

Rising Cost of Insurance Claims:

Commercial Auto:

- Auto Liability continue to be unprofitable for carriers.
- More vehicles on the road causing more accidents.
- Deteriorating public roads and infrastructures are causing more accidents.
- Increase in distracted drivers caused by cell phones, alcohol, and drugs.
- Increase in high speed accidents, as a result of sophisticated vehicles.
- Vehicle repair costs have increased, due to advanced technology in vehicles.
- Medical Inflation and the cost of injury claims.

General Liability:

- Unprecedented number of excessive verdicts and settlements from conventional claims to unforeseen issues, such as 'Me Too' litigation.
- Litigation Funding is increasing, and more claims are being taken to trial.
- Nuclear Verdicts: Median settlement of the top 50 verdicts has doubled over the past 4 years.
- Long Tail Losses: Losses from 5 years ago are being adjudicated at much higher levels than ever predicted.
- Social Inflation: Sympathetic jurors are becoming more desensitized wanting to blame or punish large corporations.

Umbrella:

- Tort Environment is changing; increasing severity and exposures are breaching Umbrella limits.

Property:

- California Wildfires have driven up rates across the country.
- Floods and recent tropical storms have depleted carrier capacity in the market.
- Tornadoes continue to destroy swaths of property in the Midwest and South

We have seen casualty loss trends deteriorate over the past few years as a result of increased Sexual Abuse/Molestation claims and higher claim payouts resulting from social inflation and increased attorney involvement. For example, we have seen the number of Sexual Abuse/Molestation claims increase by 90% over the past couple of years. This is not specific to one company; it is an industry wide trend.