

HUB

Risk & Insurance | Employee Benefits | Retirement & Private Wealth

State of the Market: Property & Casualty

Insurance Roundtable
May 19, 2021



HUB at a Glance



13,000 Employees



95% Client Retention



1 Million+ Clients
including 25,000+ Nonprofits



500 Locations



#5 Global Broker
Based on Revenue



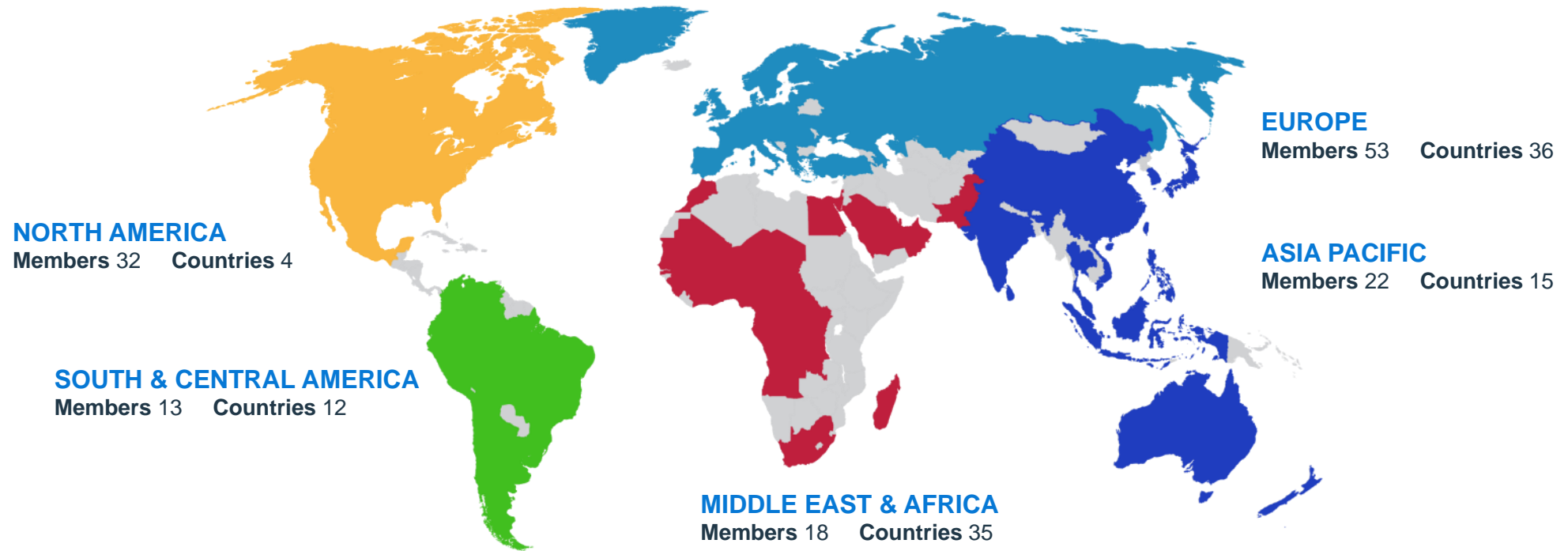
\$17B+ Premium
including \$2.8B from Nonprofits

Global Reach Through WBN



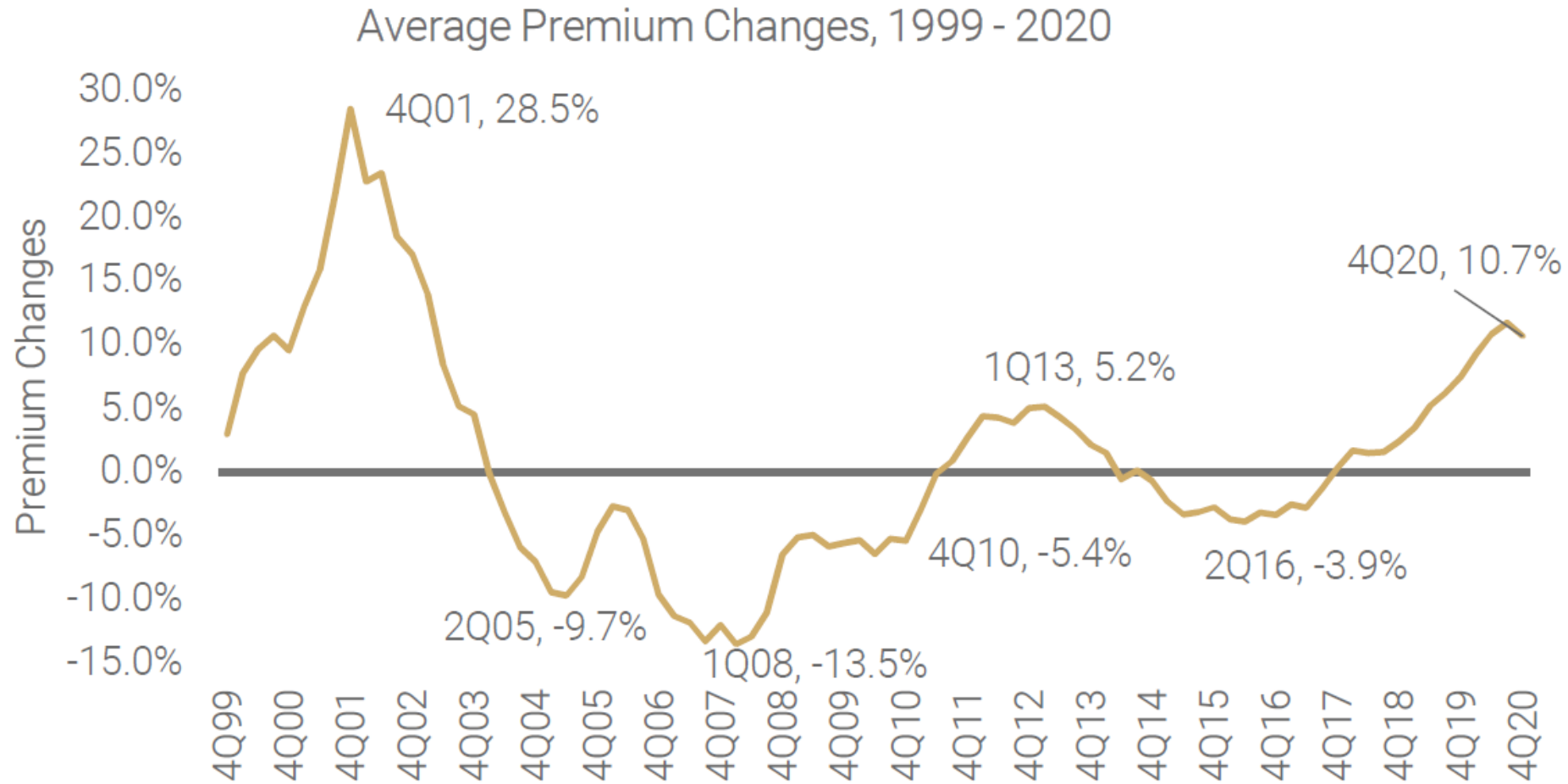
The world's largest independent brokerage network

135 member firms in 100+ countries • 15,000+ professionals in 500 cities • \$6.12B in combined revenues



www.wbnglobal.com

A Long Roller-Coaster Ride



Market Drivers

- Legacy of 'soft' market
- COVID-19 anxieties
- Climate change → more frequent, severe natural catastrophes
- Social inflation
- Reserve inadequacy
- Global recession
- Financial market volatility



A Market in Correction

Premium Variance by Line of Business Q1 2020 Through Q1 2021

	Commercial Auto	Workers' Comp	Commercial Property	General Liability	Umbrella/ Excess	Average
Q1 2021	9.0%	1.0%	12.0%	6.2%	19.7%	9.6%
Q4 2020	9.1%	0.4%	12.9%	7.3%	21.3%	10.2%
Q3 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Q2 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
Q1 2020	9.6%	-1.2%	12.0%	5.7%	17.3%	8.7%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Source: Council of Insurance Agents & Brokers, May 2021

A Market in Correction

Premium Variance by Line of Business – at Q1 2021

	Q4 2020	HIGH	LOW
Business Interruption	7.4%	28.8%	-10.2%
Construction	7.5%	38.7%	-10.7%
Cyber	18.0%	11.1%	-1.5%
Directors' & Officers' Liability	15.1%	32.4%	-8.7%
Employment Practices Liability	10.8%	21.9%	-8.1%
Flood	5.8%	8.6%	-2.7%
Medical Malpractice	6.9%	32.5%	-4.1%
Surety Bonds	2.7%	11.2%	-2.3%
Terrorism	1.1%	10.4%	-3.6%

Source: Council of Insurance Agents & Brokers, May 2021

Beyond Financial Heartburn

- More stringent underwriting
- New coverage restrictions –
e.g., Communicable Disease,
Abuse & Molestation, Cyber
- Reduced capacity
- Higher self-insured retentions



What Can You Do?

- Avoid multi-broker quoting
 - The nonprofit market's too limited to fragment it
- Start renewal work early
 - Give no insurer an excuse to pass for timing
- Remarket purposefully
 - To the right players, for the right reasons
- Showcase your strengths
 - Differentiate quality, turn lemons into lemonade
- Know the 'deal'
 - Broker compensation shouldn't be a mystery



Useful Resources



- Council of Insurance Agents & Brokers Quarterly Market Indices
[P/C Market Surveys – The Council of Insurance Agents & Brokers \(ciab.com\)](https://www.ciab.com/P/C%20Market%20Surveys)
- Zywave 2021 P&C Market Outlook
https://hubinternational4-my.sharepoint.com/:b:/g/personal/scott_konrad_hubinternational_com/EeNJgtQuY49KmOw-c-qTTTUBbW0cQK3XtMdl0TQ4ZJoQEw?e=N4aeUN
- Nonprofit Risk Management Center
<https://nonprofitrisk.org/>
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