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CEO
Adam Potter

PUBLISHER
Keith Kenner
(Chicago)
kkenner@businessinsurance.com

EDITOR
Gavin Souter
(Chicago)
gsouter@businessinsurance.com

DEPUTY EDITOR
Gloria Gonzalez
(Washington)
ggonzalez@businessinsurance.com

SENIOR REPORTER
Judy Greenwald
(San Jose)
jgreenwald@businessinsurance.com

REPORTER
Louise Esola
(New Orleans)
lesola@businessinsurance.com

REPORTER
Matthew Lerner
(New York)
mlerner@businessinsurance.com

COPY CHIEF
Katherine Downing
(Chicago)
kdowning@businessinsurance.com

COPY EDITOR
Brian Gaynor
(Portland)
bgaynor@businessinsurance.com

ART DIRECTOR
Jeremy Werling
(Cincinnati)
jwerling@businessinsurance.com

**DIRECTOR OF RESEARCH,
PLANNING AND INSIGHTS**
Andy Toh
(Chicago)
atoh@businessinsurance.com

**MAJOR ACCOUNTS DIRECTOR -
NORTHEASTERN U.S. & INTERNATIONAL**
Ron Kolgraf
(Boston)
rkolgraf@businessinsurance.com

**HEAD OF SALES - EVENTS &
WORKERS COMPENSATION MAGAZINE**
Jeremy Campbell
(Cincinnati)
jcampbell@businessinsurance.com

DIGITAL AD OPERATIONS MANAGER
Arielle Bassett
(Chicago)
abassett@businessinsurance.com

DIGITAL MARKETING MANAGER
Jen Jonasson
(Chicago)
jjonasson@businessinsurance.com

VICE PRESIDENT OF MARKETING
Brian McGann
(Buffalo)
bmcgann@businessinsurance.com

DIRECTOR OF MARKETING & EVENTS
Katie Kett
(Portland)
kkett@businessinsurance.com

MARKETING & EVENTS MANAGER
Brittany Collins
(Lafayette)
bcollins@businessinsurance.com

REPRINT SALES MANAGER
Marie LaFerrara
(New York)
mlaferrara@businessinsurance.com

SUBSCRIPTIONS & SINGLE COPY SALES
membership@businessinsurance.com
954-449-0736

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DATA & RANKINGS

This special digital issue of *Business Insurance*, provides highlights from proprietary research released over the past year and other rankings. Included are broker, captives, surplus lines and third-party administrator rankings, as well as rankings on specialty segments such as cyber risk and medical malpractice insurers. **PAGE 14**

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BRONEK MASOJADA

Bronek Masojada joined Hiscox Ltd. in 1993 as group managing director and became chief executive officer in 2000. He also served as a deputy chairman of Lloyd's of London from 2001 to 2007 and was chairman of the Lloyd's Tercentenary Research Foundation from 2008 to 2014. Mr. Masojada recently discussed the market, mergers, technology and other topics. **PAGE 13**



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US keeps up pursuit of firms offering bribes

BY JUDY GREENWALD

jgreenwald@businessinsurance.com

Despite some expectations to the contrary, policyholders are generally finding little change in the Trump administration's pursuit of potential violators of the Foreign Corrupt Practices Act, the federal law that prohibits bribing foreign government officials.

In a 2012 interview, President Trump had described the FCPA as a "horrible law" that "puts us at a huge disadvantage." But the U.S. Department of Justice and the Securities and Exchange Commission, which jointly enforce the law, continue to actively pursue FCPA cases, experts say.

The administration's motivations in continuing past administrations' policies include maintaining a level playing field for U.S. companies, keeping pace with foreign regulators' own enforcement activities and the revenue FCPA fines can generate, according to experts.

One development that may affect FCPA cases is an adjustment to the Justice Department's focus on pursuing individuals in civil and corporate enforcement issues, experts say.

"It's hard to say that there's a particular Trump administration FCPA policy that's somehow markedly different from prior administrations' policies," said Mark Mendelsohn, a partner with Paul, Weiss, Rifkind, Wharton & Garrison LLP in Washington. "Enforcement of the FCPA remains overall a high priority of the DOJ."

Machua Millett, Boston-based chief innovation officer for Marsh LLC's FINPRO unit, said, "Overall, the general interest in enforcing the FCPA remains very strong." There is a desire to try "to maintain a level playing field for companies' competitiveness in jurisdictions where bribery might be considered more common."

The FCPA has generated billions of dollars in revenue for the U.S., much of it from foreign countries, said M. Scott Peeler, New York-based head of Arent Fox LLP's government enforcement group and white-collar co-practice leader.

Another factor is "many other countries



have increased their level of enforcement internationally," which has created an "institutional inertia" from a global perspective, said Jared E. Dwyer, a shareholder with Greenberg Traurig LLP in Miami. Countries with which the United States has been cooperating in bribery cases include France, Brazil, Germany, Spain and the United Kingdom, he said.

U.S. regulators "are putting a lot of energy" into building and strengthening relationships with foreign regulators in corruption cases, Mr. Mendelsohn said.

The U.S.'s remission of some of the money collected to foreign governments "has been a powerful incentive to cooperate

with the U.S.," Mr. Peeler said.

"It's really hard to put yourself in the position that you're trying to combat terrorism, prohibit bribes and corruption," and be critical of the FCPA, said Shawn M. Wright, a partner with Blank Rome LLP in Washington.

Meanwhile, Deputy Attorney General Rod J. Rosenstein announced an adjustment of the department's policy with respect to individuals in a Nov. 29 speech before the American Conference Institute's 35th International Conference on the FCPA in Oxon Hill, Maryland.

In her 2015 memo, then-Deputy Attorney General Sally Quillian Yates had

stressed individual responsibility in corporate wrongdoing.

Mr. Rosenstein said while the department will continue to pursue individuals responsible for wrongdoing, it is no longer necessary to identify every employee who played a role in the alleged misconduct to receive cooperation credit. "We want to focus on the individuals who play significant roles in setting a company on a course of criminal misconduct," he said. The change affects False Claims Act as well as FCPA cases.

There "has been a debate now for years in the FCPA legal and compliance space about the value of cooperation and when should a company cooperate and when should it resolve things itself," Mr. Millett said. The Rosenstein speech sends "the right message to encourage companies to do appropriate compliance and investigations," he said.

The idea is to encourage self-disclosure by companies, without requiring them to "chase down every rabbit hole," said Anthony J. Phillips, a principal with McKool Smith P.C. in Houston.

However, "We're going to have to ferret out what 'substantial' individuals really means," said Ms. Wright.

"It remains to be seen whether that, in practice, is much of a change or not," said Laura N. Perkins, a partner with Hughes Hubbard & Reed LLP in Washington and former assistant chief of the FCPA unit of the DOJ's criminal division's fraud section.

Best practices to avoid FCPA claims include having written policies and procedures, designating a corporate official who is held responsible for compliance, training employees and establishing whistleblower hotlines, said Daniel B. Pickard, a partner with Wiley Rein L.L.P. in New York.

At least 80% of FCPA-related claims are somehow tied to third parties or joint venture partners, experts say.

In working with third parties, firms must employ effective due diligence, said Kevin T. Abikoff, a partner with Hughes Hubbard. "There has to be a clear understanding of what the person or entity is going to be doing for you," he said.

RESOLVED FCPA ENFORCEMENT ACTIONS — 2006-2018*



*To date; updated 11/1/18. These statistics count each distinct resolution with a company and its affiliates as separate enforcement actions. They also include certain FCPA-related settlements and SEC default judgments, but do not include "declinations with disgorgements." Source: Miller & Chevalier Chtd.

D&O POLICIES COVER FCPA CLAIMS BUT WORDINGS VARY

Coverage for Foreign Corrupt Practices Act claims is generally available under directors and officers liability policies. But while specialized FCPA coverage is available, it has not been widely taken up, largely because of its expense, experts say.

Adrian C. Azer, counsel with Haynes and Boone LLP in Washington, said, "The insurance industry generally has been

easing requirements for language in those policies to allow for broader coverage."

Rob Yellen, New York-based executive vice president of Willis Towers Watson PLC's FINEX North America practice, said, "We definitely have carriers offering broader investigation options generally than before, so the wordings do seem to have been getting better in terms of what they offer."

D&O policies are written on varied forms, so differences exist, including in the definitions of claim and loss and whether "there are specific endorsements or exclusions relating to various types of enforcement actions," said William G. Passannante, a shareholder with Anderson Kill P.C. in New York. For instance, loss definitions can have numerous exceptions,

such as for penalties or restitutions, which can become an issue, said Joseph M. Saka, of counsel at law firm Lowenstein Sandler LLP in Washington. Litigation between insurers and policyholders is "not a high-occurrence event," though, said Kenneth H. Frenchman, a principal with McKool Smith P.C. in New York.

Judy Greenwald

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Huge costs seen in climate inaction

BY GLORIA GONZALEZ

ggonzalez@businessinsurance.com

Risk managers and insurers should work to mitigate climate exposures, particularly if action by companies and governments fails to stop the potential dire economic consequences of climate change described in a recent report issued by the federal government, experts say.

Catastrophes such as the deadly California wildfires in 2017 and 2018 will continue to occur and become more expensive for the U.S. economy, raising questions about the insurability of property and other assets in exposed regions.

The 2015 Paris climate agreement outlined a 2-degree Celsius upper limit on global warming above preindustrial levels, with a preferred target limit of 1.5 degrees set out by the United Nations International Panel on Climate Change. But without more significant global greenhouse gas mitigation and regional adaptation efforts, climate change is expected to cause substantial losses to infrastructure and property and impede the rate of economic growth in the United States over this century, according to the Fourth National Climate Assessment released on Nov. 23 by the U.S. Global Change Research Program.

The key lesson for risk managers from the assessment is “that climate change is happening, regardless of how you feel about the political end of it,” said Mark Humphreys, vice president of litigation and risk management for real estate developer Watt Cos. in Santa Monica, California, and vice chair of the Risk & Insurance Management Society Inc.’s external affairs committee. “But it is our job as risk managers to make sure our stakeholders are aware of the areas where climate change affects our respective businesses.”

Labor could be significantly affected by climate change — due to, for example, an increased likelihood of heat exhaustion or respiratory conditions — with annual economic losses projected to reach \$155 billion by 2090, while extreme temperature mortality could cost \$141 billion per year by 2090, according to the assessment.

CLIMATE COSTS

Climate change is projected to result in substantial damage to the U.S. economy, human health and the environment without more significant global mitigation efforts, according to a U.S. government report released in November. Annual losses in some sectors are estimate to grow to hundreds of billions of dollars by the end of the century, but many climate change effects and associated economic damages in the United States can be substantially reduced through global-scale reductions in greenhouse gas emissions, the report said.



Segment	Annual economic damages by 2090 amid continued rise in GHG emissions	Percent of damages avoided if emissions peak around 2040
Labor	\$155 billion	48%
Extreme temperature mortality	\$141 billion	58%
Coastal property	\$118 billion	22%
Inland flooding	\$8 billion	47%

Source: Fourth National Climate Assessment, the U.S. Global Change Research Program



REUTERS

The Woolsey Fire in southern California in November will cost insurers at least \$2.5 billion.

“That starts to bring to mind losses related to workers compensation — people working in very hot conditions that are ultimately dangerous to human health,” said Cynthia McHale, senior director of insurance for Boston-based investor coalition and sustainability advocacy group Ceres.

Natural catastrophes will continue to worsen and intensify as seen this year and last year with the California wildfires and the 2017 hurricanes, experts say.

“From an insurability standpoint, it’s so much more widespread that the financial dollars are kind of staggering,” said Mike Vitulli, director of risk management services for RSC Insurance Brokerage Inc., which does business as Risk Strategies in Boston.

“The property markets have been aware of this for a long time, and the concern about fires has been a big deal,” Mr. Humphreys said. “I don’t know how much the carriers have yet tied it to climate change. This report will go a long way, and I think we’re going to be seeing a lot more of it in the coming year or two.”

The changing climate has serious implications for supply chains, with the assessment highlighting the effect of the 2011 floods in Thailand, which created a shortage of com-

puter hard drives and led to \$199 million in losses for San Jose, California-based Western Digital Corp., noted Joel B. Smith, principal for research and consulting firm Abt Associates Inc. based in Boulder, Colorado, and chapter lead for the assessment’s climate effects on U.S. international interests section.

“There are a lot of significant challenges for business and particularly for insurance,” he said. “Take it seriously.”

“For sure, we will run into 2 degrees if we don’t up our game,” said Thomas Liesch, climate integration manager for Allianz SE in Munich. “Insurers can provide risk mitigation and risk transfer solutions for that, which is a very good role to play. We can also start shifting the trillions (of dollars), meaning shifting our investment assets into sectors and companies which contribute positively to decarbonization.”

Insurers can help risk managers mitigate climate risks in many ways, including by using risk mapping and modeling tools in risk assessment, said Nigel Brook, a London-based partner with Clyde & Co LLP.

“I think what (the assessment is) going to do is force insureds to think hard about doing preloss mitigation,” said Brian Dove, USI Insurance Services LLC’s national real estate practice leader in Dallas. “These events are occurring. We can’t stop them.”

“Insurance companies are going to have to impose that on their clients because reinsurers can only do so much, and the reinsurers are getting hit really hard from all these losses,” he added. But the soft market may limit insurers’ ability to force policyholders to engage in risk mitigation techniques, Mr. Dove said.

Insurers could insert exclusions in policies for certain aspects of weather disasters or for certain regions of the country, Mr. Vitulli said.

There will always be an insurance solution, but the question is: “Will it be affordable?” Mr. Humphreys said.

CLIMATE LIABILITY EXPOSURES MAY PLAGUE INSURERS

Insurers may find themselves on the hook for rising litigation costs as environmental activists and others sue companies over their alleged contributions to climate change.

In 2015, the Bank of England identified three primary risk factors in which climate change is likely to hit the insurance sector: physical, transitional and liability risks.

“The liability dimension here is huge,” said Cynthia McHale, senior director of insurance for Boston-based investor coalition and sustainability advocacy group Ceres. “It’s a very, very real financial threat to insurance companies and to the industry.”

A report released by Clyde & Co LLP in December notes there are a broad range of new types of liability exposures as well as novel litigation tactics being deployed by activists to force change and by cities and others to recover the costs of climate-related damage and resilience measures.

To date, many of the proceedings have failed to overcome legal hurdles, but that could be about to change, the report stated. For example, earlier this year a federal court denied a motion to dismiss the 2016 securities class action lawsuit *Ramirez v. Exxon Mobil Corp.*, which alleges the Irving, Texas-based oil and gas company hid and misrepresented the potential costs of climate change. The ruling suggests that the “long-anticipated specter of a rise in climate-related (directors and officers) claims could at last be about to materialize,” Clyde & Co said in its report.

The National Climate Assessment and other reports are “fleshing out the foreseeable loss” and providing information that will likely underpin future litigation, said Nigel Brook, a London-based partner with Clyde & Co. “You still have to prove causation ... but this is a vital part of that picture: that if you put that carbon dioxide out there, this is one of the consequences.”

Gloria Gonzalez

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Soft market keeps lid on state opt-out efforts

BY LOUISE ESOLA

lesola@businessinsurance.com

The movement to make carrying workers compensation optional for employers in some states stalled in 2018 with no state introducing legislation, and the upcoming year won't produce much change as insurance rates continue to drop — in some states by digits — for 2019, experts say.

In addition to soft market conditions, other factors caused the trend to die down: the failure to pass “opt-out” legislation in four states — Tennessee, South Carolina, Florida and Arkansas — since 2015; and an Oklahoma Supreme Court ruling in September 2016 that determined the state's opt-out law to be unconstitutional, according to experts.

But opt-out will not go away for good, experts say.

“Opt-out, or ‘the option’ as it is formally called, continues to have many supporters,” said Eric Silverstein, Dallas-based national casualty and new business development leader who heads up the nonsubscription practice for Willis Towers Watson PLC.

“It's just not a priority right now,” he said. “If the market changes, I would anticipate legislation.”

Meanwhile, proponents are “reorganizing and rethinking their strategy,” said Trey Gillespie, Austin, Texas-based assistant vice president of workers compensation with the Property Casualty Insurers Association of America, which historically has opposed opt-out legislation.

The Oklahoma Supreme Court decision concerned a case where a department store employee was denied treatment for a 2014 injury that was said to have aggravated a pre-existing spinal injury, according to documents in *Jonnie Yvonne Vasquez v. Dillard's Inc.*

Ultimately, the majority of judges in the state Supreme Court ruled that the Oklahoma Employee Injury Benefit Act, enacted in 2014, allowed employers to provide “impermissible, unequal, and



OPTING OUT IN TEXAS

- ★ The number of Texas employers who do not carry workers compensation insurance for their employees **increased 6 percentage points** between 2016 and 2018, with 28% of employers not carrying coverage in 2018 compared with 22% in 2016.
- ★ Of those who opted out, **19%** cited premiums that were too high as the reason.
- ★ **Twenty-four percent** opted out because they had too few employees, and the same amount said they had too few injuries.

Source: Texas Department of Insurance's Division of Workers' Compensation, 2018 biennial survey report

disparate treatment of a select group of injured workers” compared with standard comp policies, thus affirming the Oklahoma Workers' Compensation Commission ruling that found the law was unconstitutional because it denied equal protection to injured workers and denied injured workers their right to court processes, according to court records.

That case “put a lot of transparency in these programs, and that is they do not provide the same level of benefits and protections as the workers comp systems,” Mr. Gillespie said.

Jeff Pettegrew, Fallbrook, California-based chief policy officer for the Asso-

ciation for Responsible Alternatives to Workers' Compensation, acknowledged that the situation in Oklahoma wasn't good for proponents but called that state's defunct program “poorly designed.”

“(Opt-out) flatlined for a while because of the setback in Oklahoma, but I think we will see a resurgence,” said Brian Allen, Salt Lake City-based vice president of government affairs for Mitchell International Inc., a provider of comp administrative services. “I think you will see some focus in Texas initially.”

Texas, the only state that currently gives employers the choice of subscribing to the workers comp system, will likely see improvements to its “injury benefit program” for employers who choose that over workers comp insurance, said Mr. Pettegrew, a well-known insurance industry executive and risk manager who was hired in September to help lead ARAWC.

Also brought in to work for the Dallas-based nonprofit as a consultant was Ryan Brennan, who served as the Texas insurance commissioner under two gubernatorial administrations.

Both were hired by ARAWC to “promote and protect the Texas nonsubscription program,” said Mr. Pettegrew, adding

that continual improvement in Texas is the focus for 2019.

“We are not pushing out to other states,” said Mr. Pettegrew. “If we do a really good job of creating an achievable standard that produces excellent outcomes, if (opt-out) goes to other states there will be a model (in Texas) for them ... What's good for Texas would be good for other states.”

What remains attractive to some employers who opt out of carrying comp insurance is less red tape, according to Bill Minick, chairman of Dallas-based PartnerSource, a consulting unit of Arthur J. Gallagher Risk Management Services Inc. that develops nonsubscription programs.

“Two of the biggest concerns that have been expressed of workers compensation has been the adequacy of the benefits and system complexity,” said Mr. Minick, adding that employers' ability to apply “best practices to better medical outcomes allows you to pay better benefits.”

New federal guidelines under the Employee Retirement Income Security Act of 1974 applied to the Texas nonsubscriber program this year have “recognized that nonsubscription is a viable option,” Mr. Silverstein added. The new rules apply to conflicts of interest and denials for those who provide injury benefits as opposed to comp, he said.

“They cleaned up the playing field and made it a better environment to support nonsubscription in the future,” said Mr. Silverstein. “If you don't have any rule, you will have bad actors that give nonsubscription a bad name and threaten the sustainability over time.”

Proponents' focus on Texas is a valid strategy, Mr. Allen said.

“I think it's fair to say that in Texas the satisfaction of employees who are injured in the opt-out companies seems to be pretty high; we just don't hear a lot of noise from them ... (Companies) are not seeing a lot of litigation because they are taking care of injured workers. There must be something working for them,” Mr. Allen said.

‘MASSIVE’ COST-SHIFTING FROM EMPLOYERS A MAJOR CONCERN WITH OPT-OUT

In 2016, the Property Casualty Insurers Association of America released a paper analyzing the systems in place in the two states that permitted opt-out at the time — Texas and Oklahoma — and what that would mean for states with legislatures considering bills at the time.

One concern for the Washington-based group was cost-shifting from employers responsible to workers for their injuries, which can cause a loss of

income and medical expenses, to other sources — such as public programs — not responsible for the injury.

“By allowing employers to leave the state workers compensation system, opt-out systems dramatically reduce costs for opt-out employers and promote massive cost-shifting for work-related injuries from corporate employers to their workers and families, private payers and taxpayers,” the paper stated.

The paper stated that “PCI research has failed to identify any Texas plan that provides ‘lifetime’ medical benefits” and that, based on its analysis, “the annual cost-shifting of medical expenses resulting from the Texas opt-out workers compensation system is a minimum of nearly \$400 million; the actual amount is more likely to exceed \$600 million due to additional considerations.”

PCI has not written any position

statements since but believes the concerns remain, according to Trey Gillespie, the organization's Austin, Texas-based assistant vice president of workers compensation.

“PCI is not opposed to an alternative mechanism for taking care of injuries on the job,” but “we feel like it has to meet basic principles to basically protect the employer, the employee and the public,” he said.

Louise Esola

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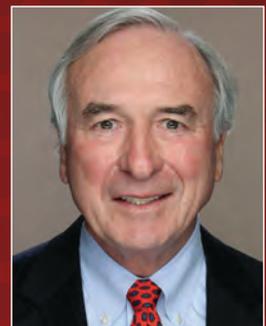
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Back injury care options scrutinized

BY LOUISE ESOLA

lesola@businessinsurance.com

Back injuries — one of the most common injuries in workers compensation — are getting a treatment do-over as doctors, payers and other experts urge injured workers to wait on surgery and opt for conservative care first.

Ohio — a monopoly workers comp state — has gone even further by instituting a rule that mandates a set time period for conservative care before surgery becomes an option. While early referral results point to potentially positive outcomes in terms of the number of back surgery procedures performed in the state, the possible dangers of delaying surgical treatments remain uncertain, experts say.

“The physicians and surgeons are realizing that just because someone has back pain, surgery is not the answer,” said Andrea Buhl, Jersey City, New Jersey-based senior vice president of clinically integrated medical programs for Sedgwick Claims Management Services Inc. “More and more, physicians are looking at the big picture. Surgery could make it worse.”

The Burr Ridge, Illinois-based North American Spine Society calls back pain second among the most common reasons for visiting a doctor, after the common cold. In workers compensation, experts say back injuries can be found across all lines of work, from manufacturing and heavy lifting to sit-all-day clerical jobs.



THE COSTS OF A BAD BACK

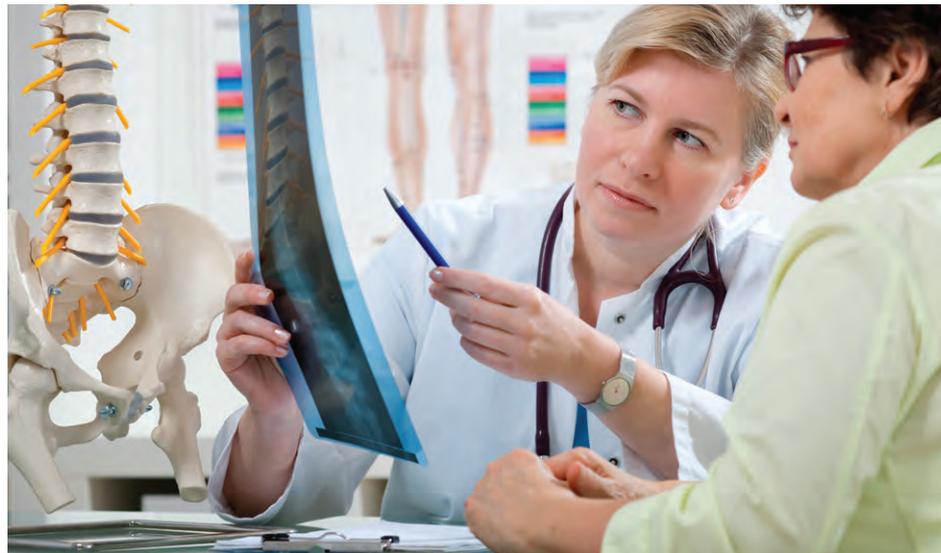
- A mean of **32%** of injured workers — across 18 study states — with spinal disc conditions who have more than seven days lost time are prescribed surgery to correct their conditions
- **\$39,789** is spent on average for inpatient back surgery
- **\$16,624** is spent on average for outpatient back surgery

Source: Workers Compensation Research Institute, 2017

Researchers with the Cambridge, Massachusetts-based Workers Compensation Research Institute estimate that back injuries are present in roughly one-fifth of all claims.

While the source of pain can be an acute injury, such as one that occurs while lifting a heavy object, experts say most injuries are degenerative in nature.

Traditionally, it is invasive diagnostics that are at the heart of the number of workers comp claims with back pain or injury — almost anyone over the age of 40 will have some degeneration of the spine, according to Mike Farrand, Radnor, Pennsylvania-based



senior principal in the integrated casualty consulting practice with Willis Towers Watson PLC.

“The philosophy has been on the imaging piece... there are studies that show a lot of people have herniation in backs,” he said. “To get those diagnostics early on, it becomes the focus of the claim.”

“Back surgery in general can be very complicated and it’s hard to pinpoint diagnostically where the pain is coming from,” said Ms. Buhl. “And people manifest pain in different ways... the diagnostic tools are not 100% effective.”

“While (lumbar) fusion surgeries can be successful, many are not,” Evelina Radeva, a Cambridge, Massachusetts-based policy analyst with WCRI, said during a webinar in November on the status of inpatient care for such complicated surgeries. WCRI research found that 10 of the 18 states it studied saw decreases of up to 9.3% between 2013 and 2017 of injured workers who underwent surgery to correct back disc problems.

“The benefits of back surgery are highly contested,” she added.

Conservative care has different meanings for different doctors and payers, and treatment can run the gamut, from limiting imaging and diagnostics at the onset of the claim, to physical therapy, cold therapy, rest, acupuncture and more.

“Spine specialists in general have been urging a more conservative approach first to see if we can get patients better without surgery,” said Dr. Terrence Welsh, Columbus, Ohio-based chief medical officer for the Ohio Bureau of Workers’ Compensation, which provides workers compensation insurance for all employers in Ohio.

In January, Ohio introduced its “lumbar fusion rule” mandating 60 days of conservative care before the authorization of lumbar fusion surgery, a common surgery that aims to correct back pain by limiting movement

between vertebrae. The rule describes conservative care as including “physical therapy, chiropractic care and rest, anti-inflammatories, ice and other non-surgical treatments.”

“We knew that there are a certain percentage of surgeries that are unsuccessful and that’s the point of our rule,” said Dr. Welsh, adding that the aim is to “reduce the number of failed back surgeries” in its system.

Such adverse outcomes following the popular fusion surgery included “chronic opioid dependence, increased disability and high rates of failed back syndrome, as well as additional surgery and new psychiatric co-morbidities,” according to a statement from the Ohio BWC.

The BWC quoted a study from the journal *Orthopedics* that found nearly 77% of fusion patients did not return to work within two years.

The state does not have figures on the outcome of the new rule, Dr. Welsh said.

Meanwhile, King of Prussia, Pennsylvania-based MedRisk Inc. in its 2018 industry trends report revealed that it has seen a 6 percentage point drop in the number of post-surgical referrals for lower back pain in Ohio between 2017 and 2018 and “a rise in non-surgical (physical therapy) referrals” there.

“The data suggests that Ohio’s ruling is making an impact,” its report states.

Whether there is danger in delaying surgery remains unclear, and several experts declined to comment because of the controversy in appropriate treatment for injured workers.

Dr. Robert Beatty, a neurosurgeon in Overland Park, Kansas, wrote in an email to *Business Insurance* that “waiting criteria for treating anything ignores the fact that every case is different.”

“Waiting for 60 days might work most of the time but there will be cases who very well might develop permanent neurologic changes such as weakness or loss of bowel or bladder function,” he wrote.

TECHNOLOGY HELPS SHIFT SURGERIES AWAY FROM HOSPITALS TO OTHER PROVIDERS

More injured workers are forgoing hospital surgeries, according to new research from the Workers Compensation Research Institute.

There has been an overall shift away from hospital care in workers comp systems across 18 states, with more workers receiving care at less-expensive ambulatory surgical centers and other nonhospital settings, according to the Cambridge, Massachusetts-based institute. Using data from 2002 to 2016, nearly all study states saw a downturn in the percentage of claims with both hospital inpatient and outpatient services.

Researchers noted that several states such as North Carolina and California have introduced medical fee schedule changes and other reforms that caused payers to reconsider more expensive hospital care as a first resort, according to the studies released in November.

Technological advances now in place at surgical centers and other nonhospital locations help fuel the trend away from hospital care for injured workers, according to the studies.

Lower prices at surgical centers also spur the trend as WCRI data shows that care in the nonhospital setting is typically 40% less expensive than that at hospitals.

The states in the study included California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Michigan, Minnesota, New York, North Carolina, Pennsylvania, Tennessee, Texas, Virginia and Wisconsin.

Louise Esola

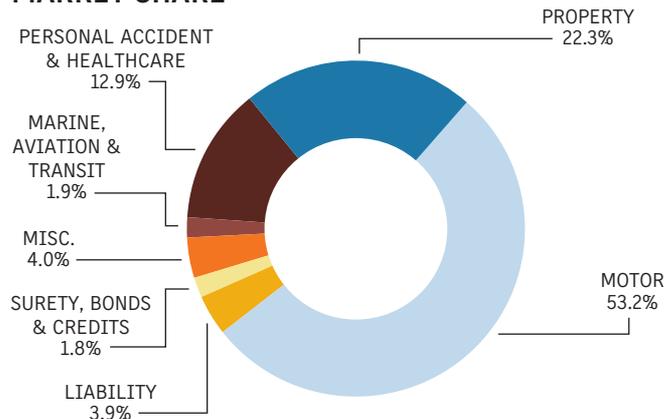
PROFILE: GREECE

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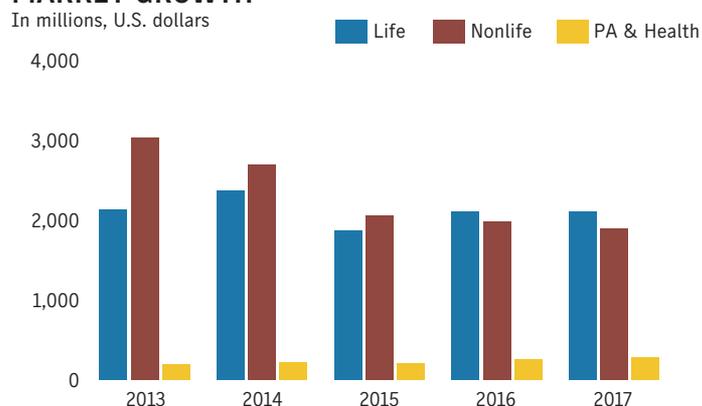
GLOBAL
P/C MARKET
RANKING

Greece has a small, open, service-based economy in which the state continues to play a major role despite ongoing privatization efforts. Economic fragility was expected to endure after Greece exited the EU bailout program, imposed during the eurozone crisis, in August 2018. With 45 insurers active in the fragmented property/casualty market, competition is strong, and premiums have fallen at rates that exceed Greece's negative inflation. The immediate future of the property/casualty insurance market will depend on a continued improvement in the Greek economy and whether insurers demonstrate underwriting discipline rather than perpetuate the competition that has forced rates down. Recent losses caused by natural perils may allow some opportunity to improve the penetration of insurance cover for households and small businesses.

MARKET SHARE



MARKET GROWTH



Source: Axco Global Statistics/Industry Associations and Regulatory Bodies

COMPULSORY INSURANCE

- Auto third-party liability
- Third-party liability for tourist vessels/boats and private pleasure craft
- Third-party liability for drones used for commercial purposes
- Professional liability for insurance intermediaries, mortgage intermediaries, insolvency administrators, auditors and travel agents/tour operators
- Shipowners liability against marine oil pollution
- Air carriers' and aircraft operators' liability

NONADMITTED

Unauthorized insurers cannot carry on insurance activity in Greece. At the same time, there is nothing in the law indicating that insurance must be purchased from locally authorized insurers with some exceptions. This is generally interpreted to mean that insurers can issue policies from abroad, with exceptions, if approached by a buyer and/or an intermediary. Insurers from European Economic Area states may provide insurance in Greece under freedom to provide services.

INTERMEDIARIES

Intermediaries must be authorized to do insurance business. They may place business with nonadmitted insurers (those outside the EU/EEA), and those involved in nonadmitted placements do not have to be registered to do so with the supervisory authority. Where local risks are placed as part of a multinational insurance program, brokers involved in nonadmitted placements do not have to warn buyers that their insurer is not subject to local supervision.

MARKET PRACTICE

As the Greek insurance market offers a range of property/casualty products from local companies, in addition to those from the EU/EEA, there is little need for risks in the country to seek insurance elsewhere, and insurance on a nonadmitted basis is not a feature of the market. Where required, a local insurer can be used as a fronting company, and this practice is not unusual.

MARKET DEVELOPMENTS

Updated October 2018

- Direct written premiums in the Greek property/casualty market fell by 19% between 2013 and 2017 because of the depressed economic situation and intense competition. During the first six months of 2018, however, figures from the Hellenic Association of Insurance Companies show that premiums increased by 5.8% compared with the same period in 2017.
- Wildfires swept through a wide area near Athens in July 2018, killing more than 90 people. The wildfires were fiercest around Mati, a seaside village in northeast Attica that was largely destroyed, and were fanned by strong winds of up to 60 miles per hour. Fire broke out in at least 22 locations at the same time in tinder-dry forest areas. According to the insurance association, total claims were estimated at €36 million (\$41.6 million) in October 2018.
- In May 2018, a fire at a manufacturer of industrial batteries in Xanthi caused extensive property damage and significant business interruption. In October 2018, local sources reported the insurance loss was estimated at €65 million (\$75.2 million), said to be the largest-ever single fire claim in the Greek market. The policy was placed on a coinsurance basis, and some of the insurers involved are said to have exceeded their retentions, with their losses hitting both their treaties and facultative reinsurance arrangements.
- The acquisition of 75% of the third-largest insurer, Ethniki, from National Bank of Greece by the Dutch Exin Financial Services group and U.S. Calamos Investments fell through in March 2018, nine months after the sale was announced. Instead, NBG announced that the Chinese company Shanghai Gongbao Investment had offered to buy the majority stake. At the time of publication, the future of Ethniki was still in doubt, with some sources suggesting that NBG might decide to float the company rather than sell it.



AREA

49,769

square miles

POPULATION

11.1

million

MARKET CONCENTRATION

39.2%

market share of top five insurers

2019 GDP CHANGE (PROJECTED)

1.7%



Gallagher hit with captive class action

■ Arthur J. Gallagher & Co. is facing a potential class action lawsuit alleging its captive management unit, Artex Risk Solutions Inc., had promoted the use of 831(b) captives, otherwise known as microcaptives, that resulted in captive owners illegally reducing their taxes.

According to the lawsuit, filed in federal court in Arizona in December, a group of Arizona-based businesses that had set up 831(b) captives managed by Artex had to pay back taxes, penalties and interest to settle IRS investigations into the use of the captives. The businesses alleged that Artex should have known the captive strategies it promoted were illegal tax shelters.

The plaintiffs in *Dimitri Shikov v. Artex Risk Solutions Inc.*, which seeks class action status, allege violation of the Racketeer Influenced and Corrupt Organizations, or RICO, Act and are seeking actual and punitive damages.

Several of the businesses in the suit against Artex were clients of Mesa, Arizona-based Tribeca Strategic Advisors LLC, which Gallagher acquired through Artex in 2010, court papers say.

The brokerage said in a statement that the suit “appears to be related” to a previously disclosed IRS audit of its captive operations and “has no merit,” and that in the past it has “successfully defended individual claims involving similar allegations.”

Gallagher has disclosed in its U.S. Securities and Exchange Commission filings for the past several years that its microcaptive advisory services were the subject of an IRS investigation.

Mixed verdict in AIG med mal case

■ The 7th U.S. Circuit Court of Appeals in Chicago issued a mixed verdict in a dispute between an American International Group Inc. unit and a Berkshire Hathaway Group Inc. unit in a medical professional liability case involving a \$12.2 million jury award.

Vicki Bramlett, a 36-year-old mother and wife, died of internal bleeding after an

October 2002 laparoscopic hysterectomy, according to documents in *The Medical Protective Co. of Fort Wayne, Indiana v. American International Specialty Lines Insurance Co.*, now known as AIG Specialty Insurance Co. In May 2003, her husband and children filed a wrongful death lawsuit against the doctor, his clinic, the hospital where the surgery was performed and the hospital’s nurses.

The doctor held a \$200,000 health care professional liability insurance policy with Fort Wayne, Indiana-based MedPro, a Berkshire Hathaway unit. MedPro refused to settle the case, which went to trial. A jury issued a \$14 million verdict against the doctor, reduced by the trial court to \$12.2 million.

MedPro paid the Bramletts \$1.7 million under a statutory cap. The family sued the insurer for the remainder, and MedPro settled for a confidential amount greater than \$5 million.



In the midst of this lawsuit, MedPro purchased a \$5 million professional liability policy with AIG unit AISLIC. In June 2006, when MedPro renewed its policy, at MedPro’s request, AISLIC deleted questions as to whether claims or allegations had been made against MedPro in the previous five years because they were not applicable to a renewal application.

AISLIC refused to cover MedPro’s settlement with the family, and MedPro sued in U.S. District Court in Fort Wayne for breach of contract. The court ruled for AIG, holding that a policy exclusion for wrongful acts that occurred prior to the first issued policy applied because MedPro knew of, or should have foreseen, its failure to settle the case when contracting with AISLIC.

Overturing that ruling, the appeals court said: “Viewing the evidence in the light most favorable to MedPro, there is a genuine factual dispute as to whether MedPro committed a Wrongful Act.” However, the panel said the court had correctly determined that by June 2005, when MedPro renewed its policy, it “should have known that it was facing a potential claim.”

The case was remanded for further proceedings.

Insurer off hook in drone accident case

■ A drone is still an aircraft, even if it does not carry passengers or cargo, said the U.S. District Court in Santa Ana, California, in ruling a Tokio Marine Holdings Inc. unit is not obligated to defend or indemnify a photography firm whose drone injured a wedding guest’s eye under an aviation policy exclusion.

The guest, who attended a 2016 wedding that was photographed by Corona, California-based Hollycal Production Inc. using a drone, allegedly lost use of her eye when the drone hit it, according to the ruling in *Philadelphia Indemnity Insurance Co. v. Hollycal Production Inc. et. al.*

The injured woman sued Hollycal in state court. Tokio Marine unit Philadelphia Indemnity, based in Bala Cynwyd, Pennsylvania, agreed to defend the company under a reservation of rights but filed suit in the District Court over whether Hollycal was entitled to coverage under its policy.

The court ruled it was not. The firm’s policy includes an exclusion for bodily injury or property damage involving any aircraft, said the ruling. Although the firm argued the drone did not fall within the exclusion because a “drone equipped with a camera is not capable of transporting persons or cargo,” but is rather “unmanned and operated remotely,” the court said the “ordinary definition of an aircraft does not require the carrying of passengers or cargo. Additionally, that a drone is unmanned and operated remotely does not make it less of an aircraft.”

Fashion retailer settles EEOC charges

■ The Cato Corp., a woman’s fashion retailer, agreed to pay \$3.5 million to resolve a U.S. Equal Employment Opportunity Commission investigation related to its alleged pregnancy and disability discrimination.

An EEOC investigation found the Charlotte, North Carolina-based company had denied reasonable accommodations to pregnant employees or those with disabilities, made employees take unpaid leaves of absence and/or terminated them because of their disabilities in violation of Title VII of the Civil Rights Act of 1964.

In addition to distributing the \$3.5 million to Cato employees who were terminated because of their pregnancy or disability, the company agreed to revise its employment policies “to more fully consider whether medical restrictions of its pregnant employees or those with disabilities can be more reasonably accommodated,” among other provisions of the agreement, the EEOC said in a statement.

DOCKET



VACCINE REFUSAL LAWSUIT DISMISSED

The 8th U.S. Circuit Court of Appeals in St. Louis upheld dismissal of a disability bias case filed by a health care worker who was fired after she refused to get a vaccine because of allergies. Janice Hustvet had patient contact in her role as an independent living skills specialist with Allina Health System and thus was required to get an MMR vaccine. When she refused, she was fired and subsequently sued Allina in federal court in Minneapolis. The court dismissed the case. In its ruling, the appeals court agreed, saying the requirement “was job-related and consistent with a business necessity.”

CITATIONS VACATED IN WORKER’S DEATH

An administrative law judge of the Occupational Safety and Health Review Commission vacated citations brought against highway construction firm J.D. Eckman Inc. after a worker was fatally struck in a traffic control zone in Pottstown, Pennsylvania, by a Jeep that veered into him. A U.S. Occupational Safety and Health Administration inspector said the employer violated the OSH Act’s general duty clause by not furnishing a workplace free from recognized hazards likely to cause death. The judge said the agency did not meet its burden of proof.

HEALTH CARE FIRM SETTLES EEOC CHARGES

A health care company charged by the U.S. Equal Employment Opportunity Commission with imposing rigid leave policies on its disabled and pregnant employees agreed to pay a \$1.75 million settlement. Family HealthCare Network in Visalia, California, denied reasonable accommodations to disabled and/or pregnant employees and fired them if they were unable to return to work after approved leave, the EEOC said. The three-year consent decree also requires the firm to implement training to prevent discrimination and harassment based on disability and/or sex and pregnancy.



Bronek Masojada joined Hiscox Ltd. in 1993 as group managing director and became CEO in 2000. He served as a deputy chairman of Lloyd's of London from 2001 to 2007 and was chairman of the Lloyd's Tercentenary Research Foundation from 2008 to 2014. Mr. Masojada recently spoke to *Business Insurance* Reporter Matthew Lerner about the market, mergers, technology and other topics. Edited excerpts follow.

Bronek Masojada

HISCOX

Q Has pricing on cyber insurance increased?

A I think cyber is very cheap relative to the exposure and the cost that can happen. I was looking at a claim the other day, and this is a U.K. context: The small three- or four-person marketing agency which had a turnover of about £150,000 (\$188,745) a year which had a breach of some sort and it cost them £30,000 to fix — and that's for a £500 cyber policy. If they hadn't had the cyber policy, they would have gone out of business. So to my mind, for a small business, those are pretty good value products.

The challenge quite often is that people don't perceive that they have the exposure: "Oh, it will never happen to me." For a small builder, a small DIY or sort of home improvements business, under \$500,000, it's well worth the money.

Q Who is the cyber client?

A It's gone from the biggest downwards, for sure, because the bigger firms have general counsels, they have boards of directors, they are more in the regulatory firing line. But actually the threats have grown. You now have a whole range of people, and it's always the small people who don't think they are exposed. But if they are affected, they have the least financial resilience to respond. So bigger businesses are actually more able to take the impacts of these events, and they've got more resources. But as you get smaller, you are more dependent on other people.

Q Are clients bumping up against limits, or are they finding the limits they need for cyber coverage?

A I think there is a maximum exceeding \$500 million, \$600 million, and that would be sufficient for most firms. But it always comes back to: Are people prepared to pay that much money to attract that level of capital support? There is a minimum rate on line even in excess of \$250 million or \$500 million people expect to get. At Hiscox, when we look at our realistic disaster scenarios nowadays, the scale of a really bad systemic cyber event, a significant cloud outage or a significant systemic worm or something like that, it's appraised from the same level as is a \$20 billion hurricane. These are potentially

very big economic events for the insurance industry. In the Marriott case (in December), there's 500 million records I read have been lost. Even if it costs them a dollar per lost record, it's going to cost them a lot. Could it cost them \$2 per lost record? Quite conceivably. I don't know. But it gives you a sense of the sorts of limits people will need.



Q Which businesses are growing at Hiscox?

A Small business insurance is growing, and it's growing double-digit percentages because we are broadening the scope of coverage, broadening the breadth of firms we've got coverages for, growing geographically. We sell these products in the U.S., in the U.K. clearly, France, Germany, Spain, Belgium, Luxembourg, Netherlands. So it's a pretty big segment for us worldwide. Going from (directors and officers), which includes your businessowner's policy, to including your travel to including your worker's comp — the full package. And then making that available, going from white-collar business consultants to home maintenance firms, to janitorial firms, to alternative health care specialists.

Q What do you see in terms of the market landscape?

A I think it's actually been a reasonably expensive year for catastrophe and large losses across the world. Japan had its biggest typhoon ever. You've obviously had two hurricanes here in the U.S. You've had the wildfires. We've had some very big risk losses around the world, some yachts and other related products or other related

classes. So it'll be very interesting to see what happens at renewals. The word on the streets is there's upward pressure, and you know we would agree with that.

Q What are the company's views on mergers and acquisitions?

A The question is, do we have a desire to engage in M&A? The answer is no. Hiscox is growing organically, and we've grown organically. I've been here since 2000, and before that I was group managing director. And in that time, we've been growing at high single digits, low double digits over a 25-year period. And that's absolutely our focus: taking/seeing new segments, taking bets, figuring out how to serve customers well, being good at it. And if you're good, you grow. The goal is, Hiscox has been growing and has the ability to continue to grow as an independent company.

Q How is technology affecting the insurance business?

A You can't do anything now in any business without it involving technology in some way. You know, two years ago I had no idea what an API was. Now I know it's an application program interface. The challenge of all of that is how you learn about the technology, and then how do you apply it within Hiscox to make Hiscox a better business? And that's an ongoing, forever task, whether it's robotic process automation or whether it's underwriting automation, it's just a forever task. And you can't sit around and do nothing. You have to engage in it. We have a huge direct digital business, online digital business. We were one of the first to launch that in 2011 before digitization became the hot word here. So we've been in that space for seven, eight years now. This is a very important business for us at Hiscox. If small businesses were going to buy insurance today, where would they go? They wouldn't go down the High Street to go and see the State Farm agent. They'd go online. Hiscox is online already and willing to serve you. And if you've got a credit card, we can insure you. If you don't have a credit card, we can insure you. So to me, it's all pervasive in the business. Just taking that back around to your small and medium-size business owners, maybe five years ago they had their records in a box; now it's on the computer.

I think cyber is very cheap relative to the exposure and the cost that can happen.

The surge in mergers and acquisitions over the past few years has brought significant change to the insurance industry, which is reflected in *Business Insurance's* rankings of industry firms.

The brokerage sector in particular continues to see larger firms buying up numerous smaller competitors and rolling them up into even bigger brokerages, bringing changes to our ranking of the World's Largest Brokers and the Top 100 Brokers of U.S. Business.

In this special data and rankings issue of *Business Insurance*, we combine our

proprietary rankings of brokers, wholesalers, surplus lines insurers, third-party administrators and more from the past year with other industry data to present a picture of an evolving market.

For more information on *Business Insurance* rankings and research, visit www.businessinsurance.com and click on the "Research and Reports" tab.

To submit information on your firm for our directories and rankings, contact Andy Toh, director of research, planning and insights at atoh@businessinsurance.com.

Gavin Souter, editor

TOP 100 U.S. BROKERS*

Ranked by 2017 brokerage revenue generated by U.S.-based clients

2018 rank	2017 rank	Company	2017 U.S. brokerage revenue	% increase (decrease)	2018 rank	2017 rank	Company	2017 U.S. brokerage revenue	% increase (decrease)
1	1	Marsh & McLennan Cos. Inc. ^{1,18}	\$6,877,150,000	4.0%	52	55	TrueNorth Cos. LLC ¹	\$66,295,000	3.9%
2	2	Aon PLC ¹	\$4,410,951,600	(27.3%)	53	61	ABD Insurance & Financial Services Inc.	\$64,358,668	23.2%
3	3	Willis Towers Watson PLC	\$3,814,520,000	2.2%	54	56	Houchens Insurance Group Inc. ¹⁴	\$60,645,315	(3.4%)
4	4	Arthur J. Gallagher & Co. ¹	\$3,132,186,000	8.4%	55	60	M3 Insurance Solutions Inc.	\$60,078,051	10.8%
5	5	BB&T Insurance Holdings Inc. ^{1,2}	\$1,918,256,000	2.2%**	56	59	Towne Insurance Agency LLC ¹	\$59,891,015	10.4%
6	6	Brown & Brown Inc. ¹	\$1,857,270,207	5.4%	57	81	Baldwin Risk Partners LLC ^{1,15}	\$57,178,553	56.9%
7	9	USI Insurance Services LLC ^{1,3}	\$1,635,038,677 ⁴	58.7%	58	57	Huntington Insurance Inc.	\$56,374,560	(4.9%)
8	7	Hub International Ltd. ¹	\$1,459,359,720	13.5%	59	66	LMC Insurance & Risk Management Inc.	\$55,778,187	11.0%
9	8	Lockton Cos. LLC ^{1,5}	\$1,157,573,860	9.8%	60	67	Parker, Smith & Feek Inc.	\$55,514,000	11.2%
10	11	Alliant Insurance Services Inc. ^{1,6}	\$1,123,600,000	16.2%	61	68	Starkweather & Shepley Insurance Brokerage Inc. ¹	\$55,197,960	11.3%
11	12	NFP Corp.	\$1,028,290,254	10.5%	62	62	Graham Co. ^{1,6}	\$54,876,624	4.9%**
12	13	AssuredPartners Inc. ¹	\$1,019,446,480	24.2%	63	64	James A. Scott & Son Inc., dba Scott Insurance	\$54,338,000	6.3%
13	14	Acrisure LLC ¹	\$1,016,035,956	58.9%	64	63	Sterling & Sterling LLC, dba SterlingRisk ¹	\$53,053,500	3.1%
14	15	BroadStreet Partners Inc.	\$478,400,000	13.0%	65	65	Bowen, Miclette & Britt Inc.	\$49,461,688	(2.3%)
15	17	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants ^{1,7,19}	\$374,409,038	52.6%	66	72	Moreton & Co.	\$48,633,000	4.5%
16	16	Jardine Lloyd Thompson Group PLC ^{1,8}	\$361,830,940	45.9%	67	69	Frost Insurance Agency Inc.	\$46,817,469	(3.4%)
17	22	Risk Strategies Co. Inc. ¹	\$257,809,945	30.0%	68	73	Bolton & Co.	\$46,621,522	2.8%
18	18	Leavitt Group ¹	\$235,962,000	4.7%	69	NR	Rose & Kiernan Inc. ^{1,5}	\$45,038,880	N/A
19	19	CBIZ Benefits & Insurance Services Inc.	\$232,000,000	4.2%	70	71	Riggs, Counselman, Michaels & Downes Inc.	\$44,647,271	(4.7%)
20	21	Paychex Insurance Agency Inc. ⁹	\$226,100,000	9.2%	71	75	The Mahoney Group	\$43,246,458	3.0%
21	20	Integro Group Holdings LP	\$205,401,750	4.8%**	72	98	Shepherd Insurance LLC ¹	\$43,118,200	51.6%
22	23	Hays Group Inc., dba Hays Companies ²⁰	\$197,600,000	2.2%	73	76	Gowrie Group	\$42,548,606	3.8%
23	24	Insurance Office of America Inc.	\$196,030,619	10.5%	74	77	Bouchard Insurance Inc., dba Roger Bouchard Insurance Inc.	\$42,465,200	5.3%
24	NR	Alera Group ¹	\$192,700,000	N/A	75	NR	Corporate Synergies Group LLC	\$41,592,580	N/A
25	29	Digital Insurance Inc., dba OneDigital Health and Benefits ¹	\$189,241,355	27.9%	76	74	M&T Insurance Agency Inc.	\$41,071,000	(8.2%)
26	26	Holmes Murphy & Associates Inc.	\$176,157,219	10.7%	77	80	Lovitt & Touche Inc.	\$39,932,277	8.2%
27	27	Higginbotham ¹	\$172,606,000	11.3%	78	79	Robertson Ryan & Associates Inc.	\$39,793,563	2.8%
28	30	Cottingham & Butler Inc.	\$168,218,000	14.8%	79	82	Armfield, Harrison & Thomas Inc., dba AHT Insurance	\$39,526,934	8.6%
29	31	The IMA Financial Group Inc.	\$157,989,230	8.0%	80	NR	Fisher Brown Bottrell Insurance Inc.	\$38,167,543	3.8%
30	32	Cross Financial Corp., dba Cross Insurance ¹	\$157,000,000	9.0%	81	84	Charles L. Crane Agency Co.	\$37,627,000	7.2%
31	28	AmeriTrust Group Inc. ¹⁰	\$149,846,000	(2.5%)**	82	83	James G. Parker Insurance Associates ⁹	\$37,266,000	4.1%
32	33	Regions Insurance Group Inc. ¹¹	\$136,834,029	(3.5%)	83	87	The Loomis Co.	\$36,135,000	8.1%
33	35	Wortham Insurance & Risk Management ¹	\$129,505,220	2.2%	84	86	Ansay & Associates LLC ¹	\$35,704,000	3.5%
34	37	Woodruff Sawyer	\$127,900,000	7.3%	85	91	Sterling Seacrest Partners Inc.	\$35,374,000	12.1%
35	36	Hylant Group Inc.	\$126,926,816	5.3%	86	89	SullivanCurtisMonroe Insurance Services LLC	\$34,943,987	6.1%
36	39	PayneWest Insurance Inc. ¹	\$118,374,465	8.5%	87	90	R&R Insurance Services Inc.	\$33,700,000	6.6%
37	38	BXS Insurance Inc. ¹²	\$117,124,261	2.9%	88	88	Tolman & Wiker Insurance Services LLC	\$32,807,946	(1.0%)
38	40	Heffernan Group	\$116,220,858	10.7%	89	NR	Christensen Group Inc.	\$32,104,951	8.1%
39	45	The Hilb Group	\$113,737,021	34.1%	90	105	Cobbs Allen	\$31,914,380	23.1%
40	44	Prime Risk Partners Inc. ¹	\$108,300,357	25.2%	91	93	Haylor, Freyer & Coon Inc. ¹⁷	\$31,433,228	2.0%
41	41	Assurance Agency Ltd.	\$104,858,216	5.3%	92	92	People's United Insurance Agency Inc.	\$31,239,000	(0.6%)
42	42	Relation Insurance Inc. ^{1,13}	\$96,931,000	8.9%	93	95	PSA Insurance & Financial Services Inc. ⁵	\$31,217,499	5.2%
43	43	Insurica Inc. ¹	\$96,875,114	11.6%	94	104	The Partners Group Ltd.	\$30,955,575	18.7%
44	46	Insurors Group LLC	\$84,900,000	4.0%	95	94	MJ Insurance Inc. ¹⁷	\$30,801,216	3.0%
45	49	Eastern Insurance Group LLC ¹	\$83,563,295	11.7%	96	97	Rich & Cartmill Inc.	\$30,233,097	3.5%
46	47	Associated Benefits and Risk Consulting ¹	\$82,982,915	2.5%	97	NR	HNI Corp.	\$30,213,180	N/A
47	50	Oswald Cos.	\$82,833,300	14.5%	98	96	Tompkins Insurance Agencies Inc.	\$29,940,000	2.2%
48	51	Propel Insurance	\$77,062,750	8.8%	99	101	Tricor Inc. ¹	\$29,248,000	6.7%
49	53	Horton Group Inc. ¹	\$72,420,903	10.7%	100	NR	Acentria Insurance ¹	\$28,404,078	N/A
50	52	Marshall & Sterling Enterprises Inc. ¹	\$71,461,943	1.2%					
51	54	Lawley Service Inc.	\$71,388,925	9.6%					

*Companies that derive more than 49% of their gross revenues from personal lines are not ranked; **2016 restated; NR = Not ranked; N/A = Not available; ¹Reported U.S. acquisitions in 2017; ²Announced deal to buy Regions Insurance Group Inc. on April 6, 2018, which closed in third quarter of 2018; ³Acquired Wells Fargo Insurance Services USA Inc. in November 2017 and Key Insurance & Benefits Services Inc. in May 2018; ⁴Pro forma to reflect acquisition of Wells Fargo Insurance Services USA Inc.; ⁵Fiscal year ending April 30; ⁶Has an agreement to acquire Crystal & Company in 2018; ⁷Acquired Frenkel & Co. in November 2017; ⁸British pound = \$1.3529; ⁹Fiscal year ending May 31; ¹⁰Formerly Meadowbrook Insurance Group Inc.; ¹¹Agreed to be acquired by BB&T Insurance Holdings Inc.; deal closed in third quarter of 2018; ¹²Formerly BancorpSouth Insurance Services Inc.; ¹³Formerly Ascension Insurance Inc.; ¹⁴Fiscal year ending Sept. 30; ¹⁵Baldwin Risk Partners LLC acquired Cadence Insurance in May 2018; ¹⁶Formerly William A. Graham Co.; ¹⁷Fiscal year ending Aug. 31; ¹⁸Announced agreement to buy Jardine Lloyd Thompson Group PLC in September 2018; ¹⁹Announced agreement to buy U.S. operations of Integro Group Holdings LP on Dec. 17, 2018; ²⁰Bought by Brown & Brown Inc. in November 2018.

Source: BI survey

DATA & RANKINGS

FASTEST GROWING BROKERS

Rank	Company	% increase
1	Reliance Partners Inc.	71.4%
2	Acrisure LLC	58.9%
3	USI Insurance Services LLC	58.7%
4	Baldwin Risk Partners LLC	56.9%
5	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants	52.6%
6	Shepherd Insurance LLC	51.6%
7	Jardine Lloyd Thompson Group PLC	45.9%
8	Acentria Insurance	41.3%
9	The Hilb Group	34.1%
10	Risk Strategies Co. Inc.	30.0%

Source: BI survey



MOST PRODUCTIVE BROKERS

Rank	Company	Brokerage revenue per employee
1	Alliant Insurance Services Inc.	\$372,176
2	Jardine Lloyd Thompson Group PLC	\$320,575
3	Graham Co.	\$313,581
4	M&T Insurance Agency Inc.	\$287,210
5	BB&T Insurance Holdings Inc.	\$286,307
6	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants	\$281,418
7	Foa & Son Corp.	\$281,176
8	Woodruff Sawyer	\$279,869
9	Heffernan Group	\$273,461
10	Hays Group Inc., dba Hays Companies	\$271,056

Source: BI survey

LARGEST PRIVATELY OWNED BROKERS

Rank	Company	2017 brokerage revenue
1	Hub International Ltd.	\$1,870,974,000
2	USI Insurance Services LLC	\$1,635,038,677
3	Lockton Cos. LLC	\$1,564,289,000
4	Alliant Insurance Services Inc.	\$1,123,600,000
5	NFP Corp.	\$1,071,135,681
6	AssuredPartners Inc.	\$1,026,529,534
7	Acrisure LLC	\$1,026,298,945
8	BroadStreet Partners Inc.	\$478,400,000
9	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants	\$386,387,036
10	Integro Group Holdings LP	\$273,869,000

Source: BI survey



WORLD'S LARGEST INSURANCE BROKERS

Rank	Company	2017 brokerage revenue
1	Marsh & McLennan Cos. Inc. ¹	\$14,035,000,000
2	Aon PLC	\$9,966,000,000
3	Willis Towers Watson PLC	\$8,116,000,000
4	Arthur J. Gallagher & Co.	\$4,539,400,000
5	BB&T Insurance Holdings Inc.	\$1,918,256,000
6	Hub International Ltd.	\$1,870,974,000
7	Jardine Lloyd Thompson Group PLC	\$1,865,107,940
8	Brown & Brown Inc.	\$1,857,270,207
9	USI Insurance Services LLC ²	\$1,635,038,677
10	Lockton Cos. LLC	\$1,564,289,000

¹ Announced agreement to buy Jardine Lloyd Thompson Group PLC in September 2018; ² Acquired Wells Fargo Insurance Services USA Inc. in November 2017, Key Insurance & Benefits Services Inc. in May 2018.

Source: BI survey



LARGEST U.S. INSURERS

Rank	Company	2017 direct premium written	Market share
1	State Farm	\$64,897,210,000	10.2%
2	Berkshire Hathaway Inc.	\$38,201,498,000	6.0%
3	Liberty Mutual Holding Co. Inc.	\$33,325,863,000	5.2%
4	Allstate Corp.	\$31,501,664,000	4.9%
5	Progressive Casualty Insurance Co.	\$27,853,198,000	4.4%
6	Travelers Cos. Inc.	\$24,774,024,000	3.9%
7	Chubb Ltd.	\$20,607,070,000	3.2%
8	United Services Automobile Association Insurance Co.	\$20,144,386,000	3.2%
9	Farmers Insurance Group of Companies	\$19,862,472,000	3.1%
10	Nationwide Mutual Insurance Co.	\$19,215,518,000	3.0%

Source: National Association of Insurance Commissioners

LARGEST U.S. COMMERCIAL RETAIL BROKERS

Rank	Company	2017 U.S. commercial retail brokerage revenue
1	Marsh & McLennan Cos. Inc.	\$3,322,000,000
2	Aon PLC	\$1,845,000,000
3	Arthur J. Gallagher & Co.	\$1,239,295,000
4	Brown & Brown Inc.	\$1,038,533,531
5	Willis Towers Watson PLC	\$970,000,000
6	USI Insurance Services LLC	\$863,294,160
7	Alliant Insurance Services Inc.	\$797,000,000
8	Hub International Ltd.	\$757,050,000
9	Lockton Cos. LLC	\$692,260,000
10	Acrisure LLC	\$589,953,784

Source: BI survey



BUSINESS INSURANCE

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LARGEST BENEFITS BROKERS

Rank	Company	2017 employee benefits revenue
1	Marsh & McLennan Cos. Inc.	\$4,528,000,000
2	Willis Towers Watson PLC	\$4,106,000,000
3	Aon PLC	\$3,270,000,000
4	Arthur J. Gallagher & Co.	\$1,007,914,000
5	USI Insurance Services LLC	\$608,575,985
6	NFP Corp.	\$603,878,874
7	Hub International Ltd.	\$500,869,000
8	Lockton Cos. LLC	\$490,360,000
9	Jardine Lloyd Thompson Group PLC	\$433,198,580
10	Alliant Insurance Services Inc.	\$314,200,000

Source: BI survey

LARGEST WORKERS COMPENSATION INSURERS

Rank	Company	2017 direct written premium	Market share
1	Travelers Cos. Inc.	\$4,355,810,000	7.1%
2	Hartford Fire & Casualty Group	\$3,406,913,000	5.5%
3	AmTrust Financial Services Inc.	\$2,920,201,000	4.7%
4	Zurich Insurance Co.	\$2,916,630,000	4.7%
5	Berkshire Hathaway Inc.	\$2,776,306,000	4.5%
6	Liberty Mutual Holding Co. Inc.	\$2,446,876,000	4.0%
7	Chubb Ltd.	\$2,395,588,000	3.9%
8	State Insurance Fund	\$2,277,778,000	3.7%
9	Washington State Fund	\$2,080,809,000	3.4%
10	American International Group Inc.	\$1,581,819,000	2.6%

Source: National Association of Insurance Commissioners



LARGEST MEDICAL PROFESSIONAL LIABILITY INSURERS

Rank	Company	2017 direct written premiums	Market share
1	Berkshire Hathaway Inc.	\$1,085,407,000	11.8%
2	The Doctors Co.	\$680,778,000	7.4%
3	CNA Financial Corp.	\$491,579,000	5.4%
4	ProAssurance Corp.	\$475,919,000	5.2%
5	Medical Professional Mutual Insurance Co.	\$413,636,000	4.5%
6	Medical Liability Mutual Insurance Co.	\$408,351,000	4.4%
7	MCIC Vermont, a Reciprocal Risk Retention Group	\$334,601,000	3.6%
8	NORCAL Mutual Insurance Co.	\$332,145,000	3.6%
9	MagMutual Insurance Co.	\$266,481,000	2.9%
10	Physicians' Reciprocal Insurers	\$185,965,000	2.0%

Source: National Association of Insurance Commissioners



DATA & RANKINGS

WORLD'S LARGEST REINSURANCE BROKERS

Rank	Company	2017 gross revenue
1	Aon Benfield Group Ltd.	\$1,417,000,000
2	Guy Carpenter & Co. LLC	\$1,188,637,000
3	Willis Re	\$853,417,500
4	JLT Reinsurance	\$383,141,280
5	UIB Holdings (UK) Ltd.	\$64,312,121

Source: BI survey



WORLD'S LARGEST REINSURERS*

Rank	Company	2017 gross reinsurance premium written
1	Munich Reinsurance Co.	\$37,821,000,000
2	Swiss Re Ltd.	\$34,775,000,000
3	Berkshire Hathaway Inc.	\$22,740,000,000
4	Hannover Re SE ¹	\$21,314,000,000
5	Scor SE	\$17,718,000,000
6	Lloyd's of London ²	\$14,250,000,000
7	Reinsurance Group of America Inc.	\$10,704,000,000
8	China Reinsurance (Group) Corp.	\$10,435,000,000
9	Great West Lifeco	\$7,924,000,000
10	Korean Reinsurance Co.	\$6,775,000,000

¹ Net premium written data not reported, net premium earned substituted.

² Lloyd's premiums are reinsurance only. Premiums for certain groups within the rankings also may include Lloyd's syndicate premiums when applicable.

Source: A.M. Best Co. Inc.





LARGEST PROPERTY/CASUALTY WHOLESALERS*

Rank	Company	2017 premium volume
1	AmWINS Group Inc.	\$10,662,268,840
2	CRC Insurance Services Inc.	\$7,753,512,303
3	Ryan Specialty Group LLC	\$5,726,000,000
4	All Risks Ltd.	\$1,725,000,000
5	Worldwide Facilities LLC ¹	\$1,282,990,030
6	Brown & Riding Insurance Services Inc.	\$748,069,040
7	U.S. Risk Insurance Group LLC	\$728,000,000
8	JenCap Holdings LLC	\$719,450,000
9	ARC Excess & Surplus LLC	\$702,000,000
10	Program Brokerage Corp.	\$377,500,000

*Companies deriving more than 50% of their premium volume from wholesale brokerages
¹ Acquired Tennant Risk Services (April 2018), Sullivan Group (May 2018), and RIC Insurance General Agency Inc. (June 2018). Reported pro forma results of these acquisitions.
 Source: BI survey

LARGEST MGAs/UNDERWRITING MANAGERS/ LLOYD'S COVERHOLDERS*

Rank	Company	2017 premium volume
1	Risk Placement Services Inc.	\$3,400,000,000
2	Burns & Wilcox Ltd.	\$1,600,000,000
3	Victor ¹	\$1,233,237,795
4	AmRisc LLC	\$877,982,510
5	Appalachian Underwriters Inc.	\$464,000,000
6	Johnson & Johnson Inc.	\$442,331,146
7	K&K Insurance Group Inc.	\$405,000,000
8	Specialty Program Group LLC	\$164,313,319
9	Midlands Management Corp.	\$161,000,000
10	Russell Bond & Co. Inc.	\$55,800,000

*Companies that derive more than 50% of their wholesale premium from property/casualty placements acting as a managing general agent, underwriting manager or Lloyd's of London coverholder.
¹ Formerly The Schinnerer Group, parent co. of Victor O. Schinnerer & Co. Inc. Acquired International Catastrophe Insurance Managers LLC (ICAT) in August 2017.
 Source: BI survey



LARGEST U.S.-BASED SURPLUS LINES INSURERS

Rank	Company	2017 nonadmitted premium	Rank	Company	2017 nonadmitted premium
1	Lexington Insurance Co.	\$2,511,938,045	6	Markel Corp.	\$1,266,709,566
2	Nationwide Excess and Surplus	\$1,586,000,000 ¹	7	National Fire & Marine Insurance Co.	\$1,178,729,909
3	Chubb Ltd.	\$1,453,429,709	8	Steadfast Insurance Co.	\$1,049,714,643
4	AEGIS (Associated Electric & Gas Insurance Services Inc.)	\$1,344,705,000	9	Indian Harbor Insurance Co.	\$1,030,431,782
5	Liberty Mutual Holding Co. Inc.	\$1,289,000,000	10	Axis Surplus Insurance Co.	\$681,138,786

¹ BI estimate
 Source: BI survey

DATA & RANKINGS



LARGEST CYBER SECURITY INSURERS* (STAND-ALONE POLICIES)

Rank	Company	2017 direct written premium	Market share
1	American International Group Inc.	\$227,632,241	22.9%
2	XL American Group	\$177,878,889	17.9%
3	Travelers Cos. Inc.	\$89,111,803	9.0%
4	Beazley Insurance Co. Inc.	\$85,575,186	8.6%
5	Axis Capital Holdings Ltd.	\$45,056,949	4.5%
6	Zurich Insurance Group Ltd.	\$40,904,912	4.1%
7	BCS Insurance Co.	\$40,334,609	4.1%
8	Liberty Mutual Holding Co. Inc.	\$32,791,462	3.3%
9	Fairfax Financial Holdings Ltd.	\$30,999,402	3.1%
10	CNA Financial Corp.	\$23,851,641	2.4%

*Not including surplus lines
Source: National Association of Insurance Commissioners

LARGEST CYBER SECURITY INSURERS* (PACKAGE POLICIES)

Rank	Company	2017 direct written premium	Market share
1	Chubb Ltd.	\$299,694,835	34.6%
2	Axis Capital Holding Ltd.	\$56,452,097	6.5%
3	CNA Financial Corp.	\$49,275,179	5.7%
4	Hartford Fire & Casualty Group	\$32,192,193	3.7%
5	Travelers Cos. Inc.	\$30,021,408	3.5%
6	BCS Insurance Co.	\$29,564,832	3.4%
7	Liberty Mutual Holding Co. Inc.	\$27,221,196	3.2%
8	Sompo Holdings Inc.	\$27,122,621	3.1%
9	Tokio Marine Holdings Inc.	\$25,593,652	3.0%
10	Allianz SE	\$25,123,512	2.9%

*Not including surplus lines
Source: National Association of Insurance Commissioners

LARGEST THIRD-PARTY ADMINISTRATORS

Rank	Company	2017 gross revenue
1	Sedgwick Claims Management Services Inc.	\$1,865,953,047
2	Crawford & Co./Broadspire	\$1,163,709,000
3	UMR Inc.	\$830,000,000
4	York Risk Services Group Inc.	\$780,000,000
5	Gallagher Bassett Services Inc.	\$776,000,000
6	Corvel Corp.	\$519,000,000 ¹
7	Meritain Health	\$452,800,000
8	ESIS Inc.	\$395,200,000
9	Helmsman Management Services LLC	\$294,774,169
10	CoreSource Inc.	\$195,420,649

¹From annual report
Source: BI survey



LARGEST COMMERCIAL AUTO INSURERS

Rank	Company	2017 direct written premium	Market share
1	Progressive Casualty Insurance Co.	\$3,178,656,000	8.8%
2	Travelers Cos. Inc.	\$2,244,305,000	6.2%
3	Liberty Mutual Holding Co. Inc.	\$1,716,270,000	4.8%
4	Zurich Insurance Co.	\$1,687,122,000	4.7%
5	Nationwide Mutual Insurance Co.	\$1,678,785,000	4.7%
6	Old Republic Insurance Co.	\$1,278,020,000	3.6%
7	Berkshire Hathaway Inc.	\$1,184,554,000	3.3%
8	AmTrust Financial Services Inc.	\$1,089,516,000	3.0%
9	Auto Owners Insurance Co.	\$858,647,000	2.4%
10	Chubb Ltd.	\$822,180,000	2.3%

Source: National Association of Insurance Commissioners

SHARE OF CAPTIVES WORLDWIDE

ASIA-PACIFIC

2.4%

CANADA

0.3%

EUROPE

12.5%

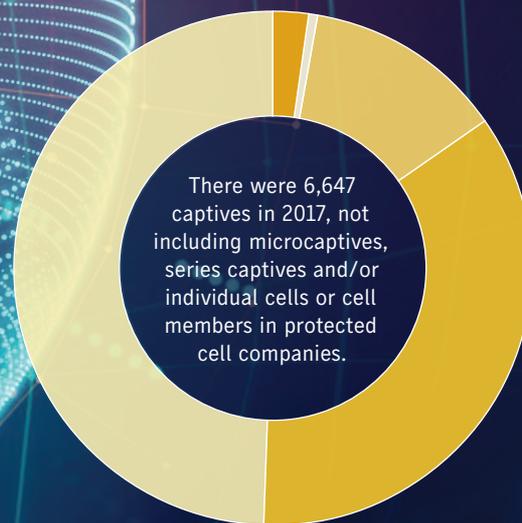
NORTH AMERICAN OFFSHORE

35.3%

UNITED STATES

49.4%

Source: BI survey



LARGEST CAPTIVE MANAGERS¹

Rank	Company	2017 total captives
1	Marsh Captive Solutions	1,244
2	Aon Captive & Insurance Management	984
3	Artex Risk Solutions Inc. ²	745
4	Willis Towers Watson PLC, Global Captive Practice	398
5	Strategic Risk Solutions Inc.	298
6	USA Risk Group Inc.	288
7	JLT Insurance Management	171
8	Quest Management Services Ltd. ³	105
9	Risk Services LLC	104
10	Atlas Insurance Management	92

¹ Captives electing to operate under Section 831(b) of the U.S. Tax Code are not included.

² Acquired Chandler Insurance Management Ltd. in October 2017.

³ Formerly R&Q Captive Holdings Ltd. R&Q's international insurance services assets acquired by The Davies Group and new organization is being renamed.

Source: BI survey



LARGEST CAPTIVE DOMICILES

Rank	Domicile	Total number of captives at end of 2017
1	Bermuda	739
2	Cayman Islands	669
3	Vermont	566
4	Utah	480
5	Delaware	391
6	Guernsey	315
7	Barbados	266
8	Anguilla	258 ¹
9	Hawaii	230
10	North Carolina	220

¹ BI estimate
Source: BI survey

Munich Re introduces commercial insurance unit

■ Munich Reinsurance America Inc. announced a new commercial insurance unit in North America, Munich Re Specialty Insurance, to be headed by Michael Kerner as CEO.

In this new role, Mr. Kerner will have oversight for uniting several Munich Re Group business units under the new



Michael Kerner

primary specialty commercial insurance umbrella, the reinsurer said in a statement.

“Munich Re Specialty Insurance will unite the expertise of our multiple commercial specialty insurance divisions,” Peter Roeder, chairman of Munich Reinsurance America and board member of Munich Re, said in the statement.

Mr. Kerner most recently was executive vice president, risk management and strategy at Everest Re and previously worked at Zurich Insurance Group Ltd.

Zurich, Screenshot forge online claims partnership

■ Zurich Insurance Group Ltd. will use technology from Screenshot to help gather information from policyholders online in order to streamline the claims process.

Screenshot’s software-as-a-service platform will allow the intake of information from various customer channels, including email, text, or a web-based and mobile application, as well as direct deposit of claims payments, Chicago-based Screenshot said in a statement.

The software covers auto, property and injury for personal and commercial claims, according to the statement.

“Our customers will have additional options to report claims and communicate with Zurich to speed up and simplify the claims experience,” Ian Thompson, Zurich’s group chief claims officer, said in the statement.

Screenshot services will be rolled out to Zurich customers in Ireland first, with plans to expand to additional countries across Zurich’s operations in Europe, Latin America and Asia-Pacific.

Sompo International expands cyber offerings

■ Sompo International Holdings Ltd. has introduced updated cyber products and a dedicated cyber team.

The Pembroke, Bermuda-based insurer and reinsurer said its Premier Professional policy, which provides profession-



Hartford unveils credit, political risk policies

■ Hartford Financial Services Group Inc. is introducing credit and political risk insurance policies for policyholders with international exposures.

The credit insurance policy provides nonpayment coverage on trade and export finance exposures, manages overall counterparty and country aggregates, and achieves regulatory capital relief for the insured exposures, Hartford said in a statement.

The political risk insurance policy protects policyholders’ investments against political risks such as expropriation, political violence and currency inconvertibility, Hartford said. It can assist with mobile assets such as oil equipment, investments in manufacturing facilities and infrastructure investments to which private equity firms have committed large amounts of capital long-term.

A country, credit and economic research team is available to help policyholders understand the geopolitical landscape, Hartford said.

al liability and cyber coverage through a single policy form, has been updated to include coverage for General Data Protection Regulation violations, non-malicious system failures, unintentional breaches of contract and information technology vendor outages.

Coverage can also be extended to include malicious and permanent disabling of IT equipment and social engineering threats, Sompo said in its statement.

The policy offers up to \$15 million in limits, according to a spokeswoman.

Sompo Premier Professional clients also have complimentary access to an

expanded set of risk management services provided by cyber security professionals to help assess their exposure to cyber risk, improve their network security and respond more effectively to data breaches and other network crises, the statement said.

Jeff Kulikowski, senior vice president of cyber and errors and omissions underwriting, and Richard DePiero, senior vice president, U.S. cyber product leader, both of whom are based in New York, will lead the practice.

Allianz teams with tech provider on software

■ Allianz Global Corporate & Specialty SE and Los Angeles-based technology provider Praedicat are expanding their partnership to include ChemMeta, Praedicat’s science and regulatory risk analytics software for industrial companies.

ChemMeta can help chemical manufacturers and downstream users minimize product safety risks across critical functions, including product stewardship, research and development enterprise risk management, environmental health and safety, and regulatory affairs by providing intelligence on thousands of chemicals and materials, Allianz said in a statement.

Allianz liability insurance policyholders may receive access to ChemMeta for a defined period, the statement said.

“Those opting to use ChemMeta will better understand which substances are more likely to cause negative impact on human health and well-being or trigger regulatory action in the future,” Hartmut Mai, Allianz chief underwriting officer, said in the statement.

Marsh offers auto cover for livery, delivery

■ Marsh LLC is offering new coverages for “sharing economy” livery and delivery services and for autonomous vehicles.

The broker said its sharing economy insurance facility is offering up to \$10 million in dedicated primary auto liability and excess casualty coverage to U.S. companies participating in the sharing economy for livery and delivery services. The coverage is backed by Lloyd’s of London syndicate Apollo Underwriting Ltd., the statement said.

In addition, Marsh’s autonomous mobility insurance facility is offering first-dollar liability and physical damage primary auto liability coverage of up to \$1 million from an unidentified U.S. insurer and \$4 million in exclusive excess capacity from Apollo for companies testing autonomous vehicles in the United States.

DEALS & MOVES

EPIC acquires Integro’s operations in US

EPIC Holdings Inc. acquired Integro Holdings Inc., which includes substantially all of the U.S. operations of Integro Group Holdings LP.

Transaction terms were not disclosed.

New York-based Integro, founded in 2005, was acquired by private equity firm Odyssey Investment Partners LLC in 2015. It has 32 offices, including in Bermuda and the United Kingdom, and reported 2017 gross revenue of \$275.1 million. About 75% of its clients are U.S.-based.

The U.K. and Bermuda offices will continue to be operated by Integro.

Ryan Specialty buys premium financing firm

Ryan Specialty Group LLC acquired premium financing firm Superior Payment Plan LLC.

Terms of the transaction were not disclosed.

The operations of Depew, New York-Superior will become part of Ryan Specialty’s Stetson Insurance Funding LLC subsidiary, Chicago-based Ryan Specialty said in a statement. Stetson specializes in financing commercial insurance premiums for excess and surplus lines.

Hartford acquires sharing economy MGU

Hartford Financial Services Group Inc. has purchased Y-Risk LLC, a managing general underwriter specializing in the sharing economy, from Allstar Financial Group Inc. in Atlanta.

Terms of the deal were not disclosed.

Unionville, Connecticut-based Y-Risk offers coverage and usage-based pricing for commercial auto, general liability, property, inland marine, cyber and professional liability products. It serves transportation network firms and companies offering automobile sharing, on-demand services and space sharing, Hartford said in a statement.

Insurance groups merge effective Jan. 1

The American Insurance Association and the Property Casualty Insurers Association of America have merged effective Jan. 1. The new organization will be known as the American Property Casualty Insurance Association and will speak for nearly 60% of the U.S. property/casualty market, according to a statement released on Dec. 21.



"I am working with an exceptionally bright and talented team, which has grown up consuming technology differently than I have. I have the opportunity to learn a 'new trick' every day, while I can teach them about a 150-year-old industry."

UP CLOSE

Leandro DalleMule

NEW JOB TITLE: New York-based general manager for North America, Planck Resolution Ltd.

PREVIOUS POSITION: New York-based chief data officer, American International Group Inc.

GOALS FOR YOUR NEW POSITION: I am responsible for ensuring we deliver the best solution to our clients. Planck offers an artificial intelligence-based platform to generate automated underwriting insights for commercial insurers, while delivering answers with more than 90% accuracy and coverage. Insurers don't need to rely on manually entered data anymore, which poses obvious challenges with its quality and high acquisition and operational costs. The combination of rich, granular, up-to-date data in the open web with AI and machine learning capabilities enables insurers to change the game.

CHALLENGES FACING THE INDUSTRY IN YOUR AREA: Capture and usage of data, new and old data. Although financial services companies were some of the pioneers in advanced analytics, most organizations have found major challenges when trying to extract value from data. Many banks and insurers grew rapidly through mergers and acquisitions in the last 20 years, but with little to no attention to integrating front- and back-end systems and standardizing data. This is the major cause behind the limited success, or complete failure, of several data analytics initiatives in financial organizations, until recently. The good news is that some of the new fintech players seem to have "cracked the code" and have demonstrated real, scalable results to banks and insurers.

FIRST EXPERIENCE IN THE FIELD: I worked for GE Capital as a credit risk analyst when terms like "data science" or "data analytics" didn't exist. Technology and tools, such as AI, have come a long way in the last 20 years.

ADVICE FOR A NEWCOMER TO THE INDUSTRY: Never stop learning. It is very easy to become comfortable, but you will fall behind quickly.

DREAM JOB OUTSIDE THE INDUSTRY: Since I am now too old to be a professional race car driver, working in analytics for top Formula One teams, like Ferrari and Mercedes, would not be a bad idea.

LOOKING FORWARD TO IN YOUR NEW JOB: I am working with an exceptionally bright and talented team, which has grown up consuming technology differently than I have. I have the opportunity to learn a "new trick" every day, while I can teach them about a 150-year-old industry and how to avoid some mistakes along the way.

COLLEGE MAJOR: Mechanical engineering

FAVORITE MEAL: Trippa alla Romana, aka tripe Roman style. I know... not your typical favorite meal response. But this is something I grew up eating and brings great memories. On the positive side, nobody usually asks to share it!

HOBBIES: Race car driving. What was once a career, many years ago, is now a hobby. However, my competitiveness and perfectionism, always chasing that last 10th of the second per lap, is still going strong.

FAVORITE TV SHOW: Right now, we are binge-watching Netflix's "Penny Dreadful." But probably "Game of Thrones" is the best one lately.

ON A SATURDAY AFTERNOON: From April through November, I will probably be on an auto race track. I will be either racing formula cars or karts in a couple of regional championships I compete in, or I will be working with the mechanics to improve the cars. When it is too cold for car racing in the Northeast, I take my kids ski racing, as they both compete all winter — so I do my skiing, too. Family that races together ...

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ON THE MOVE



Sonja Rottiers has been appointed CEO of Lloyd's Insurance Co. in Brussels and will serve as Lloyd's of London's regional director for Europe, Middle East and Africa. Previously, she

was a nonexecutive board member of ING Belgium, a board member for Kinopolis NV Group and Leasinvest Real Estate, and chief finance and data officer of Axa SA unit Axa Belgium.



Swiss Re Corporate Solutions Ltd. named **Daniel Vetter** to the newly created position of head of excess and surplus for North America, effective Jan. 1. Mr. Vetter joined

Swiss Re in 2000 and was most recently head of casualty. He is based in New York.



American International Group Inc. named **Mark D. Lyons** executive vice president and chief financial officer, replacing Sid Sankaran. Mr. Lyons rejoined AIG as senior vice president

and chief actuary in June. Previously, he had been CFO and treasurer at Arch Capital Group Ltd.



John Charman, currently chairman and CEO of Sompco International Holdings Ltd., has been named CEO of overseas insurance business for Sompco Holdings Inc. effective April 1, 2019. He will remain executive chairman of Sompco International's board of directors, while **Nigel Frudd** will succeed him as CEO of Sompco International and take

on the new Sompco Holdings role of senior executive vice president and chairman of overseas mergers and acquisitions. Both will be based in Hamilton, Bermuda.



Bill Creedon has been appointed construction industry leader for North America within Willis Towers Watson PLC's corporate risk and broking segment. Mr. Creedon, who has held

a variety of positions with Willis Towers Watson over the past 20 years, is based in Denver. He succeeds Paul Becker, who had held the position on an interim basis.

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