

PROPERTY INSURANCE SOLUTIONS



Saturday, October 21, 2023



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Executive Vice-President

Agenda

- 1 | About HUB
- 2 | Problem
- 3 | Solutions
- 4 | Q & A
- 5 | Evaluation

We're HUB International

With HUB, you have peace of mind that what matters most to you will be protected — through competitive rates and comprehensive benefits that put you in control.

5th

largest insurance broker in the world

7th

largest employee benefits broker
in North America

2M+

clients around the globe

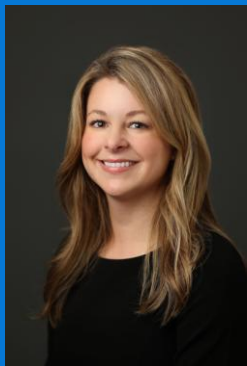
530+

offices across North America

15,000+

employees throughout North America





Aimee Johnson
Marketing



Gidget Tarver
New Business Coordinator
Senior Account Executive



Bryce Lineker
Vice-President



Amy Martin
Senior Account Executive



Kristen Cook
Associate Account Executive



Brandy Walley
Account Executive



Rana Caldwell
Account Manager

* Not Pictured
Tyler Pitts – Submissions

Anna Stonicher – Marketing

Sherry Hill – Account
Manager

Shannon Hough - CSR



The Problem

Soft Market

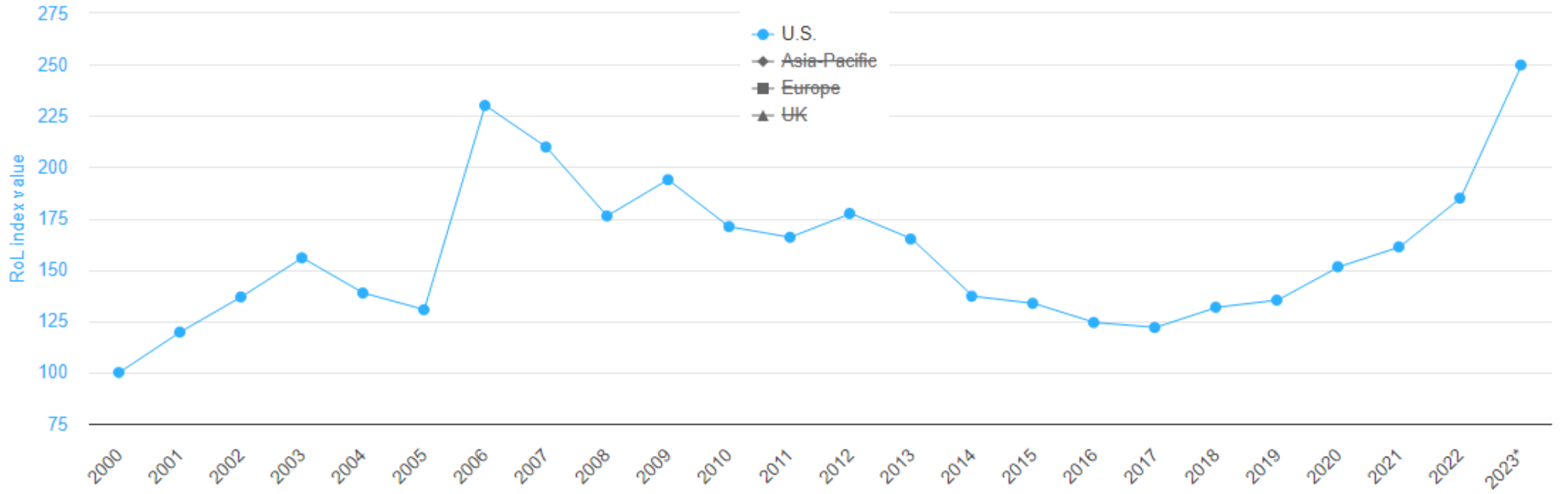
Losses

Capacity

Inflation

Legal

Regional Property Catastrophe Rate-On-Line Index



Source: Data from Guy Carpenter, presented by Artemis.bm

Soft Market

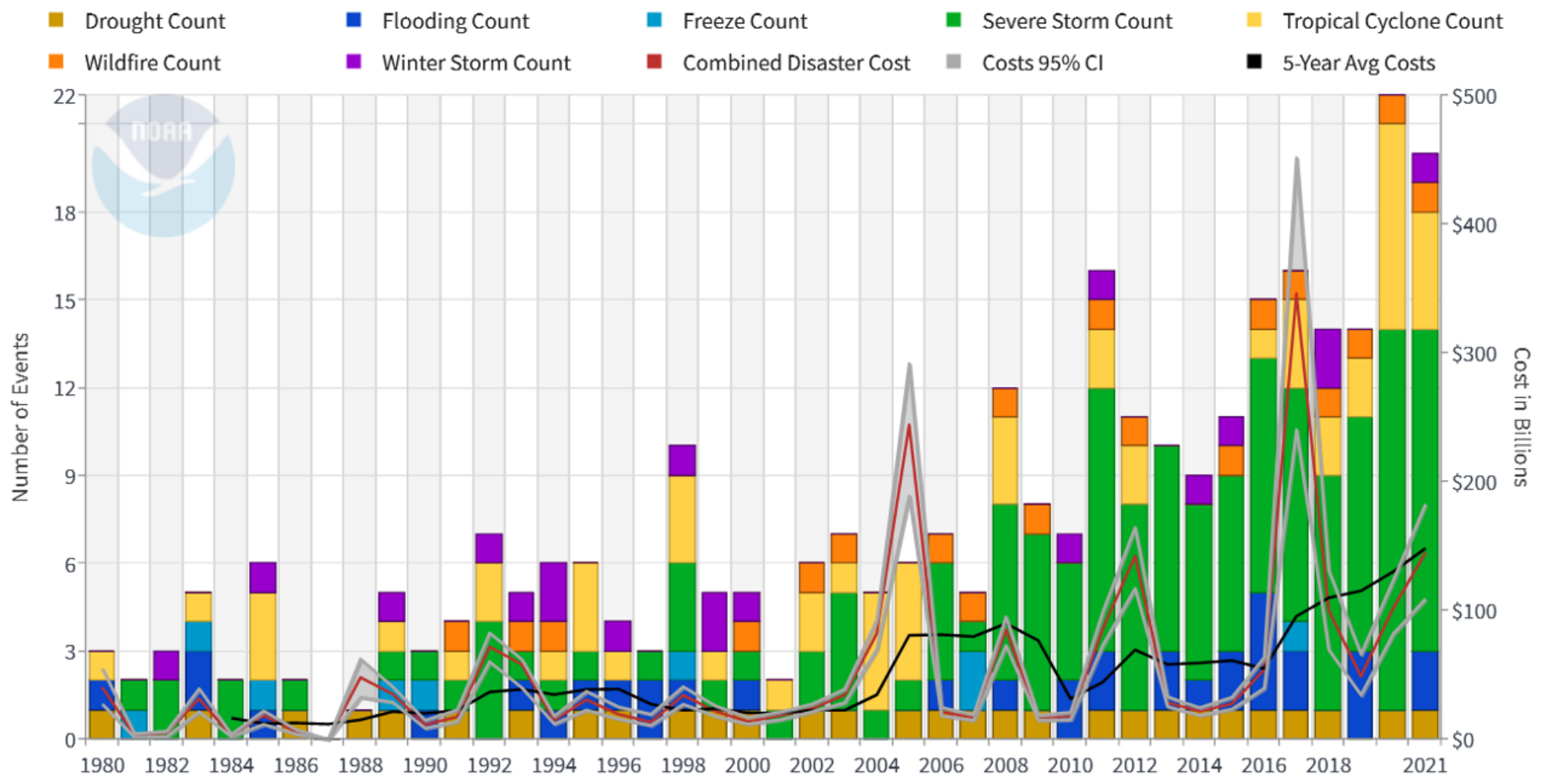
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United States Billion-Dollar Disaster Events 1980-2021 (CPI-Adjusted)



Soft Market

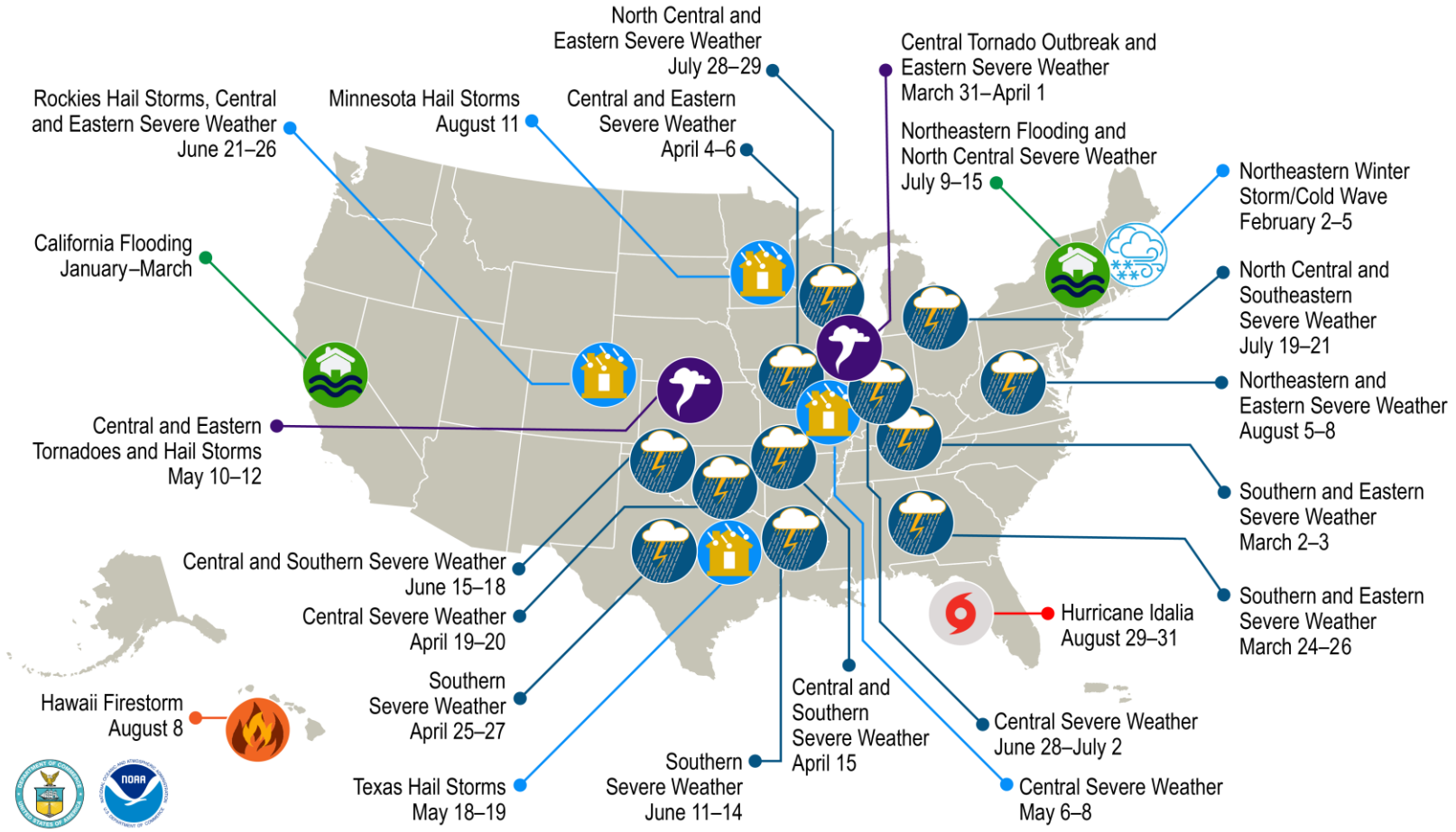
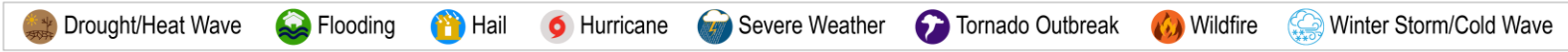
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U.S. 2023 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 23 separate billion-dollar weather and climate disasters that impacted the United States through August 2023.

- 2022 – 18 Events
- 2021 – 20 Events
- 2020 – 22 Events
- 2019 – 14 Events
- 2018 – 14 Events
- 2017 – 16 Events
- 2016 - 15 Events
- 2015 – 10 Events
- 2014 – 8 Events
- 2013 – 7 Events

Soft Market

Losses

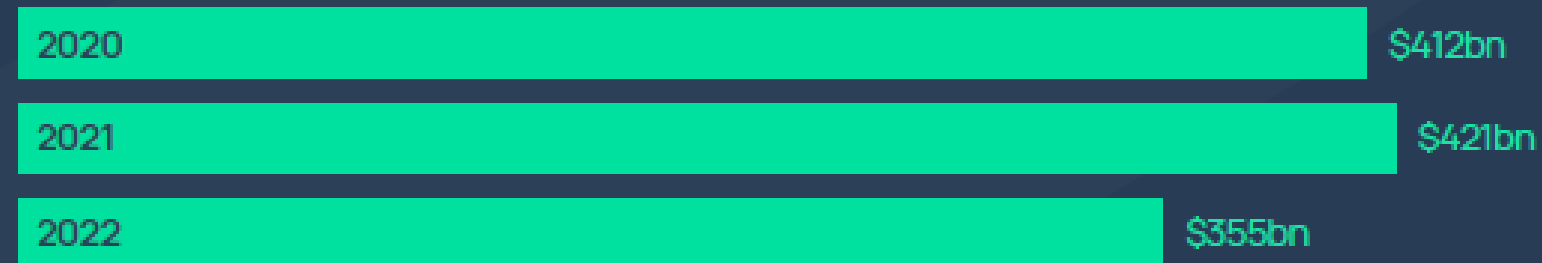
Capacity

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Legal

Biggest reinsurance capital squeeze since 2008

\$66bn of capital erosion
at YE22 vs YE21



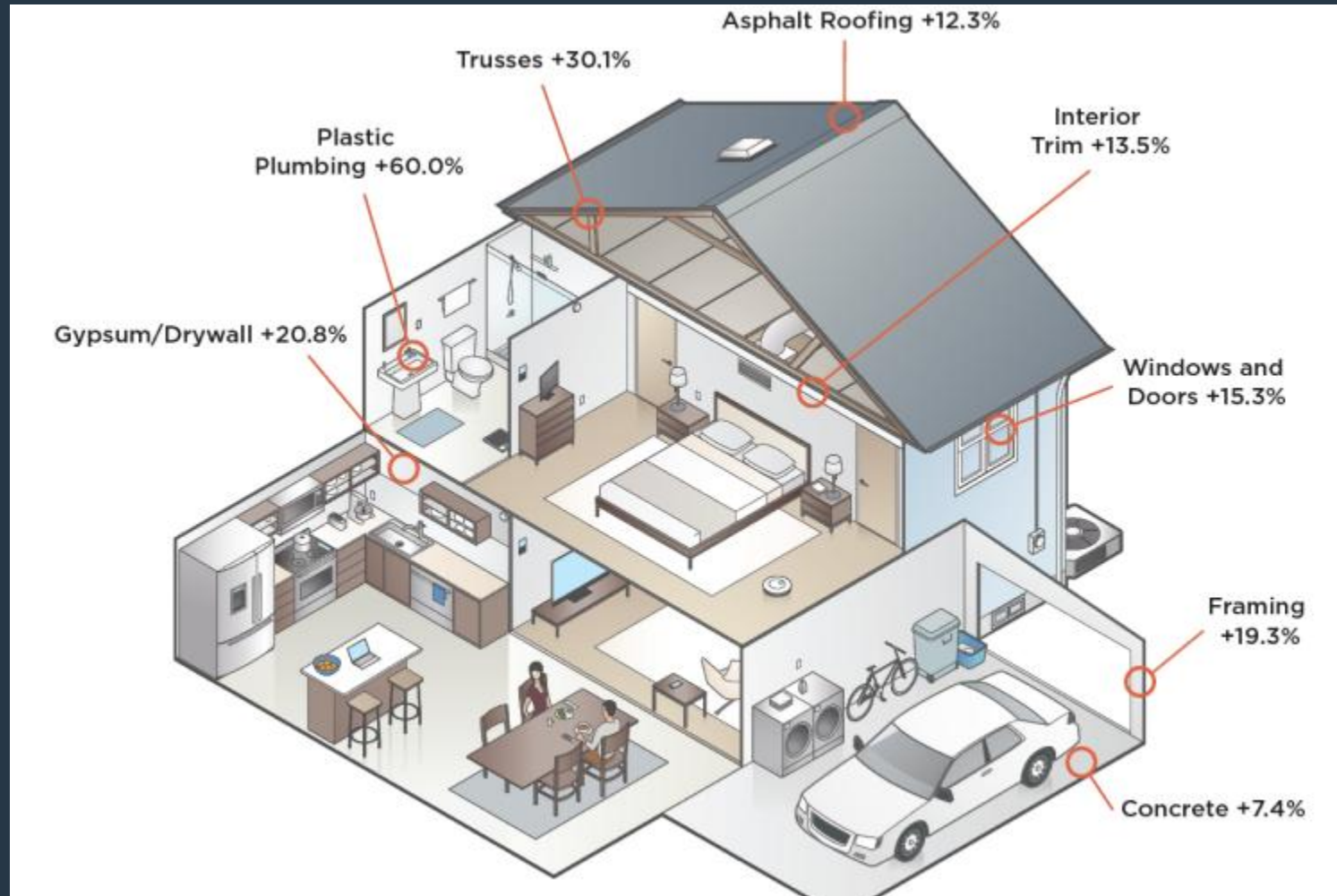
Soft Market

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Soft Market

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US PROPERTY INSURANCE REVIEW

Figure 5: Carrier Reporting to The Florida Office of Insurance Regulation (OIR)

Hurricane Ian & Irma, Carrier reporting to the Florida OIR, seen at www.floir.com	IRMA, DOE Sept 10 & 11, 2017. Data of Jan 5, 2018, DOE plus 17 weeks	IRMA, DOE Sept 10 & 11, 2017. Data of Nov 2020, considered 'final'	IAN, DOE Sept 28-30, 2022. Data of Jan 20, 2023, DOE plus 16 weeks
Number of Claims Reported	877,843	1,125,588	683,456
Loss Estimate by Florida OIR	\$7,206,877,805	\$20,674,792,954	\$12,927,978,952
Average Claim	\$8,210	\$18,368	\$18,916

Source: Florida Office of Insurance Regulation; [Irma](#);

Source: Florida Office of Insurance Regulation; [Ian](#)

Soft Market

Losses

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The Florida Office of Insurance regulation reports that Florida accounts for only 9% of the nation's homeowners claims but 79% of homeowners insurance lawsuits. Over a 10-year period 71% of the \$51 billion paid by Florida insurers went to attorneys' fees and public adjusters

Soft Market

Losses

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Florida Legislature

HB 837 – Tort Reform Package

- Clarified Bad Faith
- Modified comparative negligence
- Modified one-way attorney's fees

SB 7052 – Insurer Accountability

- 90-Day post hurricane repair clause
- Citizens to insurer properties with open claims

HB 799 – Wind / Flood Requirement Clarification

- Insurer that requires flood coverage when placing the wind must verify that flood is placed.

Soft Market

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A satellite image of a large hurricane or tropical storm over the ocean. The storm has a distinct eye and is surrounded by dense, swirling cloud bands. The surrounding ocean is dark blue, and some landmasses are visible in the upper left and right corners.

Solutions

Submission

Access Point

Pre Loss

Transparency

Claims
Advocate

Standing out in the Crowd

- Accurate Data – SOV Fixer
- Dedicated Submission Team
- Valuation Conversation
- Reputation in the Market



Submission

Access Point

Pre Loss

Transparency

Claims
Advocate



Submission

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Claims Advocate

Pending

Market	Response
Avondale	
AXA XL	
Curotech	
MunichRe	Limited to a quota share participation; not able to improve upon quoted options
RiskSmith	Limited to a quota share participation; not able to improve upon quoted options
RLI	
SRU	Limited to a quota share participation; not able to improve upon quoted options
Starr	
SwissRe	
Ventus	
Westchester	Limited to a quota share participation; not able to improve upon quoted options

Indicated/Quoted

Market	Response
Aspen	Quoted \$2.5M po 10x10 @ \$200k layer (\$50k min premium) + tax; replaced by James River
Intact	Quoted TIV x/s \$20M for \$72.5k; excluding all wind (cannot include all other wind); no interest in attaching x/s of \$10M
James River	Using FAC support quoted the full 10x10 for \$90k layer; replaces Sompo, Aspen, and Markel
Markel	Quoted \$2.5M part of 10x10 @ \$200k layer (\$50k MP); replaced by James River
RSUI	Quoted TIV x/s \$10M, all risk excluding EQ, Flood, Surge, and Named Storm for \$100k (min premium)
Sompo	Quoted 5 po 10x10 @ \$200k layer (\$50k her share); replaced by James River
Velocity	Quoted \$10M Primary (down from full limits); \$190k premium; see quote for full details

Declined

Market	Response
AMGR	Multiples of target for the primary just to get to syndicate minimums; for a 5x5 indicated more than \$350k+
Allied World	Account is too small for uw appetite
Arch	Account is routed to Ventus since TIV is below \$75M
Arrowhead	Declined; Airports are an excluded class of business
Ascot	Cargo/IM market; account not a fit
Axis	Indicated layer premium is \$250K LP for a 10% line in the 10x10 5x5 would start at \$100k (MP); not an indication / just a starting point;
Beazley	Indicated 5 po 10x10 @ \$300k layer or \$2.5M part of 10x10 @ \$400k layer; not competitive compared to other carriers quoted in the 10x10 layer
Berkshire	TIV is too small for market to be competitive
C&F	Account not a good fit; looking for TIV's closer to \$250M range.
C.N.A.	Will struggle with Tier 1 location (not much appetite); limited to quota share & \$50k MP
Canopus	TIV is too small for market to be competitive
Catalytic	Declined; class of business
Coaction	Uw indicated account did not model well
Core	Limited to quota share (smaller line of \$2.5M +/-) and \$50k MP

Submission

Access Point

Pre Loss

Transparency

Claims Advocate



Submission | Access Point | **Pre Loss** | Transparency | Service



Submission

Access Point

Pre Loss

Transparency

**Claims
Advocate**

Questions?

Evaluation

- Was this presentation beneficial – did you learn something today?
- Is your association benefiting from these strategies now?
 - Access Points to the marketplace
 - Top of the pile submission quality
 - Pre-Assigned Adjuster – Pre-Loss Contractors
 - Understanding of what is driving the market
 - Transparency on their work and process

Do you continue with the same approach and hope for
better results

or

Do you take action to change the outcome?

Thank you.