

LIABILITY INSURANCE UPDATE

*Provided by
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Broker Issues

- ❖ Eliot Sptizer
- ❖ Bid Rigging
- ❖ Tying
- ❖ Business Models
- ❖ Contingency Vs. Placement Service Agreements
- ❖ Impact of the Insurance Industry
 - Income Transparency
 - Internal Changes for Some
 - Significant Personnel Moves Within the Top 3 U.S. Brokers

INSURANCE MARKETPLACE

Property

- ❖ Continued Softening
- ❖ Increased Wind & Flood Deductibles
- ❖ More Competition
- ❖ Ample Capacity

General Liability

- ❖ Rates Flat to Down for Good Risks
- ❖ Continued Emphasis on Loss Prevention
- ❖ A Few More Players
- ❖ Zurich, Wausau, Fireman's Fund – Still the major National Carriers
- ❖ Some Excellent Regional and Niche Carriers
- ❖ Large Claims
 - Assaults
 - Drownings
 - Slips and Falls

Automobile

- ❖ Still a Loss Leader but Close to Breaking Even
- ❖ Driver Control Critical
- ❖ Potential Area for Punitive Damages

Umbrella

- ❖ General Softening
- ❖ More Carriers
- ❖ Several “High Limit” Programs
- ❖ A lot of Capacity

Workers’ Compensation

- ❖ Toughest Insurance Line
- ❖ Very State Specific
- ❖ Individual Client Experience Driven
- ❖ Financials Very Important for Loss Sensitive Programs
- ❖ California Slowly Improving
- ❖ Loss Prevention Critical to Controlling Premium Costs
- ❖ Medical Costs now 50%+ of Hospitality Workers’ Compensation Claims Cost

The Bests Risks Have the Lowest Insurance Costs