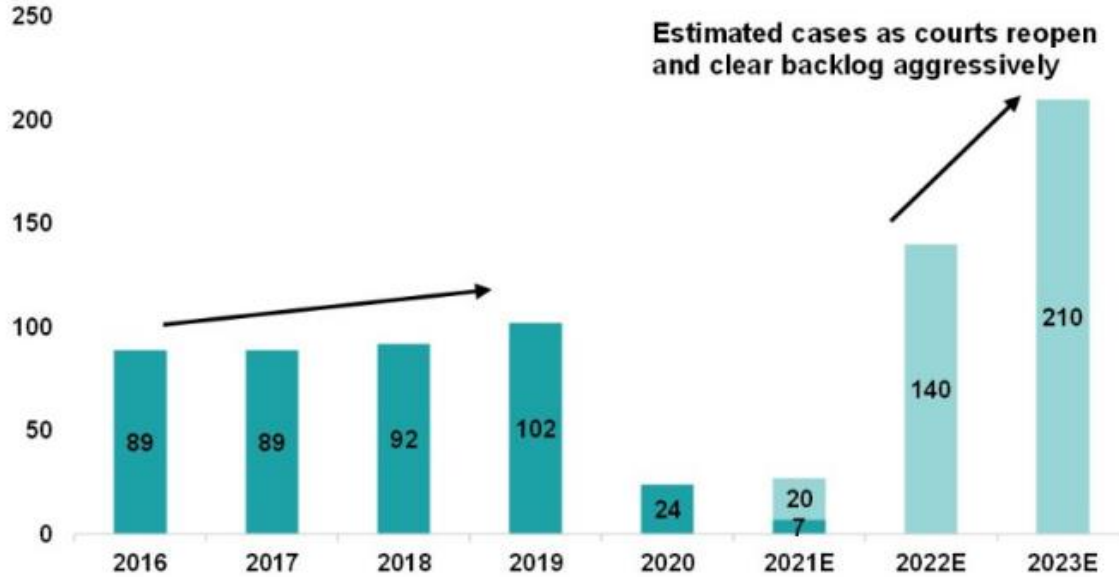


What is Driving Social Inflation?



Court cases with verdicts above \$20mn



Source: Verdict Search, Inside P&C

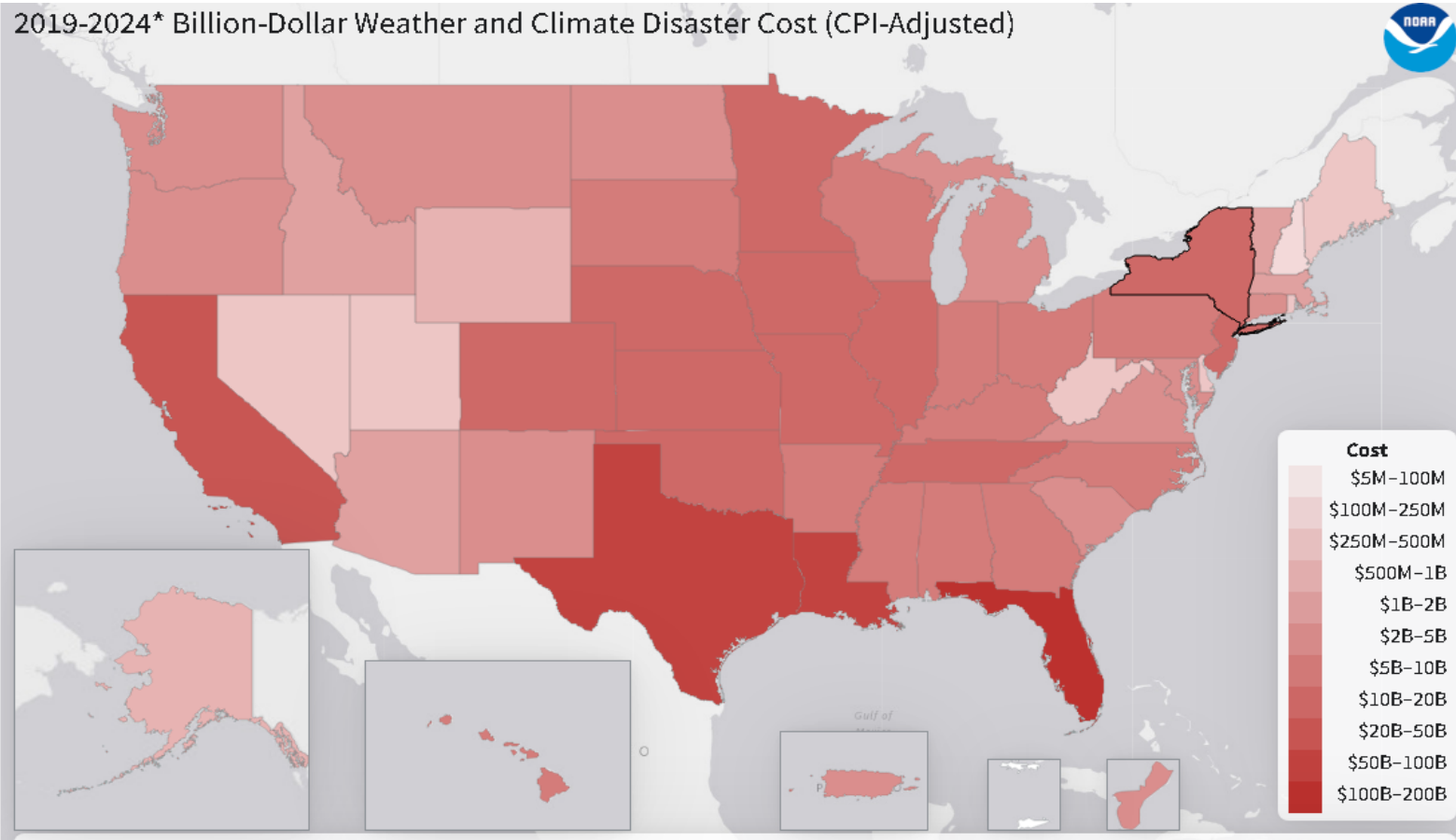
PREMIUM TRENDS

Written premiums of the top 10 property/casualty wholesalers, in billions of dollars



Source: BI survey

2019-2024* Billion-Dollar Weather and Climate Disaster Cost (CPI-Adjusted)

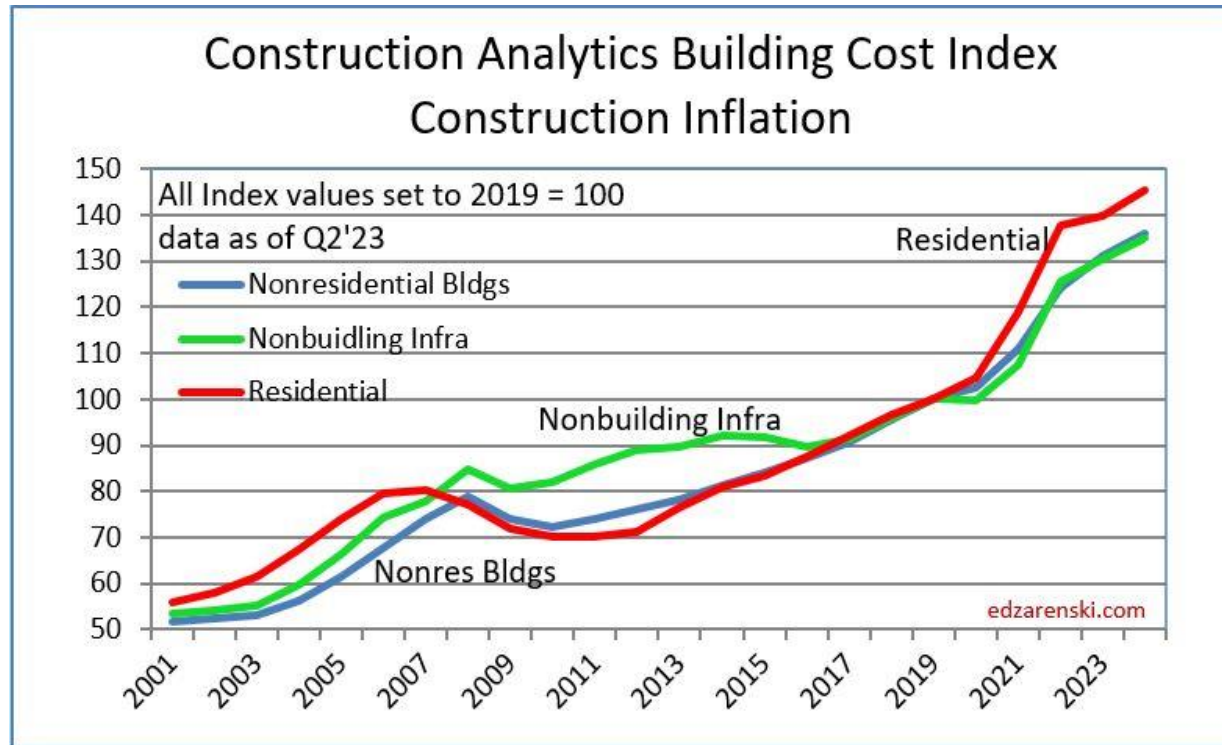


Just Last Year...

- 28 Natural disasters.
- **\$93.1 Billion** in cost to repair and still rising.

In Last 5 Years...

- 102 Natural disasters (20.4 avg per year)
- **\$605.5 Billion** in cost to repair and rising (\$121.1B Avg per year)
- **\$20B +** For Storms and Flooding in NY
- **\$20B +** For Storms and Flooding in NJ



Cost of Materials & Labor (Inflation)

- Increased demand (catastrophic events, gov funded projects from federal infrastructure bill).
- Talent shortage
- Lack of supply due to supply chain disruptions (Covid etc.)
- Input costs for construction have risen 40.7% since February 2020.
- Replacement Cost increase forcing carriers to re-evaluate insured values.



The REINSURANCE Trickle-Down Effect

Commercial Property Reinsurance has been hit the hardest due to an increase in extreme weather events. In response:



- Primary Insurers have seen their reinsurance premiums nearly double



- Primary insurers have seen the capacity of coverage they're able to offer lowered



- Increased rates at lower coverage limits trickle-down to insureds

Line of Coverage	2024 Pricing Forecast
Property	CAT Free: +5% to +15% CAT Exposed: +15% to +25%
Casualty (GL / PL / Abuse)	+1% to +10%
Auto	+5% to +30%
Excess (Umbrella)	+10% to +50%

Common Coverage Changes From Carriers:

- 1. Lowering Liability Limits**
 - Excluding or sub-limiting Abuse & Molestation
 - Excluding of sub-limiting Professional Liability
- 2. Increasing Deductibles/Retentions**
- 3. Switching Liability Coverage Form**
 - “occurrence” form to “claims-made” form
- 4. Adding Restrictive Exclusions**
 - Coverage for assault & battery
 - Construction Activities
 - Contractual Liability
- 5. Increasing Value of Property**



Educate Yourself.

- **Educating Staff**
 - Understanding your contractual insurance requirements
 - Analyze the actual exposure to catastrophic event
 - Understanding the legal environment
- **Proactive Strategies**
 - Formal Abuse Prevention Plan
 - Annual Property Inspections
 - Update Employee Handbook

Be Proactive.

Invest in Safety.

- **Investing in Loss Control**
 - Water Mitigation Devices
 - Fire Suppression Systems
 - Scheduled building updates
- **Utilizing Your Broker's Resources**
 - Loss Control
 - Claims Avocation
 - Legal Consultation

Partner with Experts.