.

| | 2022 | 2023 | 2024 | Male | Female | White | Nonwhite | Millennials | Gen-X | Baby boomers |
|---|---|---|---|---|---|---|---|---|---|---|
| There is diversity and inclusion at your workplace | 62.4% | 70.5% | **73.9%** | **80.0%** | 68.2% | **79.0%** | 64.1% | 70.6% | 73.1% | **77.6%** |
| There is diversity but no inclusion at your workplace | 22.8% | 12.4% | **11.0%** | 9.0% | 16.3% | 8.8% | 20.0% | 15.1% | 12.4% | 10.4% |
| There is neither diversity nor inclusion at your workplace | 11.3% | 10.8% | **10.1%** | 8.3% | 11.0% | 8.8% | 11.8% | 11.1% | 9.5% | 9.3% |
| Other | 3.5% | 6.3% | 5.0% | 2.7% | 4.5% | 3.4% | 4.1% | 3.2% | 5.0% | 2.7% |

## TAKING PART

Over 40% of respondents said they have not taken a role in their company's diversity and inclusion initiatives, compared with about 30% last year. Participation rates remain higher among women compared with men, and among nonwhite respondents compared with white respondents.




| | 2023 | 2024 |
|---|---|---|
| Yes | 45.3% | 42.6% |
| No | **29.9%** | **40.9%** |
| Company does not have D&I initiative | 20.9% | 12.3% |
| Prefer not to answer | 3.9% | 4.1% |

### HAVE TAKEN A ROLE IN THE COMPANY'S DIVERSITY & INCLUSION INITIATIVE

| | Male | Female | White | Nonwhite |
|---|---|---|---|---|
| Yes | **44.0%** | **48.4%** | **41.9%** | **57.1%** |
| No | 41.7% | 37.8% | 44.1% | 29.4% |
| Company does not have D&I initiative | 11.3% | 10.6% | 11.0% | 10.6% |
| Prefer not to answer | 3.0% | 3.2% | 3.0% | 2.9% |

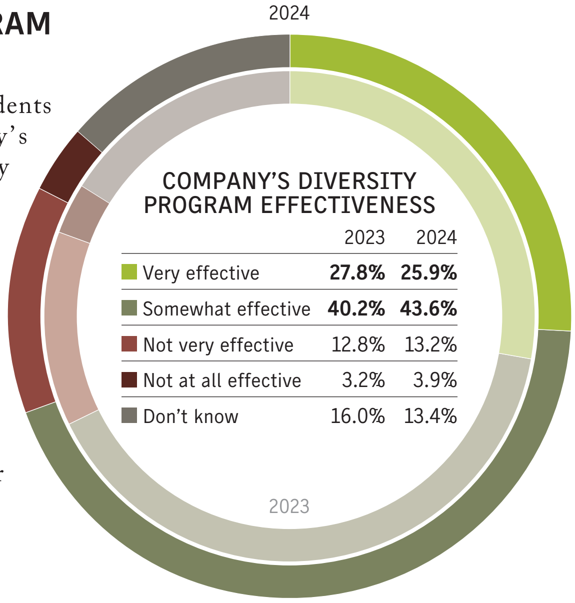
## OPTIMISM

Optimism has waned from 2022, dropping from 52.6% to 40.8%. The drop among millennials is significant, from 55.7% last year to 42.5% this year.

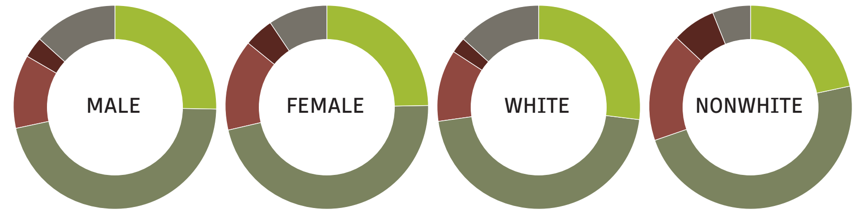
| | 2022 | 2023 | 2024 | Millennials | Gen-X | Baby boomers |
|---|---|---|---|---|---|---|
| Optimistic, real change will follow | **52.6%** | **46.0%** | **40.8%** | **42.5%** | 51.0% | 41.7% |
| Pessimistic, no change | 21.8% | 18.4% | 18.9% | 22.8% | 15.0% | 21.1% |
| Don't know | 22.7% | 29.6% | 36.2% | 30.7% | 32.0% | 32.9% |
| Prefer not to answer | 2.9% | 6.0% | 4.2% | 4.0% | 2.0% | 4.3% |

## DIVERSITY PROGRAM EFFECTIVENESS

About 70% of respondents rated their company's diversity practice as very or somewhat effective. This was essentially unchanged from previous years. Male and female respondents, as well as white and nonwhite respondents, almost equally viewed their company's diversity program as very or somewhat effective.




| | 2023 | 2024 |
|---|---|---|
| Very effective | **27.8%** | **25.9%** |
| Somewhat effective | **40.2%** | **43.6%** |
| Not very effective | 12.8% | 13.2% |
| Not at all effective | 3.2% | 3.9% |
| Don't know | 16.0% | 13.4% |




| | Male | Female | White | Nonwhite |
|---|---|---|---|---|
| Very effective | **25.4%** | **24.9%** | **27.1%** | **21.9%** |
| Somewhat effective | **46.5%** | **46.5%** | **45.9%** | **47.9%** |
| Not very effective | 11.7% | 14.7% | 11.3% | 17.2% |
| Not at all effective | 3.3% | 4.5% | 2.5% | 7.1% |
| Don't know | 13.1% | 9.4% | 13.2% | 5.9% |

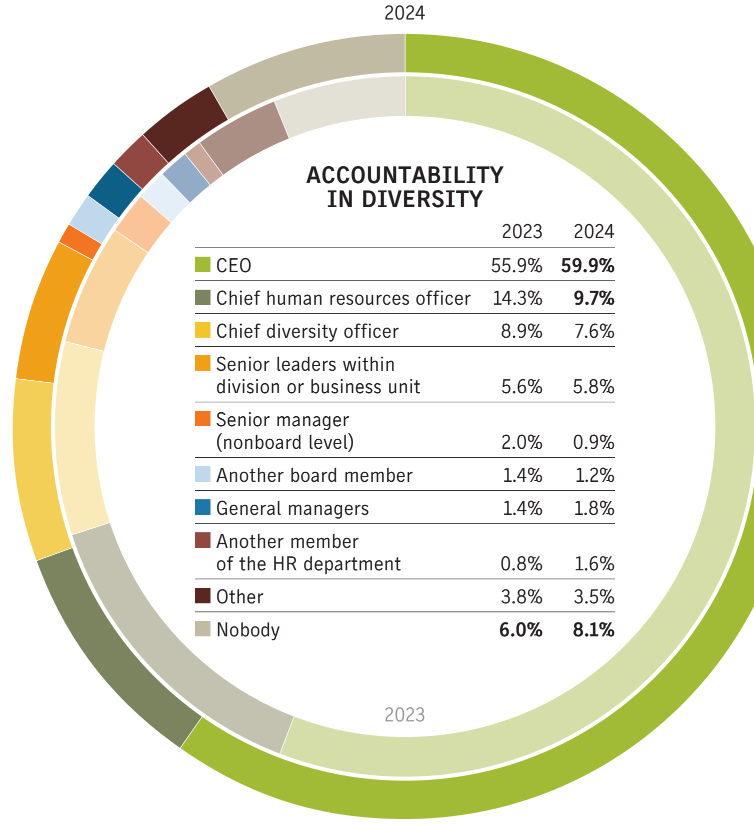
Overall, female and nonwhite respondents were less likely than their male and white counterparts to rate their company's efforts to increase diversity and inclusion as good or very good. This was also true for neurodiversity, a newly added category in this year's survey.

### DIVERSITY PROGRAM EFFORTS — GOOD OR VERY GOOD

| | ALL | Male | Female | White | Nonwhite |
|---|---|---|---|---|---|
| Gender | 70.9% | 74.1% | **68.3%** | 75.3% | **64.1%** |
| Ethnicity | 60.7% | 61.8% | **58.2%** | 65.5% | **48.5%** |
| Age | 59.5% | 57.8% | **62.7%** | 63.1% | **55.1%** |
| Race | 58.1% | 59.9% | **55.5%** | 62.2% | **49.1%** |
| Veteran status | 54.8% | 47.1% | **49.8%** | 51.8% | **40.4%** |
| Sexual orientation | 52.5% | 54.1% | **51.4%** | 57.3% | **44.3%** |
| Disability | 38.7% | 40.1% | **36.7%** | 41.2% | **33.5%** |
| Religion | 37.1% | 43.4% | **36.5%** | 41.7% | **39.3%** |
| Neurodiversity (e.g., ADHD, autism) | **26.1%** | **26.9%** | **23.0%** | **27.4%** | **21.2%** |

## ACCOUNTABILITY IN DIVERSITY

It is the CEO who ultimately sets the tone for a company's diversity and inclusion efforts. Almost 60% of respondents said the CEO should be accountable for a company's diversity, and 9.7% said it should be the chief human resources officer. About 8% said nobody should be accountable for their company's diversity.




| | 2023 | 2024 |
|---|---|---|
| CEO | 55.9% | **59.9%** |
| Chief human resources officer | 14.3% | **9.7%** |
| Chief diversity officer | 8.9% | 7.6% |
| Senior leaders within division or business unit | 5.6% | 5.8% |
| Senior manager (nonboard level) | 2.0% | 0.9% |
| Another board member | 1.4% | 1.2% |
| General managers | 1.4% | 1.8% |
| Another member of the HR department | 0.8% | 1.6% |
| Other | 3.8% | 3.5% |
| Nobody | **6.0%** | **8.1%** |

The majority of respondents said that having women and minorities in leadership positions can help with a company's diversity and inclusion practices.

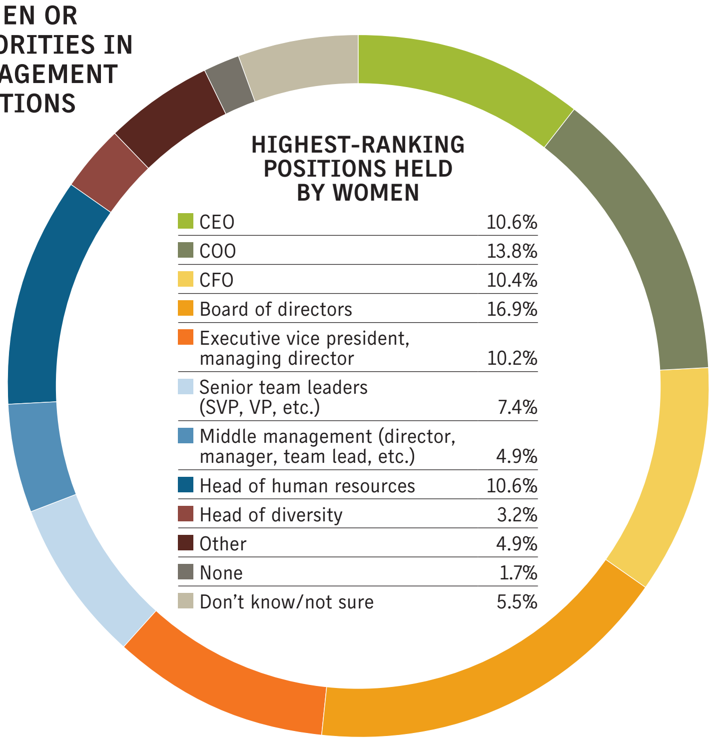
### HAVING WOMEN IN LEADERSHIP POSITIONS

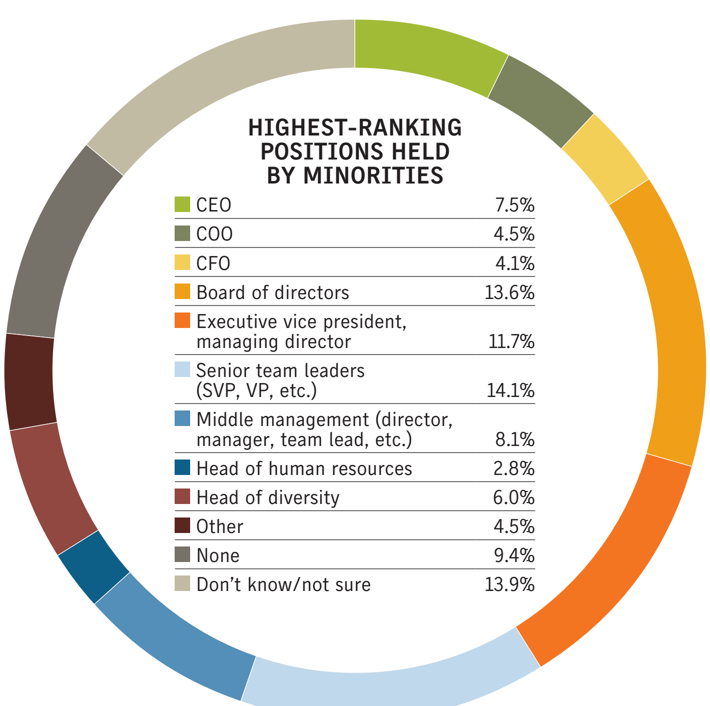
| | ALL | Male | Female |
|---|---|---|---|
| Helps with company's diversity and inclusion practices | 55.6% | 51.2% | 63.8% |
| Undermines company's diversity and inclusion practices | 0.4% | 0.7% | 0% |

### HAVING MINORITIES IN LEADERSHIP POSITIONS

| | ALL | White | Nonwhite |
|---|---|---|---|
| Helps with company's diversity and inclusion practices | 54.2% | 51.8% | 69.8% |
| Undermines company's diversity and inclusion practices | 1.5% | 0.8% | 0.6% |

### WOMEN OR MINORITIES IN MANAGEMENT POSITIONS




We asked respondents to rank what they thought should be the top three priorities for diversity and inclusion in the industry.

### TOP PRIORITIES SHOULD BE

Retention and development of diverse talents — 53.0%

Developing a robust pipeline of high-potential diverse talents — 38.8%

Demonstrating fairness in performance and compensation decisions — 36.2%

Ensuring diversity at all levels of management — 31.4%

Ensuring diversity in the workplace in general — 23.6%

Managing cross-generational issues — 22.7%

Creating a more inclusive culture — 18.6%

Better reflecting our customers — 11.2%

Developing accountability and measurement of diversity — 10.6%

More diverse recruitment and selection — 8.5%

Leveraging diversity for business goals — 8.3%

None of the above — 7.8%

Here are ways companies can help support their employees with their diversity and inclusion efforts:

### WAYS TO IMPROVE

Provide me with networking opportunities (e.g., engage with professionals; build lasting relationships) — 45.9%

Provide me with professional development opportunities (e.g., mentorship, training, webinars, speakers) — 45.5%

Provide me with empowering opportunities (e.g., confidence-building; emotional support and hope; safe spaces for conversation) — 41.0%

Provide me with something tangible (e.g., enhanced employee benefits; compensation-pay equity) — 33.3%

None of the above — 28.8%

Other — 3.5%


# Flood capacity expands as climate risks grow

INSIDE



**BY CLAIRE WILKINSON**
*cwilkinson@businessinsurance.com*

Commercial flood insurance coverage options are expanding as more private insurers enter the market and as risk managers brace for more frequent and severe flood hazards driven by climate change.

Data analytics and investments in technology are helping insurers to assess flood risks and price the coverage more accurately, experts say.

Parametric coverages, which have been developed for hail, wind and earthquake exposures, are also being explored as excessive rainfall hits businesses.

Many businesses are required to purchase flood coverage in areas designated high-risk flood zones by the Federal Emergency Management Agency if they have a government-backed mortgage, and many lenders require the coverage regardless of the flood zone.

The government-backed National Flood Insurance Program provides limited commercial flood coverage, up to $500,000 for direct physical damage to buildings and up to $500,000 for personal property.

Commercial property owners are increasingly looking to private market

Reuters

Cars submerged in Houston following Hurricane Beryl. Flood losses are increasing in urban areas.

coverages for "something that better fits their needs," said John Dickson, Kalispell, Montana-based president of InsurMark, a unit of Aon PLC.

"The NFIP has some hard limits on what it can deliver. Some of these commercial structures have valuations considerably higher than $500,000, so we'll offer a solution that can sit on top of the NFIP and respond," Mr. Dickson said.

Many programs are available, either on a standalone basis, as a bolt-on endorsement to a property program, or through the NFIP, said Lauren Savage, Miami-based president of the private flood division at Tokio Marine Highland.

The addition of new insurers has led to a more competitive flood market, she said.

There's a push into the private market for commercial flood because of the need for increased limits, said Brad Turner, Morehead City, North Carolina-based vice president, national product manager, flood, at Burns & Wilcox Ltd.

Capacity varies depending on the risk, but typically additional limits of up to $10 million per building are available, he said.

Even if buyers can't always get the limits they need, they can get more expansive coverage, Mr. Turner said. For example, business interruption or loss of use coverage and replacement cost coverage for buildings and contents are available, he said.

Generally, significant flood limits are available, and prices are softening, said Polly James, Palmetto, Florida-based senior director of risk management at Feld Entertainment Inc., a live show production company.

But coverage can be challenging to coordinate for businesses such as hotel complexes and school districts because a separate NFIP policy has to be purchased for each building on a property, she said.

In her prior role as director of risk management at Hilton Worldwide, Ms. James said a 22-acre site in Hawaii had 47 different policies.

Most large organizations take significant risk retentions in excess of NFIP limits, and for small businesses that need cover, NFIP limits are too low, she said.

Some risk managers use the NFIP coverage as a deductible buy down, said Stephen Penwright, San Francisco-based property technical director for U.S. national accounts at Zurich North America.

"Then we will treat that as a million-dollar deductible, and our limits will go well in excess of that," he said. Zurich provides primary flood coverage on a sub-limited basis as part of its all-risk programs.

Parametric coverage can be applied to buy down a flood deductible in a property policy, said Rich Coyle, London-based commercial director at FloodFlash Ltd., a sensor-enabled parametric flood insurance provider.

"In the hard market, carriers with limited risk appetite for flood have either been saying no to flood coverage entirely or insisting that the client takes a large deductible to retain that first layer of risk," he said.

Parametric coverage, which has an agreed-upon trigger such as defined rainfall amounts within a particular area, pays out on a zero-dollar deductible basis to a loss and then traditional flood coverage can respond on an excess basis, Mr. Coyle said.

> "In the hard market, carriers with limited risk appetite for flood have either been saying no to flood coverage entirely or insisting that the client takes a large deductible to retain that first layer of risk."
>
> Rich Coyle, FloodFlash

Industries such as heavy manufacturing, dealer open-lot businesses and golf courses are showing increased interest in parametric flood coverage, he said.

Trevor Burgess, president and CEO of Neptune Flood Inc., a St. Petersburg, Florida-based private flood insurance provider, said the market has changed and demand for commercial flood coverage has been "strong" in the last two years.

Since the NFIP stopped subsidizing new policies and rates on existing policies increased by 25%, the private market has been able to compete on "a level playing field," Mr. Burgess said.

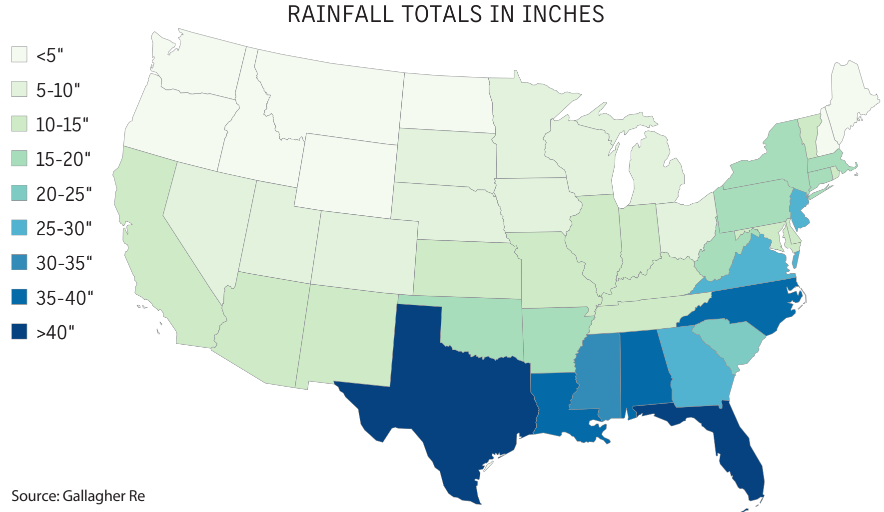
In 2021, the release of Risk Rating 2.0 — the first major update to the NFIP's pricing system in 50 years — set out to provide actuarially sound flood insurance rates.

With changing weather patterns, catastrophe insurance is more volatile, which limits underwriting appetite, but technology is driving better risk management and understanding of flood risk, InsurMark's Mr. Dickson said.

"You're not going to see a flood of capital enter this space and write every risk and location and hope they get it right," he said. Insurers will be cautious and take a measured approach, he said.

**MAXIMUM RAINFALL FROM TROPICAL CYCLONES BY STATE**

RAINFALL TOTALS IN INCHES




Source: Gallagher Re

## Excessive rainfall changes profile of global catastrophe exposures

Recent catastrophic weather events demonstrate the changing nature of flood risk, experts say.

Hurricanes Beryl and Debby this summer highlighted the risk of inland flooding in areas outside of flood zones and far from where storms typically make landfall.

In 2023, large floods in urban areas worldwide resulted in insured losses of $14 billion, above the five- and 10-year averages of $10 billion and $9 billion, respectively, according to Swiss Re Ltd.

And record rainfall and flooding in the United Arab Emirates in April of this year led to challenging midyear reinsurance renewals in the Middle East, Gallagher Re said.

Flood historically meant "storm surges, waves crashing onshore, or rising lakes and riverbanks overflowing," said John Dickson, Kalispell, Montana-based president of InsurMark, a unit of Aon PLC. "Today, it's all about rainfall," he said.

Insurers are seeing an uptick in claims related to flooding, especially pluvial flooding, which is not accounted for in Federal Emergency Management Agency flood maps, said Stephen Penwright, property technical director for U.S. national accounts at Zurich North America.

Pluvial flood events, such as surface water flooding or flash floods triggered by extreme rainfall, are happening more frequently, Mr. Penwright said.

"We're seeing that either from hurricanes that are tropical storms — like Hurricane Debby — sitting over a geography for a longer period of time, dumping a bunch of rain and moving very slowly, and from atmospheric rivers in California," he said.

Climate, exposure growth and aging infrastructure are all factoring into an enhanced risk profile for flood, said Steve Bowen, Chicago-based chief science officer at Gallagher Re, the reinsurance brokerage unit of Arthur J. Gallagher & Co.

"There's increasing vulnerability to damage to commercial properties, automobiles and to residential property. All these pieces of the puzzle are interconnected," Mr. Bowen said.

*Claire Wilkinson*

SPECIAL REPORT

# Property reinsurance pricing set to ease

BY MATTHEW LERNER
mlerner@businessinsurance.com


**MONTE CARLO, Monaco** — Reinsurance buyers will likely see a more competitive property reinsurance market during year-end renewals, but U.S. liability reinsurance renewals could be challenging for cedents, senior reinsurance executives say.

While global catastrophe losses are again on track to top $100 billion, higher retentions and sometimes significantly higher prices pushed through over the past couple of renewals have helped reinsurers post robust profits this year, they say.

Reinsurers, though, have voiced concerns over rising court awards and settlements in the United States and deteriorating liability loss trends.

They were speaking during the annual Rendez-Vous de Septembre meeting in Monte Carlo last month, which marks the traditional beginning of the year-end renewal season. Senior executives at global reinsurers and brokers meet in the tiny principality by the Mediterranean to discuss rating levels and other market trends.

> "Buyers have looked at their reinsurance programs so far in 2024, they've looked at the cost of their reinsurance programs and are not entirely happy."
>
> James Vickers, Gallagher Re

"Clearly, in 2023, the reinsurance market saw the need to realign and recalibrate," said David Priebe, New York-based chairman of Guy Carpenter & Co. LLC. "The structural changes needed to be addressed, which they were."

Moving into 2025, retentions will remain at the levels they increased to last year, and the increased capacity that entered the market will add competition, he said.

"You should see price moderation start to be achieved, anywhere between 5% and 10%, depending on the geography and depending upon the cedent," he said.

The price hikes of 2023 created a "new equilibrium" in the market, said Marcus Winter, CEO of Munich Re North America property/casualty.

"That equilibrium has not really changed on the property side," he said.

Demand for catastrophe reinsurance capacity has increased due to inflation, concentration of risk and economic development, mainly in the United States but also elsewhere, Mr. Winter said.

Increased rates and higher retentions, which led to most of the more than $100 billion in 2024 catastrophe losses being retained by primary insurers, produced improved results for reinsurers, said James Vickers, London-based chairman of Gallagher Re International, a unit of Arthur J. Gallagher & Co.

At the upcoming reinsurance renewals, buyers may "want to push back," he said.

"Buyers have looked at their reinsurance programs so far in 2024, they've looked at the cost of their reinsurance programs and are not entirely happy. They are wondering if they are getting the best value, and it is a combination of both premium (and) also attachment point," Mr. Vickers said.

In addition, cedents may seek to recover some lower-level volatility protection, he said.

There is a "healthy" amount of capacity in the commercial property reinsurance market, said Sharry Tibbitt, Warren, New Jersey-based global head of property and deputy chief underwriting officer of Everest Group Ltd.'s reinsurance division.

"I don't think there's an overabundance. We're not seeing new capacity flooding the market, but the reinsurance industry did absorb an additional 10% limit. It does feel like it's adequate," she said.

Everest is "realistic" about the property market, Ms. Tibbitt said.

"We have hit a high-water mark, probably last year," she said. Given the insurance sector is on pace for another year of more than $100 billion in natural catastrophe losses, "we may still need to respond with rate, although I do not anticipate any rate increases like we've seen over the last couple of years."

Retention levels will likely remain "stable," Ms. Tibbitt said.

Pricing trends will take more time to determine, sources said.

"Monte Carlo is always a bit too early to decide," with reinsurers talking up the market and cedents talking the market down, said Mohamed Kotb, London-based managing director of United Insurance Brokers Ltd.

"Because of the positive results of the reinsurers, there is an impression from the clients that this may translate into a bit of a less hard market in due course," he said.

## Liability

In several presentations during the Rendez-Vous, reinsurers said they were concerned with rising U.S. liability costs.

"We think U.S. casualty is going to be a segment where we see significant, difficult discussion," said Thierry Léger, Paris-based CEO of Scor SE.

Mr. Léger cited a "lack of tort reform" and a "litigation industry" in the U.S. as driving up loss costs.

Munich Reinsurance Co. is prepared to walk away from some U.S. liability business, said Thomas Blunck, chair of the reinsurance committee of the reinsurer's board of management.

"We have no problem to give up volume if the terms and conditions are insufficient," he said.

Swiss Re Ltd.'s U.S liability combined ratio is "not a pretty number," Gianfranco Lot, chief underwriting officer, property/casualty reinsurance, for the reinsurer, said without giving specific figures. "It wasn't a profitable book."

Swiss Re has an appetite for casualty business outside the U.S., Mr. Lot said, "but in the U.S., Swiss Re continues to be very cautious around this line of business."

The reinsurer expects a contraction in U.S. liability business because median primary limits being purchased by commercial policyholders have dropped.

## Cyber

Reinsurers continue to see growth opportunities in cyber reinsurance.

The cyber market is "going to grow significantly over the next couple of years," said Urs Baertschi, CEO of property/casualty reinsurance for Swiss Re.

Recent high-profile events have "raised awareness that cyber actually is a proper risk and needs proper insurance, and so we believe over the next couple of years, the compound annual growth rate will be significant double digits," he said.

Cyber capacity, though, will be limited by risk aggregation threats, said Mr. Léger of Scor.

"In cyber, it's completely different; everything is correlated," he said, emphasizing the increasingly digital and connected nature of global business.

### GLOBAL REINSURANCE 2024/2025 FORECAST

| | 2023 ACTUAL | 2024 FORECAST | 2025 FORECAST |
|---|---|---|---|
| Net premiums written | $162.8B | $173.4B | $183.8B |
| Catastrophe losses | $11.1B | $14.3B | $16.4B |
| Net prior-year favorable reserve development | $4.1B | $3.3B | $1.8B |
| Calendar-year combined ratio | 87.3% | 88.2% | 90.2% |
| Accident-year combined ratio | 89.9% | 90.1% | 91.2% |
| Accident-year combined ratio (excluding catastrophes) | 83% | 81.8% | 82.2% |
| Shareholders' equity (excluding Berkshire Hathaway) | $254B | $266.7B | $280B |
| Net income return on equity (excluding Berkshire Hathaway) | 21.8% | 20.7% | 18.9% |

Source: Fitch Ratings Inc.

# Technology improves efficiency, refines risk selection process

Reinsurers say they are continuing to invest in and deploy technology, including tools supported by artificial intelligence, to allow them to do more things better and faster.

Technology developments are helping reinsurers better analyze data, model exposures, and bolster cyber defenses, they said during interviews and presentations at the Rendez-Vous de Septembre in Monte Carlo last month.

Munich Reinsurance Co. is heavily committed to utilizing technology in its business, said Marcus Winter, CEO of Munich Re North America property/casualty.

"We use AI and data and analytics for our own underwriting, and we share that with our cedents," he said. "We see that when we invest in technology to help ourselves make better decisions, those technologies are also very attractive to cedents. It helps with retentions."

Everest Group Ltd. "absolutely" invests in technology, "particularly artificial intelligence," said Sharry Tibbitt, Warren, New Jersey-based global head of property and deputy chief underwriting officer of the company's reinsurance division.

"We're using AI every day, and now we're really looking into how we can correlate our investment in AI to loss costs," rather than simply achieve process and operational efficiencies. "We're really trying to use it to impact loss costs, and that will be the bigger investment."

Improving the organization, labeling and storage of data helps reinsurers make better use of AI, Ms. Tibbitt said.

Technology, data and analytics are core to the insurance industry, said David Priebe, New York-based chairman of Guy Carpenter & Co. LLC.

"We invest deeply in data and analytics, risk modeling, risk scoring for all elements of our business. Now, we are increasingly looking at how AI can help improve the efficiency and effectiveness of our business," he said.

"We do invest continuously into data and technology," said Urs Baertschi, CEO of property/casualty reinsurance for Swiss Re Ltd. "We continue to invest in data and technology to allow us to be even more efficient and effective with our clients."

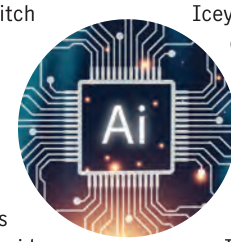
The reinsurer has more than 200 proprietary models for natural catastrophes, which are updated to incorporate recent events and has 30 ongoing research and development partnerships, he said.

"There's more technology available. There's more data available," said Stefan Golling, a member of the Board of Management of Munich Re responsible for global clients and North America. "With modern technology, we can also complement the data that we get from our clients. So yes, it is absolutely important," he said.

Modeling capabilities are important for reinsurers, including modeling secondary perils, such as severe convective storms, said Thierry Léger, Paris-based CEO of Scor SE.

However, it will likely take several years before the models for secondary perils are at the same level as long-established hurricane models, said Jean-Paul Conoscente, New York-based CEO of Scor Global P&C.

Policyholders are also often partnering with insurers and reinsurers to improve their cyber defenses, said Manuel Arrive, Paris-based director in Fitch Ratings Inc.'s insurance group.




"All the measures taken by companies, encouraged by insurers and reinsurers, to mitigate the cyber threat is making progress, and the cooperation between insurers and companies is making progress," Mr. Arrive said.

Mr. Golling of Munich Re stressed the importance of cyber accumulation modeling and cited the recent CrowdStrike incident, where issues at a third-party cyber security provider had far-reaching effects, as an example.

"The CrowdStrike incident is a typical exposure that we as an industry can cover and are willing to cover. It was a large-scale outage or incident with an IT service provider causing widespread business interruption," he said.

The insurance industry is also employing newly developed tools to help collect information.

Helsinki-based Iceye OY uses 38 custom-built satellites to help insurers, reinsurers, brokers and others to observe natural catastrophes in near real-time, said Stephen Lathrope, London-based senior vice president for solutions.

The satellites, which the company began launching in 2018, use synthetic aperture radar, a radar imaging technology, that Iceye combines with available ground data to produce its natural catastrophe reports, he said.

Iceye announced last week that it was expanding its relationship with Aon PLC, which it began in Japan, to a global collaboration.

Insurance industry companies are also using CyberCube Inc.'s models to help "quantify and mitigate" cyber exposures, said John Laux, Asheville, North Carolina-based vice president of analytics.

CyberCube was the lead modeler on three of the four initial SEC type 144A cyber insurance-linked securities, or cyber CAT Bonds, issued in 2023, Mr. Laux said, adding that he expects further growth in the sector.

*Matthew Lerner*

## WORLD'S LARGEST REINSURANCE BROKERS

Ranked by gross revenue from reinsurance brokerage and related activities*

| Rank | Company | 2023 gross revenue | 2022 gross revenue | % increase (decrease) | 2023 employees | Officers |
|---|---|---|---|---|---|---|
| 1 | Aon's Reinsurance Solutions | $2,481,000,000 | $2,190,000,000 | 13.3% | 3,927 | Andy Marcell, CEO |
| 2 | Guy Carpenter & Co. LLC | $2,258,727,705 | $2,019,955,251 | 11.8% | 3,543 | Dean Klisura, CEO |
| 3 | Gallagher Re | $985,305,000 | $874,465,000[1] | 12.7% | 2,153 | Tom Wakefield, global CEO |
| 4 | Howden Re[2] | $576,000,000[3] | $400,000,000[4] | 44% | N/A | Tim Ronda, CEO |
| 5 | Miller Insurance Services LLP | $299,352,000[4,5] | $241,540,000[1,4,5] | 23.9% | 900 | James Hand, CEO |
| 6 | Lockton Reinsurance | $283,135,108 | $210,182,000 | 34.7% | 400 | Timothy Gardner, global CEO |
| 7 | Acrisure LLC | $200,000,000 | $150,000,000 | 33.3% | N/A | Greg Williams, chairman-CEO |
| 8 | McGill and Partners Ltd. | $182,300,000[6] | $149,200,000[1,6] | 22.2% | 528 | Steve McGill, CEO |
| 9 | UIB Holdings (UK) Ltd. | $95,244,144[5] | $78,164,683[5] | 21.9% | 634 | Bassem Kabban, chairman-group CEO |
| 10 | Holborn Corp. | $68,500,000 | $58,800,000 | 16.5% | 74 | Frank Harrison, chairman-CEO |

*Includes all reinsurance revenue reported through holding and/or subsidiary companies. [1]Restated. [2]Formerly Howden Tiger. [3]*BI* estimate. [4]From press release. [5]2023 British pound = USD$1.2473; 2022 British pound = USD $1.2077. [6]From annual report.
N/A = Not available.
Source: *BI* survey

## WORLD'S LARGEST REINSURERS

In May 2017, the International Accounting Standards Board issued International Financial Reporting Standards 17 to replace IFRS 4 to provide a more consistent framework and transparent accounting of insurance contracts. IFRS 17 requires a company to recognize profits as it delivers insurance services, rather than when it receives premiums, and to provide information about insurance contract profits the company expects to recognize in the future. Compliance with the regulation was phased in.

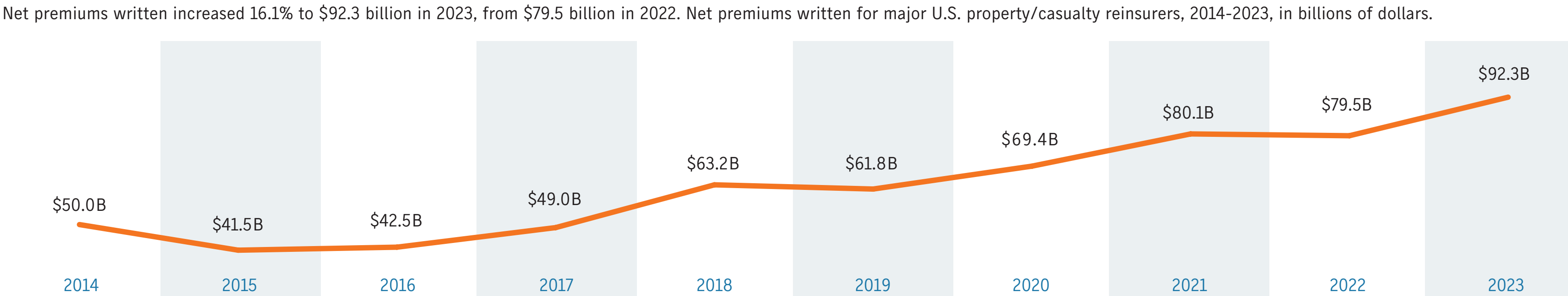
Ranked by unaffiliated gross premium written or gross revenue in 2023[1]

| | | | PROPERTY/CASUALTY + LIFE & HEALTH | | |
|---|---|---|---|---|---|
| Non-IFRS 17 rank | IFRS 17 rank | Company | Reinsurance gross premiums written | Reinsurance gross revenue | Combined ratio[2] |
| 1 | | Swiss Re Ltd. | $40,503,000,000 | | 94.1% |
| | 1 | Munich Reinsurance Co[3] | | $32,921,000,000 | 85.2% |
| 2 | | Berkshire Hathaway Inc. | $27,453,000,000 | | 84.0% |
| | 2 | Hannover Rück SE | | $26,995,000,000 | 94.0% |
| 3 | | Lloyd's of London[4] | $22,075,000,000 | | 80.2% |
| | 3 | Scor SE | | $17,575,000,000 | 85.0% |
| 4 | | Reinsurance Group of America Inc. | $14,281,000,000 | | N/A |
| 5 | | RenaissanceRe Holdings Ltd.[5] | $12,340,000,000 | | 78.0% |
| 6 | | Everest Re Group Ltd. | $11,460,000,000 | | 86.4% |
| 7 | | Arch Capital Group Ltd. | $9,113,000,000 | | 81.5% |
| 8 | | PartnerRe Ltd. | $9,102,000,000 | | 81.7% |
| | 4 | China Reinsurance (Group) Corp. | | $5,986,000,000 | 93.5% |
| 9 | | MS&AD Insurance Group Holdings Inc.[6, 7] | $5,777,000,000 | | 98.7% |
| 10 | | General Insurance Corp. of India[6] | $4,544,000,000 | | 111.7% |

[1]All non-USD currencies converted to USD using foreign exchange rate at year-end 2023. [2]Property/casualty only. [3]Munich Re's results in prior years included global specialty insurance; the revenue associated with this line was removed from reinsurance revenue for year-end 2023. [4]Reflects total reinsurance premium written by all syndicates in the Lloyd's market. The above list includes insurance groups that write reinsurance business in the Lloyd's market. As such, reinsurance premium is included in both the insurance group's premium figure and the Lloyd's market's premium figure. [5]RenaissanceRe Holdings Ltd. completed its acquisition of Validus Re in October of 2023. 2023 premiums for Validus were included on a pro-forma basis. [6]Fiscal year ended March 31, 2024. [7]Premium data excludes intragroup reinsurance. N/A = Not available.
Source: A.M. Best Co. Inc.

## 10-YEAR TREND OF U.S. REINSURANCE

Net premiums written increased 16.1% to $92.3 billion in 2023, from $79.5 billion in 2022. Net premiums written for major U.S. property/casualty reinsurers, 2014-2023, in billions of dollars.




Source: Reinsurance Association of America


# Top brokers list sees few changes in ownership

These charts present the second set of results from *Business Insurance*'s annual survey of agents and brokers; the first was published in July. Additional 2024 rankings include the top 25 benefits brokers by growth, most productive agents and brokers, brokers to watch, top brokers of wholesale business, fastest-growing brokers and largest commercial retail brokers.

Five of last year's top 100 agents and brokers were acquired, compared with four last year and eight the year before that. Meanwhile, a call for submissions to participate in the annual survey resulted in new entrants to the Top 100 brokers list.

If you are with a broker with $10 million or more in 2024 revenue, email Andy Toh at atoh@businessinsurance.com to be added to the invite list to participate in the 2025 survey

## TOP 25 BENEFITS BROKERS BY GROWTH

Ranked by rate of growth in 2023 employee benefits revenue*

| Rank | Company | 2023 employee benefits revenue | % increase | % of total revenue |
|---|---|---|---|---|
| 1 | C3 Risk & Insurance Services | $5,073,091 | 135.0% | 17.4% |
| 2 | Brightline Insurance Group | $1,396,512 | 100.1% | 4.0% |
| 3 | Oakbridge Insurance Agency LLC | $15,718,000 | 91.5% | 15.7% |
| 4 | Keystone Agency Partners LLC | $34,020,000 | 87.7% | 13.9% |
| 5 | High Street Insurance Partners Inc. | $66,362,660 | 74.9% | 14.0% |
| 6 | Your Policy LLC | $4,773,000 | 71.4% | 25.8% |
| 7 | Choice Financial Group | $9,644,528 | 65.4% | 21.2% |
| 8 | IMA Financial Group Inc. | $192,845,016 | 56.6% | 27.8% |
| 9 | Aon PLC | $3,476,000,000 | 56.3% | 22.3% |
| 10 | Rich & Cartmill Inc. | $2,297,502 | 47.8% | 4.7% |
| 11 | TIH Insurance Holdings LLC[1] | $400,202,639 | 37.2% | 11.6% |
| 12 | DSG Benefits Group LLC | $1,220,000 | 35.5% | 87.1% |
| 13 | CCIG | $2,305,493 | 34.7% | 9.4% |
| 14 | CAC Group | $19,234,839 | 34.3% | 7.4% |
| 15 | Starkweather & Shepley Insurance Brokerage Inc. | $6,518,090 | 33.3% | 7.5% |
| 16 | Swingle, Collins & Associates | $2,745,680 | 31.9% | 6.3% |
| 17 | LP Insurance Services LLC | $14,720,042 | 31.3% | 28.0% |
| 18 | Hotchkiss Insurance | $4,000,000 | 29.0% | 9.9% |
| 19 | Alliant Insurance Services Inc. | $826,286,230 | 25.4% | 21.1% |
| 20 | Buckner Co. | $4,507,685 | 24.6% | 10.4% |
| 21 | World Insurance Associates LLC | $55,000,000 | 24.5% | 10.9% |
| 22 | Shepherd Insurance | $13,462,645 | 23.3% | 15.6% |
| 23 | Arthur J. Gallagher & Co. | $1,820,389,000 | 22.7% | 18.1% |
| 24 | Alkeme Inc. | $22,025,000 | 22.4% | 18.4% |
| 25 | Patriot Growth Insurance Services LLC | $154,430,000 | 21.5% | 31.3% |

*To be ranked brokers must have generated $500,000 or more in employee benefits revenue in 2023. Companies deriving more than 49% of their gross revenue from personal lines are not ranked. [1]Formerly Truist Insurance Holdings Inc.

Source: *BI* survey

## BENEFITS SPECIALISTS

Brokers specializing in employees benefits, ranked by percentage of business*

| Company | 2023 employee benefits revenue | % increase (decrease) | % total |
|---|---|---|---|
| DSG Benefits Group LLC | $1,220,000 | 35.5% | 100.0% |
| LHD Benefit Advisors LLC | $11,104,713 | 12.4% | 69.0% |
| Digital Insurance Inc., dba OneDigital | $575,867,243 | 14.6% | 65.9% |
| The Cason Group | $20,817,701 | 15.6% | 65.6% |
| Willis Towers Watson PLC | $5,424,000,000 | 6.3% | 58.3% |
| CBIZ Benefits & Insurance Services Inc. | $177,700,000 | 5.8% | 55.5% |
| MJ Insurance Inc. | $30,286,809 | 17.0% | 54.2% |
| The Plexus Groupe LLC | $21,651,045 | 7.4% | 53.7% |

*Companies with 51% or more of brokerage revenue from employee benefits.

Source: *BI* survey

## MOST PRODUCTIVE AGENTS AND BROKERS

Intermediaries ranked by 2023 brokerage revenue per employee*

| | | Brokerage revenue per employee | | | Brokerage revenue | | | Employees | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Rank | Company | 2023 | 2022 | % increase (decrease) | 2023 | 2022 | % increase (decrease) | 2023 | 2022 | % increase (decrease) |
| 1 | Panorama Insurance Associates Inc. | $833,963 | $736,553 | 13.2% | $56,709,463 | $54,504,928 | 4.0% | 68 | 74 | (8.1%) |
| 2 | CAC Group | $508,741 | $462,176 | 10.1% | $253,861,904 | $186,719,305 | 36.0% | 499 | 404 | 23.5% |
| 3 | Brightline Insurance Group | $406,033 | $320,434 | 26.7% | $34,512,802 | $27,877,772 | 23.8% | 85 | 87 | (2.3%) |
| 4 | Woodruff Sawyer & Co. | $391,077 | $453,885 | (13.8%) | $242,859,000 | $276,870,000 | (12.3%) | 621 | 610 | 1.8% |
| 5 | Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants | $348,530 | $326,440 | 6.8% | $1,149,103,000 | $1,028,612,000 | 11.7% | 3,297 | 3,151[1] | 4.6% |
| 6 | TIH Insurance Holdings LLC[2] | $343,306 | $330,918 | 3.7% | $3,391,521,258 | $3,086,801,509[1] | 9.9% | 9,879 | 9,328[1] | 5.9% |
| 7 | Automatic Data Processing Insurance Agency Inc. | $320,549 | $329,739 | (2.8%) | $334,012,038 | $317,538,246 | 5.2% | 1,042 | 963 | 8.2% |
| 8 | Alliant Insurance Services Inc. | $316,190 | $322,161 | (1.9%) | $3,864,154,324 | $3,199,376,174 | 20.8% | 12,221 | 9,931[1] | 23.1% |
| 9 | Sterling Seacrest Pritchard Inc. | $311,122 | $284,340 | 9.4% | $110,759,408 | $90,135,804 | 22.9% | 356 | 317 | 12.3% |
| 10 | Bowen, Miclette & Britt Insurance Agency LLC | $310,320 | $290,137 | 7.0% | $71,373,518 | $61,799,281 | 15.5% | 230 | 213 | 8.0% |
| 11 | LHD Benefit Advisors LLC | $309,496 | $287,107 | 7.8% | $16,093,787 | $14,355,343 | 12.1% | 52 | 50 | 4.0% |
| 12 | Christensen Group Inc. | $309,193 | $269,973 | 14.5% | $62,766,269 | $54,804,586 | 14.5% | 203 | 203 | 0% |
| 13 | The Baldwin Group | $304,639 | $266,974 | 14.1% | $1,218,555,000 | $1,014,500,000 | 20.1% | 4,000 | 3,800 | 5.3% |
| 14 | Alera Group | $303,672 | $280,000 | 8.5% | $1,290,000,000 | $1,148,000,000 | 12.4% | 4,248 | 4,100 | 3.6% |
| 15 | Ames & Gough Inc. | $300,000 | $275,000 | 9.1% | $18,000,000 | $16,500,000 | 9.1% | 60 | 60 | 0.0% |
| 16 | Accession Risk Management Group, dba Risk Strategies Co.[3] | $297,595 | $290,743 | 2.4% | $1,465,954,968 | $1,185,648,188 | 23.6% | 4,926 | 4,078 | 20.8% |
| 17 | IMA Financial Group Inc. | $295,093 | $292,335 | 0.9% | $686,681,840 | $557,775,736 | 23.1% | 2,327 | 1,908 | 22.0% |
| 18 | First Mid Insurance Group | $294,118 | $280,000 | 5.0% | $25,000,000 | $21,000,000 | 19.0% | 85 | 75 | 13.3% |
| 19 | Lockton Cos. LLC | $293,551 | $273,027 | 7.5% | $3,499,132,000 | $3,049,717,000 | 14.7% | 11,920 | 11,170[1] | 6.7% |
| 20 | Choice Insurance Services LLC | $289,474 | $281,780 | 2.7% | $27,500,000 | $25,923,790 | 6.1% | 95 | 92 | 3.3% |
| 21 | Harmon Dennis Bradshaw Inc. | $289,032 | $287,164 | 0.7% | $15,896,749 | $14,932,517 | 6.5% | 55 | 52 | 5.8% |
| 22 | Swingle, Collins & Associates | $288,123 | $250,504 | 15.0% | $42,642,180 | $32,815,981 | 29.9% | 148 | 131 | 13.0% |
| 23 | Sterling & Sterling LLC, dba SterlingRisk | $282,061 | $272,616 | 3.5% | $75,028,148 | $67,063,489 | 11.9% | 266 | 246 | 8.1% |
| 24 | Moreton & Co. | $281,022 | $272,059 | 3.3% | $67,445,216 | $66,654,565 | 1.2% | 240 | 245 | (2.0%) |
| 25 | Commercial Insurance Associates LLC | $278,596 | $230,746 | 20.7% | $40,396,479 | $31,842,953 | 26.9% | 145 | 138 | 5.1% |

*Companies with more than 50 employees assigned to brokerage. Brokerages that derive more than 49% of their revenue from personal lines are not ranked. [1]Restated. [2]Formerly Truist Insurance Holdings Inc. [3]Formerly RSC Insurance Brokerage Inc., dba Risk Strategies Co.
Source: *BI* survey

## BEYOND THE TOP 100 BROKERS

### BROKERS TO WATCH

Ranked by 2023 brokerage revenue generated by U.S.-based clients

| 2024 rank | 2023 rank | Company | 2023 brokerage revenue | % increase (decrease) |
|---|---|---|---|---|
| 101 | 102 | The Daniel & Henry Co. | $31,016,000 | 10.9% |
| 102 | NR | Seubert & Associates Inc. | $30,655,130 | 20.8% |
| 103 | 106 | Wallace Welch & Willingham Inc. | $28,207,000 | 10.5% |
| 104 | 105 | Choice Insurance Services LLC | $27,500,000 | 6.1%[1] |
| 105 | 107 | Morris & Garritano Insurance Agency Inc. | $27,419,112 | 12.1% |
| 106 | 104 | Moody Insurance Agency Inc. | $27,361,975 | 5.4% |
| 107 | 109 | C3 Risk & Insurance Services | $26,920,059 | 28.4% |
| 108 | NR | First Mid Insurance Group | $25,000,000 | 19.0% |
| 109 | NR | Otterstedt Insurance Agency | $24,853,612 | 14.2% |
| 110 | 108 | CCIG | $24,619,219 | 2.5%[1] |

NR = not ranked. [1]2022 brokerage revenue restated.

### TARGET INDUSTRIES

Industries targeted by the brokers to watch

| Industry | No. of brokers | Percent |
|---|---|---|
| Construction | 6 | 60% |
| Nonprofit organizations | 3 | 30% |
| Real estate | 3 | 30% |
| Transportation/logistics | 3 | 30% |
| Health care | 2 | 20% |
| Agribusiness | 2 | 20% |
| Energy | 2 | 20% |
| Financial services | 1 | 10% |
| Automotive | 1 | 10% |
| Aviation | 1 | 10% |
| Biotechnology | 1 | 10% |
| Consumer durables | 1 | 10% |
| Pharmaceutical/ chemical | 1 | 10% |
| Retail | 1 | 10% |
| Technology | 1 | 10% |
| Entertainment | 1 | 10% |
| Food and beverage | 1 | 10% |
| Marine | 1 | 10% |

### TARGET CLIENTS

Target clients by revenue among the brokers to watch

| Revenue | No. of brokers | Percent |
|---|---|---|
| Up to $10 million | 2 | 20% |
| More than $10 million up to $50 million | 5 | 50% |
| More than $50 million up to $100 million | 3 | 30% |
| More than $100 million up to $500 million | 2 | 20% |
| More than $500 million up to $1 billion | 1 | 10% |

Source: *BI* Survey

## TOP BROKERS OF WHOLESALE BUSINESS*

Ranked by 2023 wholesale revenue, including property/casualty

| Rank | Company | 2023 wholesale revenue | 2022 wholesale revenue | % increase (decrease) |
|---|---|---|---|---|
| 1 | Brown & Brown Inc. | $1,153,121,907 | $971,426,762[1] | 18.7% |
| 2 | Arthur J. Gallagher & Co. | $1,118,210,000 | $1,088,934,000[1] | 2.7% |
| 3 | Alliant Insurance Services Inc. | $489,458,151 | $423,395,680[1] | 15.6% |
| 4 | Accession Risk Management Group, dba Risk Strategies Co.[2] | $428,474,363 | $364,592,019 | 17.5% |
| 5 | Hub International Ltd. | $417,721,000 | $325,010,000 | 28.5% |
| 6 | Lockton Cos. LLC | $187,018,000 | $184,795,000 | 1.2% |
| 7 | Acrisure LLC | $143,457,051 | $118,389,971 | 21.2% |
| 8 | USI Insurance Services LLC | $116,874,929 | $131,237,862 | (10.9%) |
| 9 | Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants | $116,503,000 | $85,575,000 | 36.1% |
| 10 | World Insurance Associates LLC | $70,000,000 | $57,389,267 | 22.0% |


*Brokers deriving less than 50% of revenue from wholesale brokerage business. [1]Restated 2022 revenue. [2]Formerly RSC Insurance Brokerage Inc., dba Risk Strategies Co.

Source: *BI* survey

## FASTEST-GROWING BROKERS

Ranked by rate of growth in 2023 U.S. brokerage revenue*

| Rank | Company | 2023 revenue | % increase |
|---|---|---|---|
| 1 | Keystone Agency Partners LLC | $229,954,000 | 66.8% |
| 2 | Inszone Insurance Services | $111,462,137 | 61.4% |
| 3 | Oakbridge Insurance Agency LLC | $100,097,000 | 56.4% |
| 4 | King Insurance Partners | $48,401,415 | 42.1% |
| 5 | Aon PLC | $7,744,425,000 | 37.5% |
| 6 | CAC Group | $248,784,666 | 36.0% |
| 7 | Newfront | $208,400,000 | 34.5% |
| 8 | World Insurance Associates LLC | $460,000,000 | 32.5% |
| 9 | Higginbotham | $749,175,000 | 30.0% |
| 10 | Swingle, Collins & Associates | $42,642,180 | 29.9% |
| 11 | C3 Risk & Insurance Services | $26,920,059 | 28.4% |
| 12 | Patriot Growth Insurance Services LLC | $491,880,000 | 27.2% |
| 13 | Commercial Insurance Associates LLC | $40,396,479 | 26.9% |
| 14 | Brightline Insurance Group | $34,512,802 | 23.8% |
| 15 | Accession Risk Management Group, dba Risk Strategies Co.[1] | $1,451,295,418 | 23.6%[2] |
| 16 | Choice Financial Group | $45,417,947 | 23.5% |
| 17 | High Street Insurance Partners Inc. | $474,019,000 | 23.2% |
| 18 | IMA Financial Group Inc. | $686,681,840 | 23.1% |
| 19 | Sterling Seacrest Pritchard Inc. | $110,759,408 | 22.9%[2] |
| 20 | Foundation Risk Partners Corp. | $609,300,000 | 22.8% |
| 21 | Gibson Insurance Agency Inc., dba Gibson | $37,877,000 | 22.1% |
| 22 | Alkeme Inc. | $114,000,000 | 21.3% |
| 23 | Alliant Insurance Services Inc. | $3,833,241,089 | 21.1%[2] |
| 24 | Seubert & Associates Inc. | $30,655,130 | 20.8% |
| 25 (tied) | Unison Risk Advisors | $195,618,714 | 20.7% |
| 25 (tied) | Sunstar Insurance Group | $146,000,000 | 20.7% |
| 27 | The Baldwin Group[3] | $1,218,555,000 | 20.1% |
| 28 | First Insurance Group LLC | $56,133,121 | 19.5% |
| 29 | The Hilb Group LLC | $597,714,352 | 19.2% |
| 30 | The Cason Group | $31,752,719 | 19.1% |

*Companies with less than $1 million in brokerage revenue and/or deriving more than 49% of their brokerage revenue from personal lines are not ranked. [1]Formerly RSC Insurance Brokerage Inc., dba Risk Strategies Co.
[2]Restated 2022 brokerage revenue. [3]Formerly Baldwin Risk Partners LLC.

Source: *BI* survey

## LARGEST U.S. COMMERCIAL RETAIL BROKERS

Ranked by 2023 commercial retail brokerage revenue from U.S. offices

| Rank | Company | 2023 commercial retail revenue* | % increase (decrease) | % of U.S. brokerage revenue |
|---|---|---|---|---|
| 1 | Marsh & McLennan Cos. Inc. | $6,262,000,000 | 8.1% | 58.4% |
| 2 | Aon PLC | $4,066,000,000 | 33.4% | 52.5% |
| 3 | Acrisure LLC | $2,601,898,062 | 10.0% | 76.9% |
| 4 | Arthur J. Gallagher & Co. | $2,418,421,000 | 14.1% | 38.9% |
| 5 | Alliant Insurance Services Inc. | $1,893,263,999 | 19.1% | 49.4% |
| 6 | Hub International Ltd. | $1,651,159,000 | 13.9% | 49.0% |
| 7 | Lockton Cos. LLC | $1,533,814,000 | 10.3% | 65.4% |
| 8 | AssuredPartners Inc. | $1,333,931,000 | 15.7% | 53.7% |
| 9 | Brown & Brown Inc. | $1,254,618,614 | 6.6%[1] | 34.2% |
| 10 | Willis Towers Watson PLC | $1,237,000,000 | 5.5%[1] | 25.1% |
| 11 | USI Insurance Services LLC | $1,227,207,956 | 8.1% | 46.3% |
| 12 | BroadStreet Partners Inc. | $1,047,000,000 | 17.2% | 70.3% |
| 13 | TIH Insurance Holdings LLC[2] | $798,880,038 | 12.5%[1] | 23.6% |
| 14 | Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants | $680,742,000 | 3.6% | 59.2% |
| 15 | Alera Group | $580,000,000 | 11.1% | 45.0% |
| 16 | Accession Risk Management Group, dba Risk Strategies Co.[3] | $562,451,721 | 26.0% | 38.8% |
| 17 | Higginbotham | $452,838,000 | 39.5% | 60.4% |
| 18 | PCF Insurance Services | $447,962,000 | 7.2% | 56.1% |
| 19 | IMA Financial Group Inc. | $406,085,135 | 14.9% | 59.1% |
| 20 | The Baldwin Group[4] | $363,986,000 | 15.0% | 29.9% |
| 21 | The Hilb Group LLC | $289,604,143 | 20.5% | 48.5% |
| 22 | Leavitt Group | $250,868,000 | 10.1% | 54.1% |
| 23 | Insurance Office of America Inc. | $248,174,223 | 14.5% | 78.5% |
| 24 | World Insurance Associates LLC | $230,000,000 | 33.9% | 50.0% |
| 25 | CAC Group | $222,875,142 | 37.9% | 89.6% |
| 26 | High Street Insurance Partners Inc. | $213,308,550 | 23.7% | 45.0% |
| 27 | Woodruff Sawyer & Co. | $209,424,000 | (11.6%) | 86.2% |
| 28 | Automatic Data Processing Insurance Agency Inc. | $179,133,371 | 4.9%[1] | 53.6% |
| 29 | Digital Insurance Inc., dba OneDigital | $166,608,140 | 28.3% | 19.1% |
| 30 | Holmes Murphy & Associates Inc. | $155,500,000 | 13.1% | 62.3% |
| 31 | Keystone Agency Partners LLC | $149,835,000 | 58.8% | 65.2% |
| 32 | Cross Financial Corp., dba Cross Insurance | $146,697,000 | 9.2% | 51.0% |
| 33 | Heffernan Group | $135,415,857 | 23.3% | 72.0% |
| 34 | Relation Insurance Inc. | $131,000,000 | 12.9% | 47.0% |
| 35 | Hylant Group Inc. | $128,838,041 | 14.9% | 62.7% |
| 36 | Insurica Insurance Services LLC[5] | $126,290,043 | 14.4% | 72.5% |
| 37 | Cottingham & Butler Inc. | $122,484,000 | 7.4% | 37.4% |
| 38 | Patriot Growth Insurance Services LLC | $109,020,000 | 21.3% | 22.2% |
| 39 | Unison Risk Advisors | $94,024,385 | 18.4% | 48.1% |
| 40 | CBIZ Benefits & Insurance Services Inc. | $90,800,000 | 6.8% | 28.6% |
| 41 | Sunstar Insurance Group | $87,600,000 | 22.9% | 60.0% |
| 42 | The Liberty Co. Insurance Brokers LLC | $85,653,588 | 1.2%[1] | 47.7% |
| 43 | TrueNorth Cos. LC | $82,630,855 | 19.5% | 67.4% |
| 44 | Sterling Seacrest Pritchard Inc. | $71,818,165 | 12.5% | 64.8% |
| 45 | Alkeme Inc. | $70,000,000 | 16.7% | 61.4% |
| 46 | Insurors Group LLC | $68,568,682 | (2.0%) | 71.9% |
| 47 | James A. Scott & Son Inc., dba Scott Insurance | $67,603,198 | 14.9% | 68.1% |
| 48 | Houchens Insurance Group Inc. | $67,517,914 | 8.8% | 69.6% |
| 49 | Towne Insurance Agency LLC | $67,021,657 | 23.2% | 61.6% |
| 50 | Inszone Insurance Services | $65,762,661 | 58.7% | 59.0% |

*Excluding revenue from placement of employee benefits. [1]Restated 2022 revenue. [2]Formerly Truist Insurance Holdings Inc. [3]Formerly RSC Insurance Brokerage Inc., dba Risk Strategies Co. [4]Formerly Baldwin Risk Partners LLC. [5]Formerly Insurica Inc.
Source: *BI* survey

## TARGETS OF THE TOP 15

### TARGET INDUSTRIES

Industries targeted by the top 15 brokers of U.S. business

| Industry | Number of brokers | Percent |
|---|---|---|
| Financial services | 15 | 100% |
| Construction | 14 | 93% |
| Health care | 14 | 93% |
| Marine | 14 | 93% |
| Real estate | 14 | 93% |
| Agribusiness | 14 | 93% |
| Transportation/logistics | 14 | 93% |
| Aviation | 13 | 87% |
| Private equity/investment capital | 13 | 87% |
| Higher education | 13 | 87% |
| Nonprofit organizations | 13 | 87% |
| Public sector/government | 13 | 87% |
| Retail | 13 | 87% |
| Energy | 12 | 80% |
| Automotive | 12 | 80% |
| Food and beverage | 12 | 80% |
| Technology | 12 | 80% |
| Entertainment | 11 | 73% |
| Pharmaceutical/chemical | 9 | 60% |
| Biotechnology | 8 | 53% |
| Consumer durables | 8 | 53% |
| Power industry | 7 | 47% |
| Media | 7 | 47% |
| Consumer nondurables | 7 | 47% |
| Clothing, textile | 7 | 47% |
| Mining | 6 | 40% |
| Telecommunications | 6 | 40% |
| Rail | 5 | 33% |

### TARGET CLIENTS

Target clients by revenue among top 15 brokers of U.S. business

| Revenue | Number of brokers | Percent |
|---|---|---|
| Up to $10 million | 5 | 33% |
| More than $10 million up to $50 million | 6 | 40% |
| More than $50 million up to $100 million | 8 | 53% |
| More than $100 million up to $500 million | 8 | 53% |
| More than $500 million up to $1 billion | 5 | 33% |
| More than $1 billion up to $3 billion | 4 | 27% |
| More than $3 billion up to $5 billion | 3 | 20% |

Source: *BI* Survey

# A Better Path Forward

Alliant is committed to moving the needle on representation across all levels of our organization and the wider insurance industry. Our Diversity, Equity & Inclusion department was established to strengthen our business by creating career pathways for underrepresented professionals and cultivating a culture of belonging within our workplace. Together, we are creating a better path forward for our company, our industry, and the communities we call home.

alliant.com

COMMENTARY

# Chance to reassess as market evolves

It's been a rough few years for many commercial policyholders, but some signs finally point to better times ahead.

The hardening market that began in many lines in 2018 and took off in the years that followed is still a concern for many buyers, depending on their industry sector and location, but brokers and other industry observers are beginning to report that rate hikes are easing or even that prices are declining.

Workers compensation rates remained stable throughout the hard market, and in specialty sectors, such as public company directors and officers liability, rates have been declining for a couple of years. D&O decreases, though, have been mainly due to the particular circumstances affecting that market — the slowdown in mergers and acquisitions and SPACs. The cyber liability market has also seen decreases for a while as capacity has grown and policyholders have upgraded their cybersecurity. However, you don't have to search too hard to find buyers that still face sharp cyber rate increases.

Now, though, there is also evidence emerging that property rates are easing. In a report issued last month, Aon PLC said average commercial property premiums fell in the second quarter for the first time in more than six years. The dip was less than 1%, and rates vary significantly depending on location and exposure, but for buyers that have endured years of double- or high-single-digit premium hikes, the overall trend is a relief.

Gavin Souter
EDITOR

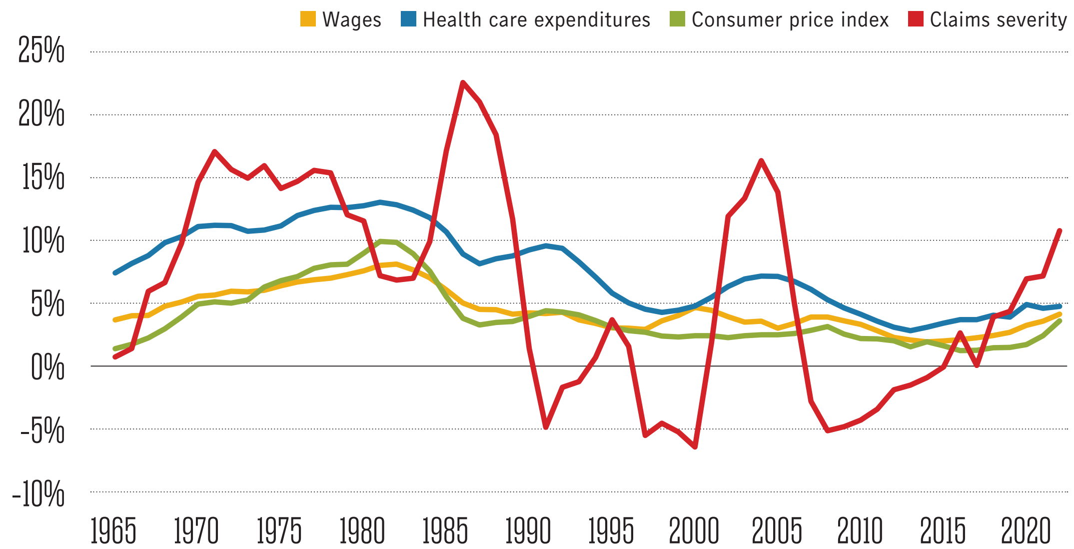
A lower inflation rate should help prolong the trend, but a major catastrophe loss could quickly send rates in the opposite direction.

The main outlier in the trend toward softening rates is the massive U.S. commercial liability market. While excess casualty rates have retreated from their highs, pricing reports indicate they have inched up again this year. Primary general liability rates also continue rising, and commercial auto pricing has been unfavorable for buyers for years.

And while insurers and reinsurers are unlikely ever to say rates need to fall, executives at major industry gatherings have indicated they are determined not to put the brakes on casualty pricing. So-called social inflation, or higher court awards and settlements, is cited as the main factor behind continued rate hikes and insurer reserve strengthening.

It's clearly too early for insurance buyers to sit back and look forward to another years-long soft market, but at least they might be able to pause for breath and consider how to maximize their premium dollars. Whether that be ensuring coverage is aligned with their changing risks, taking advantage of captives to retain larger portions of their profitable exposures or restructuring their insurance programs to leverage the new market dynamic, the developing property/casualty environment should yield opportunities for those looking for them.

**US consumer price index, health care and wage inflation (5-year averages) and claims severity proxy**




Note: "Claims severity" refers to a proxy calculated as liability claims growth (claims incurred on a calendar-year basis) minus real GDP growth (as a proxy for exposure growth).

Sources: Bureau of Labour Statistics, Oxford Economics, Centers for Medicare & Medicaid Services, AM Best, Swiss Re Institute

VIEWPOINT

# Allergen awareness vital

**BY CLAIRE WILKINSON**
*cwilkinson@businessinsurance.com*

When was the last time you downloaded an app and actually read the terms and conditions? A couple's visit to Disney World last year and a widower's subsequent food-allergy wrongful death lawsuit filed against the entertainment giant highlights the reputational risks that need to be considered when a corporation decides to stick to the fine print and tries to avoid its day in court.

This case hit home for me. As a mom to one child with multiple life-threatening food allergies and another with a severe dietary restriction, eating out is always a risky endeavor. We typically never leave the house without our epi-pen but also rely on food establishments — and their employees — to provide accurate information on food allergens and ingredients.

In this case, after eating dinner at a restaurant at Disney World, a woman allegedly died after suffering a severe allergic reaction. The restaurant in question had been chosen in part because of its promise to accommodate patrons with food allergies, and the family had informed the restaurant and their waiter of the woman's severe allergy to dairy and nuts, according to the lawsuit.

In response, Disney initially denied any wrongdoing and filed a motion asking a Florida circuit court to order the plaintiff to arbitration rather than hear the case publicly in court. Disney maintained that the plaintiff had waived his right to sue when he signed up for a Disney+ streaming account in 2019 and again when he purchased park tickets on the company's website last year.

Fast-forward to late August, and readers may not be surprised to learn that Disney has since reversed course and decided not to push for arbitration. "With such unique circumstances as the ones in this case, we believe this situation warrants a sensitive approach to expedite a resolution for the family who have experienced such a painful loss," the company said in a statement reported by major news organizations.

There are so many takeaways from this tragic sequence of events that it's hard to know where to begin.

Data on food allergies is hard to come by because it's almost entirely self-reported, but about 32 million people in the U.S. are estimated to have at least one food allergy. Nearly 6% of U.S. adults and children have a food allergy, according to data from the Centers for Disease Control and Prevention's National Center for Health Statistics. Despite the prevalence, understanding of food allergies and the associated severe consequences remains wildly inconsistent. It's time that this changed. If a restaurant advertises its commitment to accommodate diners with food allergies, safety practices and procedures had better be in place to minimize the risks of anaphylaxis. That goes to employee training, food safety in the kitchen, and food labeling — undeclared allergens remain a leading cause of food recalls, according to the Food and Drug Administration.

Despite the perception that certain restaurants or brands may be more allergen-aware, obviously, there are no guarantees. The trend of outsized jury verdicts and associated claims costs is a growing concern for insurers, and many companies are struggling to manage this complex risk. There are no quick fixes, but in cases such as this, it seems clear that corporations should come clean and settle if they value their reputation. Otherwise, in their attempt to find a more cost-efficient way of resolving disputes, they'll lose much more.

# MARKET PULSE

## Attune introduces comp digital platform

■ Attune Insurance announced the launch of a workers compensation digital platform in partnership with Pinnacol Assurance aimed at small businesses and companies operating in "hard-to-place industries."

New York-based Attune said insurance agents can use the EverPeak platform to "quickly generate quotes and bind policies."

## RIMS, Brokerslink partner on global risk standard

■ The Risk & Insurance Management Society Inc. and Brokerslink, an independent international brokers network, announced they will collaborate to establish a global risk management standard through the RIMS-Certified Risk Management Professional certification.

Brokerslink will deliver private and public RIMS-CRMP exam preparatory workshops to its global network comprising over 45,000 professionals in 133 countries as part of the partnership.

RIMS will provide the course materials, instructors and exam to help Brokerslink workshop attendees earn the RIMS-CRMP certification.

## Coalition launches reinsurance intermediary

■ Cyber specialist Coalition Insurance Solutions Inc. said it has launched a reinsurance intermediary.

Coalition Re will offer nonproportional cyber coverage and cyber endorsements for existing coverage with up to 100% quota-share support, the San Francisco-based company said in a statement.

Capacity will be provided by a panel of reinsurers led by Aspen Insurance Holdings Ltd.

The unit will be led by John Coletti, head of cyber underwriting at Coalition, and Phil Rosace, who joined the company from Vantage Risk Cos. earlier this year.

## WTW announces E&S property facility

■ Willis Towers Watson PLC announced the launch of a facility led by Canopius U.S. Insurance Inc. providing up to $25 million in property capacity underwritten on its excess and surplus lines paper.

Client Edge Facility is designed to provide coverage for large and complex risks in addition to middle-market property risks for shared and layered programs across WTW's U.S. property portfolio and offers a specialized premium discount.

# PRODUCTS & SERVICES

## HDI Global unveils life science coverage

■ HDI Global Insurance Co., the U.S. unit of HDI Global SE, launched an excess liability policy providing up to $10 million in capacity for life science companies and named Brian Carlsen as U.S. life science lead.

Mr. Carlsen, who joined HDI Global in April as assistant vice president, previously was life sciences underwriting manager for the East territory at Markel Corp.

Target classes include biotechnology and specialty pharmaceutical manufacturers and distributors; noninvasive, invasive and permanently implantable medical device manufacturers; blood plasma manufacturers; and contract manufacturing and contract development manufacturing organizations.

## Marsh unveils facility for port blockages

■ Marsh LLC launched an insurance facility providing $50 million of capacity to shipping ports and terminals globally if their operations are disrupted by port blockages.

The facility is designed to provide Marsh clients with cover for loss of revenue caused by third-party accidents such as a vessel sinking in a shipping channel, a vessel impact resulting in a waterway closure, or a natural catastrophe.

It was created following the collapse of the Francis Scott Key Bridge and subsequent disruption at the port of Baltimore.

The facility is backed by a panel of A+ rated Lloyd's of London and London market insurers, and higher limits are available on a case-by-case basis.

## Berkley Select releases employment liability cover

■ W.R. Berkley Corp. unit Berkley Select announced the release of AttorneyShield, employment liability coverage designed for law firms.

The coverage has limits up to $5 million and focuses on small to midsize law firms that employ up to 100 attorneys.

Additional enhancements for policies include coverage for partnership agreement disputes, defense coverage for breach of contract claims, third-party liability coverage for claims brought by nonemployees for harassment or discrimination, and automatic coverage for predecessor firms, the Chicago-based Berkley unit said in its announcement.

## E&S exec Miller launches MGA

■ Pivix Specialty Insurance Services Inc. Thursday said it has launched operations as a managing general agency focusing on the excess and surplus lines market.

Former Scottsdale Insurance President Mike Miller, who helped found the company, will serve as CEO and president of Scottsdale, Arizona-based Pivix, the MGA said in a statement.

Pivix founders and management team Mike Miller, Ken Levine, Joe Griffith and Sandy Vertunon all previously worked at Nationwide Inc., the statement said.

Pivix will offer excess and surplus property and casualty coverages for targeted segments, which will be distributed through wholesale brokers, the statement said.

In 2018, Mr. Miller founded Ategrity Specialty Insurance Co., from which he stepped away in December 2022.

## Effective Health unveils claims platform

■ Effective Health Systems LLC, a Los Angeles-based insurance software development company, announced the release of BaseLine.RPT, an artificial intelligence-powered platform designed to streamline workers compensation claims processing.

The program automates requests for authorization intake through bill review processes using advanced machine learning technology, with the program representing a "significant" advancement in workflow automation, according to Effective Health Systems.

In addition to streamlining billing review, the platform will also automate functions such as medical authorization, utilization review, vendor referral assignment and letter generation.

# DEALS & MOVES

## Ryan Specialty acquires MGUs from Ethos Specialty

Ryan Specialty Holdings Inc. announced the acquisition of property/casualty managing general underwriters owned by Ethos Specialty Insurance LLC from Ascot Group Ltd.

Terms of the deal were not disclosed.

Ethos P&C is composed of eight programs that underwrite on behalf of a diversified panel of insurers and generated roughly $11 million in operating revenue for the 12 months ended June 30, Chicago-based Ryan Specialty said.

Ethos P&C's property division specializes in manufacturing, processing and warehousing, excess property, wind deductible buydowns and other perils buydowns. Its casualty division's coverage includes New York contractors, construction wraps, real estate and CleanTech general liability.

## Bishop Street buys Michigan-based MGA

Bishop Street Underwriters, a managing general agent platform backed by New York-based private-equity firm RedBird Capital Partners Management LLC, said it has acquired Conifer Insurance Services, a specialty MGA, from Conifer Holdings Inc.

Terms of the transaction were not disclosed.

Conifer, which is based in Troy, Michigan, and has more than 70 employees, operates a portfolio of three programs across specialty lines including small and medium-sized enterprises, hospitality and auto dealers.

## MedRisk acquires casualty claims business

MedRisk LLC, a King of Prussia, Pennsylvania-based workers compensation managed care organization, said it has completed the acquisition of the casualty claims business of Conduent Inc.

Terms of the deal were not disclosed.

Conduent, which is headquartered in Florham Park, New Jersey, has about 59,000 employees.

## Patriot Growth buys Texas agency

Patriot Growth Insurance Services LLC said it has acquired Prospera Risk Advisors, a newly formed Texas-based property/casualty agency with expertise in energy, construction and nonprofits, among other specialties.

Terms of the deal, which expands Patriot's footprint in the South-Central region, were not disclosed.

# PEOPLE

> "With the rise of insurtech in the past decade, we've been getting better at taking advantage of new technologies in unique ways that serve us and our customers better. We've also become more sophisticated in how we leverage all the data we have."

## UP CLOSE

### Kathleen Ziegler

**NEW JOB TITLE:** Scottsdale, Arizona-based chief operating officer, Axa XL, a division of Axa SA

**PREVIOUS POSITION:** Phoenix-based senior vice president, operations, CopperPoint Insurance Cos.

**OUTLOOK FOR THE INDUSTRY:** I feel very optimistic. Insurance has long held a reputation for being a boring, traditional industry, but with the rise of insurtech in the past decade, we've been getting better at taking advantage of new technologies in unique ways that serve us and our customers better. We've also become more sophisticated in how we leverage all the data we have.

**GOALS FOR NEW POSITION:** Overall, my big goal is making sure Axa XL's Americas operation is structured to scale with our growth objectives and do so efficiently.

**CHALLENGES FACING THE INDUSTRY:** Operations covers everything from underwriting support to regulatory and compliance services to billing and collections to our physical locations. All of these underpin the success of our market-facing teams. The challenge is that many companies have grown over the years through acquisitions, meaning we're sitting in a heterogeneous environment, making it more difficult to scale our structures over time. We need to implement and update our legacy technology but not overinvest.

**FIRST EXPERIENCE:** Like a lot of people, I got involved with insurance by chance. I had a liberal arts background and spent the first few years after university working overseas. But later, after my graduate degree, I took a job at Andersen Consulting (now Accenture) where I was quickly aligned to the financial services industry and did most of my work with commercial insurers.

**ADVICE FOR A NEWCOMER:** The industry offers careers across a spectrum of different areas. Be open and say "yes" often. The biggest and often best development opportunities come from what may seem like trivial or undesirable work.

**DREAM JOB:** I would love to be a DJ.

**LOOKING FORWARD TO:** I'm looking forward to being able to support the company as we grow. Since our success really comes from people, I am very excited to get to know my Axa XL colleagues here in the Americas and globally.

**COLLEGE MAJOR:** English/French undergraduate major; master's in linguistics

**FAVORITE MEAL:** My favorite is probably Mexican or Southwestern, paired with a spicy margarita.

**FAVORITE BOOK:** I read "Tomorrow and Tomorrow and Tomorrow," by Gabrielle Zevin, earlier this year, and it has stuck with me. Really captured the complexity of deep friendships and the importance of empathy.

**HOBBIES:** I love to go hiking and try to visit as many national parks as I can with my family. I'm also a huge basketball fan. Go, Phoenix Suns.

**FAVORITE TV SHOW:** So much good TV these days, but my current favorite is "The Bear."

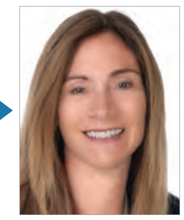
**ON A SATURDAY AFTERNOON:** If the weather is not 115 degrees in Phoenix, I'm definitely hiking. I also aim to get all the quality time that I can with our 15-year-old son, watching him play volleyball or playing pingpong with him.

## SEE MORE ONLINE

Visit *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*.

## ON THE MOVE

American International Group Inc. said **Keith Walsh**, chief financial officer of Marsh LLC, will join the insurer Oct. 21 as executive vice president and CFO. He succeeds Sabra Purtill.



**Stacey Regan**, formerly director of risk management at General Electric Co., joined Marsh LLC as a global engagement partner. She is based in New York. Before joining GE in 1997, Ms. Regan held risk management positions at Becton, Dickinson and Co., and Fortune Brands Inc.

Sedgwick Claims Management Services Inc. has hired Atlanta-based **Andy Adams**, a former risk manager at The Kraft Heinz Co., as vice president, global risk management. Before joining Kraft Heinz in 2019, Mr. Adams was risk manager at Donnelley Financial Solutions.

Marsh LLC named **Jacqueline Quintal** financial institutions and digital asset industry practice leader for the U.S. and Canada. Ms. Quintal previously was a managing director within Marsh's U.S. financial institutions practice and U.S. digital asset leader. Alex deLaricheliere left the company this year to join Willis Towers Watson PLC.

Ryan Specialty Holdings Inc. named **Michael F. Albian**, formerly with Captive Resources LLC, as president, group captives, for Ryan Alternative Risk, its captives unit. Mr. Albian, based in Chicago, had been a senior vice president at Captive Resources.

W.R. Berkley Corp. named **Antonio Rhodes** president of Berkley Mid-Atlantic Insurance Group. Mr. Rhodes most recently was executive vice president and head of property and casualty at Keystone Insurers Group. Michelle Middleton left the company in June.

## It begins with workplace safety

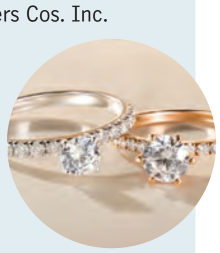
The "It Ends With Us" cast ventured into workplace safety and workers compensation territory when celebrity news site TMZ reported that actor Justin Baldoni inquired of an on-the-set fitness trainer Blake Lively's weight, as he was supposed to lift her to film a romantic scene.

Ms. Lively, who allegedly quarreled with the actor over issues with kissing scenes and the script, saw the episode of mentioning her weight as being "fat-shamed," as she had just given birth months before filming began, according to the report.

But Mr. Baldoni, who has not responded to the allegations, was reportedly just being mindful of preventing a workplace injury: "He has a history of back issues and wanted to know how to properly train to avoid hurting himself," TMZ reported.

## Here come the wedding mishaps

Something old, something new, something borrowed, something blue — and don't forget that something could go wrong, warns Travelers Cos. Inc.



According to data released by the insurance company, vendor issues (45%) were the leading cause of paid wedding insurance claims in 2023, followed by property damage (18%), illness and injury (14%) and severe weather (12%).

Travelers tossed a bouquet of tips for couples planning their big day: Research vendors before making any deposits; plan for seasonal and regional weather risks; and, of course, "consider wedding insurance to provide peace of mind" against "venue closures, sudden illnesses, lost or damaged wedding attire – unforeseen circumstances can lead to lost deposits and unanticipated expenses."

# GOLDBLUM DOPPELGANGERS TALK THEIR WAY TO UNION INSURANCE


"Jurassic Park" star Jeff Goldblum, while guest hosting on "Jimmy Kimmel Live!," threw a few struggling actors a bone when he invited them on the show to impersonate him in a short comedy segment that helped them reach the $1,401 acting-income threshold to obtain health insurance through the Screen Actors Guild.

Mr. Goldblum introduced the actors, all wearing gray wigs and thick, tinted black-framed eyeglasses, giving them an opportunity to deliver a few lines impersonating him on air, which in turn helped bridge gaps in their actor pay to access the union insurance.

According to Deadline magazine, the segment followed a casting notice on the show that called for actors within hundreds of dollars of meeting the $1,401 requirement. Of the participating actors, one was just $356 short of the threshold.

Addressing the unglamorous side of acting, Mr. Goldblum told audience members that "the vast majority of actors" are just like them — "working class people just trying to make ends meet."

## Orman´s flood of money protects her from high premiums

Personal finance guru Suze Orman, who coined the term "young, fabulous and broke," says she's too old, wise and rich to pay for property insurance coverage for her Florida beachfront condo.

In an interview with DailyMail.com, Ms. Orman said she's been quoted $28,000 yearly for home insurance on her 2,100-square-foot condo in Florida, where property insurance coverage is notoriously soaring: "$28,000 for a 2,100-square-foot condo. Are you kidding me?" she told a reporter.

Ms. Orman, an adviser and bestselling author whose net worth is rumored to be upwards of $75 million, said she can self-insure her condo.

Such is not the case for most Americans, and she said she's worried this insurance crisis could push the American dream of homeownership even further out of reach.


## Travel insurance denials take off

Travel insurers are sending more customers down the river, according to data published in USA Today that showed insurance claims denials up 33% over last year.

Relying on data from Squaremouth, an insurance comparison site, the newspaper reported a 22% increase in travel insurance policy purchases, cautioning that a policy isn't always a ticket to coverage in case of an unforeseen event.

Read the fine print, the writer concludes.

Reasons for denials include such issues as buying a policy too late, being "inconvenienced" instead of a true loss caused by a trip interruption, and preexisting medical conditions that exclude coverage.

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