

Insurance

BUSINESS AMERICA

IBAMAG.COM
ISSUE 9.01 | \$12.95



TOP SPECIALIST BROKERS 2021

42 wholesale brokers who excel at finding coverage for the most difficult-to-place risks

DIRECTORS AND OFFICERS, BEWARE

How social media is creating a new vortex for fraud in the D&O landscape

THE BEST WORKERS' COMP INSURERS

Brokers name the carriers providing unparalleled service in the workers' comp sector

A TURNING TIDE FOR CANNABIS

With federal decriminalization a possibility, where is cannabis insurance headed in 2021?



5-STAR EXCELLENCE AWARDS: WORKERS' COMPENSATION

Brokers reveal the best workers' compensation policies (and carriers) in the industry

DESPITE THE COVID-19 pandemic's huge impact on the economy, workers' compensation insurance providers are emerging from a very profitable 2020, as the drop in claims substantially outpaced the drop in premium revenue. (COVID-19-related claims have amounted to 7.4% of all paid workers' comp claims as of November.)

According to Fitch, workers' compensation has been the most profitable commercial line for carriers over the last five years. The workers' comp market in the US is currently worth \$56.4 billion, up from \$42 billion in 2010. The current surge in profitability is now leading to price competition among insurers, causing the market to soften as businesses stop buying insurance for laid-off workers.

"There are several companies still offering commission incentives on smaller or lighter office-type risks to get that business in the door," one broker told IBA's research team.

What's important when choosing a workers' comp policy

Workers' compensation is an essential cover for businesses, but when choosing a policy, what are the most important features for brokers?

Claims. IBA's research revealed that claims processing is the most vital consideration for brokers: 91.5% of those surveyed rated the claims experience as either important or very important when considering a policy. Carriers like Safety National were recognized several times for speed of processing and reimbursement, while Canadian-owned

Zenith Insurance's claims team was also referred to in glowing terms.

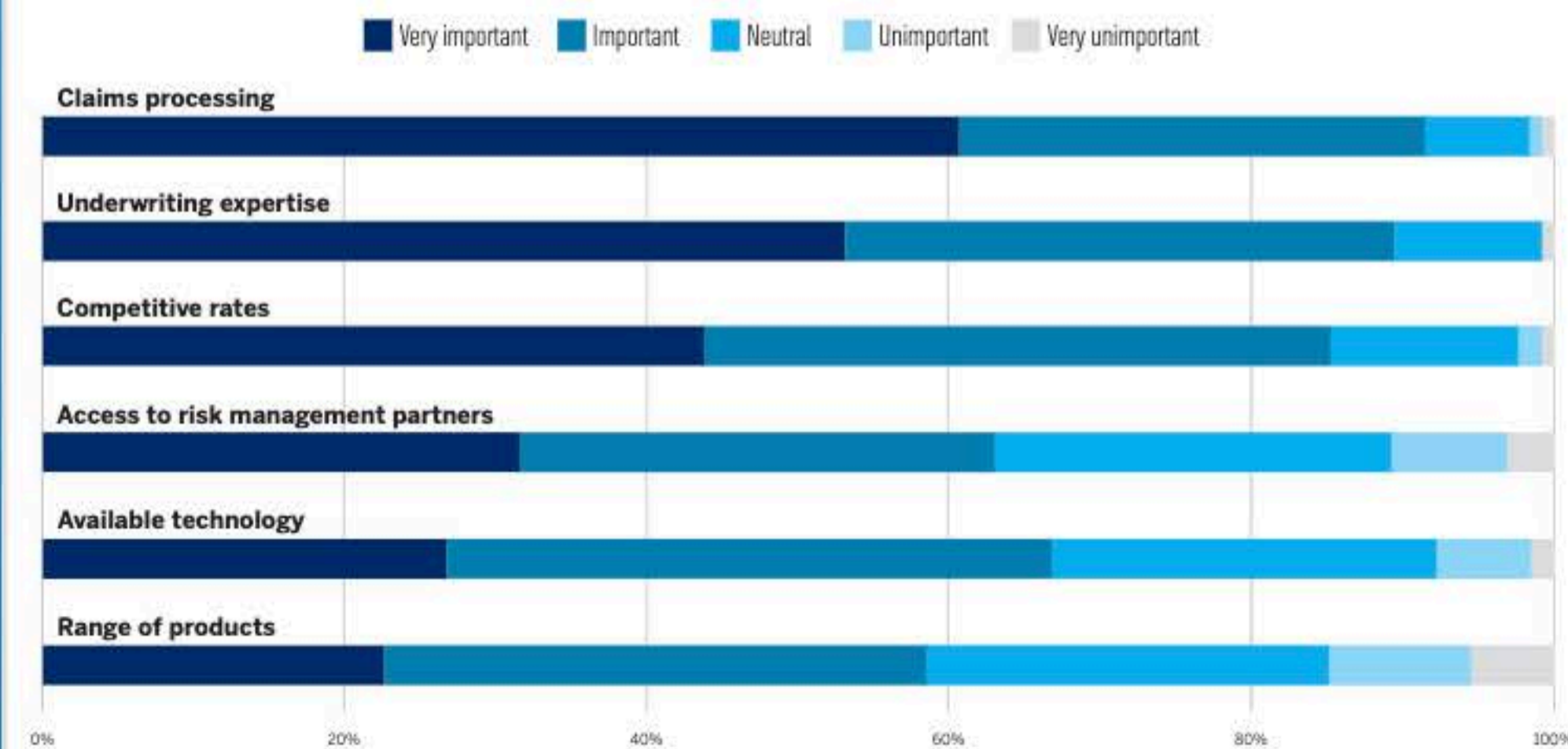
Expertise. If claims handling is number one in importance, underwriting expertise is a very close second – 87.7% of brokers rated it as important or very important.

Price. Despite the focus on price in so many types of insurance, competitive pricing was only the third most important factor for brokers when choosing a workers' comp insurer – 85.4% of brokers said it is important or very important.

Ease of doing business. One of the most critical factors that our researchers heard about over and over from brokers was how easy a workers' compensation insurance provider was to deal with. When respondents expounded on why they gave specific insurers high marks, customer service and ease of doing business shone through. "The QBE team have helped my clients time and time again. They are experienced, trusted and provide great service," said one broker. "I put our preference with carriers who are easy to work with and [have] strong communication, customer focus and responsiveness," said another.

That key connection between insurer and broker can make or break the experience for a client. A strong connection means brokers can get the information they need for their clients and handle requests and claims efficiently. When asked why a certain carrier provides the best customer service, one broker simply responded, "They're just easy to do business with."

WHAT'S MOST IMPORTANT TO BROKERS WHEN CHOOSING A WORKERS' COMP POLICY?



5-STAR EXCELLENCE AWARDS



THE BEST WORKERS' COMPENSATION CARRIERS

IBA's inaugural 5-Star Excellence Awards in Workers' Compensation celebrates companies with outstanding product offerings, as well as first-class broker support and industry knowledge. The awards give brokers insight into the partners their peers choose to work with, offering invaluable inside information to aid in selecting an insurer.



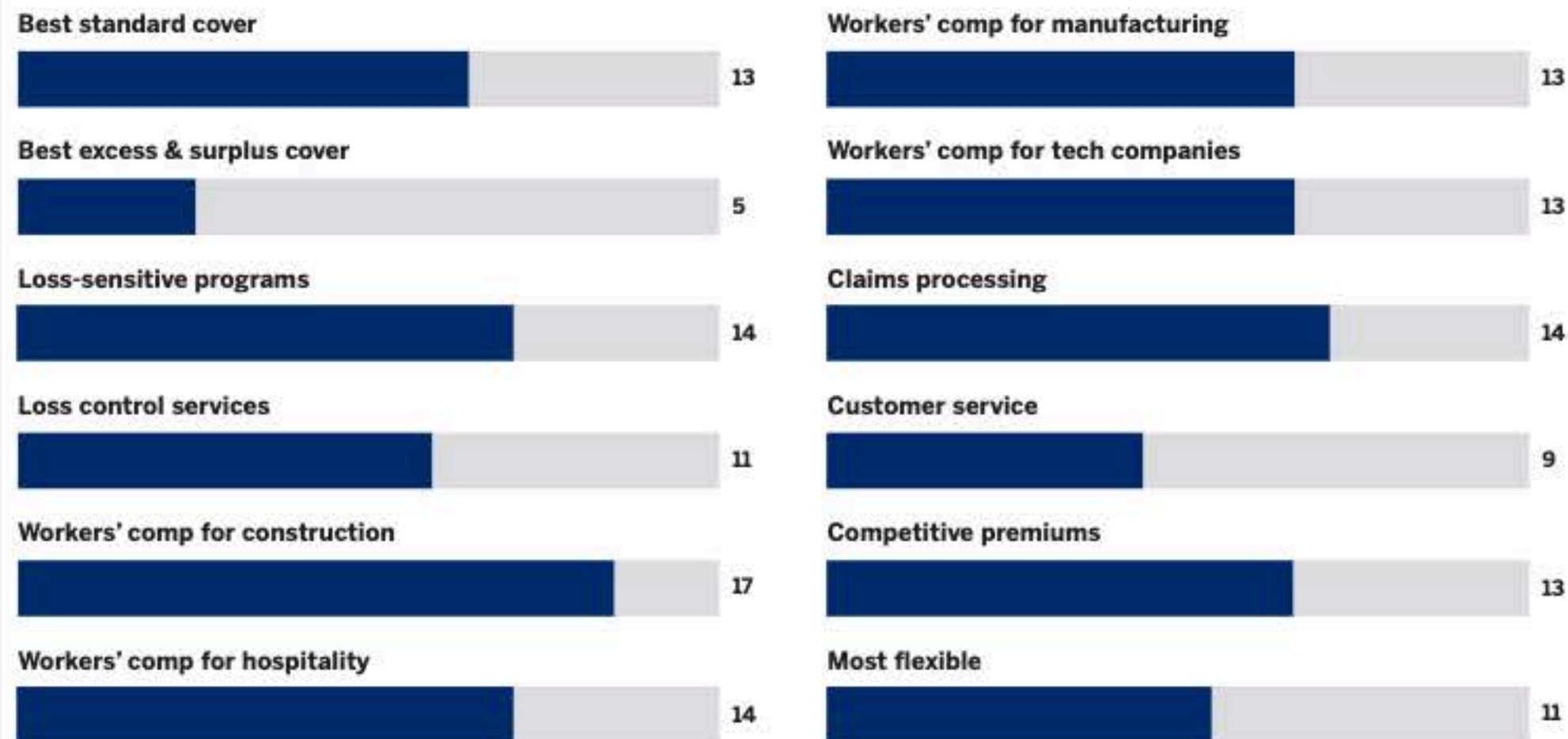
HOW WE CHOOSE THE BEST

'Market-leading' is a phrase many insurance companies like to use when describing their products. Now 25 companies can claim that title on the back of hard market research from the people who matter most: insurance brokers.

To select the best workers' compensation insurance carriers for 2021, IBA enlisted some of the industry's top experts. Throughout a 15-week process, our research team conducted one-on-one interviews with specialist brokers and surveyed thousands more within IBA's network to gain a keen understanding of what insurance professionals think of current market offerings. Brokers were first quizzed on what features they thought were most important in workers' compensation policies and then asked how the insurance providers they dealt with rated on those attributes.

Carriers were measured on the strength of their relationships with brokers, ability to handle claims, underwriting expertise and, most importantly, the strength of the individual products they provide.

NUMBER OF AWARD WINNERS BY CATEGORY



BEST STANDARD COVER

Workers' compensation policies are, by their very design, standard. There are very few options to broaden coverage on standard workers' comp policies.

"This is by design," one broker told IBA. "The National Council on Compensation Insurance and the other rating bureaus have standardized this form. The limit on the policy is not meant for a claim for an employee - it's meant to pay lawsuits or third parties. This is one policy that rarely has any changes because most cases are settled in court and rely on precedents."

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- Applied Underwriters
- Chubb
- CNA Insurance
- Everest Insurance
- ICW Group
- Liberty Mutual Insurance
- Method Insurance Services
- Midwestern Insurance Alliance
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance

BEST EXCESS & SURPLUS COVER

Excess & surplus cover is designed to minimize the risk for self-insured employers in the event of a claim. There are generally two categories of E&S cover available: aggregate, which will provide coverage once a cumulative figure from losses is reached, or specific, which will provide a cap on any single claim.

While this type of cover is very specialized, the handful of 5-Star winners in this category have shown they are able to go above and beyond with both product and service.

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- Berkshire Hathaway
- Chubb
- Liberty Mutual Insurance
- Safety National

LOSS-SENSITIVE PROGRAMS

Loss-sensitive programs, in which premiums can vary depending on any claims that occur during the insured period, are best suited to companies with a higher risk tolerance. These programs can provide an added incentive to emphasize safety by rewarding businesses with low claims activity. However, they can sometimes cost businesses more than a guaranteed plan, so it's important that companies understand their risk tolerance when selecting this type of plan.

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- AmTrust Financial
- Berkshire Hathaway
- Chubb
- Everest Insurance
- ICW Group
- Liberty Mutual Insurance
- Method Insurance Services
- QBE Insurance Group
- Safety National
- The Hartford
- Travelers
- Zenith Insurance
- Zurich Insurance Group

LOSS CONTROL SERVICES

While carriers' loss control and risk mitigation offerings weren't among the most important factors identified by brokers when choosing a workers' comp policy, the ultimate effect of loss control services - lower premiums - was among their top concerns.

"Loss control is pretty standard across the board," one broker told IBA. "Most places offer a nurse hotline now and a website where insureds can download safety info and toolbox talks, but there aren't a ton of standout offerings."

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- Applied Underwriters
- Chubb
- Everest Insurance
- ICW Group
- Key Risk, a Berkley Company
- Midwestern Insurance Alliance
- QBE Insurance Group
- Travelers
- Zenith Insurance
- Zurich Insurance Group

5-STAR EXCELLENCE AWARDS



WORKERS' COMP FOR CONSTRUCTION

The construction industry is a major consumer of workers' compensation insurance, and the sector is home to many specialized niches, each with its own market appetite.

Although COVID-19 hit many industries hard, construction wasn't one of them. "Construction never really stopped, especially in the Southern states," says Kevin Clary, VP of risk management at Amerisure.

5-STAR EXCELLENCE AWARD WINNERS

- AF Group
- AIG
- AmTrust Financial
- Applied Underwriters
- Chubb
- CNA Insurance
- Everest Insurance
- Key Risk, a Berkley Company
- Liberty Mutual Insurance
- Method Insurance Services
- Midwest Insurance Alliance
- Nationwide
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance
- Zurich Insurance Group

WORKERS' COMP FOR HOSPITALITY

The hospitality industry has been battered by the COVID-19 pandemic, and so has its workers' comp market. "There are still a few carriers either limiting or blocking access for writing these policies, though most are renewing what is on their books," one broker told IBA.

When business picks up again, it's all the more important that brokers choose carriers that can provide hospitality clients with great service.

5-STAR EXCELLENCE AWARD WINNERS

- AF Group
- AIG
- AmTrust Financial
- Applied Underwriters
- Berkshire Hathaway
- Chubb
- Hanover
- Key Risk, a Berkley Company
- Liberty Mutual Insurance
- Method Insurance Services
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance

WORKERS' COMP FOR MANUFACTURING

Manufacturers account for more than 11% of the country's output, employing 8.5% of the total US workforce. It's a substantial market to provide insurance for and one that carriers have a good appetite for.

"Most carriers really like this industry and will go to bat for it, but it's heavily dependent on the whole account," one broker said. "These accounts tend not to switch agents or carriers often, so while it's desirable, unless you specialize in it, you're probably not seeing a lot of it."

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- AmTrust Financial
- Applied Underwriters
- Chubb
- Hanover
- Key Risk, a Berkley Company
- Liberty Mutual Insurance
- Method Insurance Services
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance
- Zurich Insurance Group

WORKERS' COMP FOR TECH COMPANIES

Tech is booming, and insurance carriers are fighting to win workers' comp business in this industry. "They want as much of this on the books as possible," one broker told IBA.

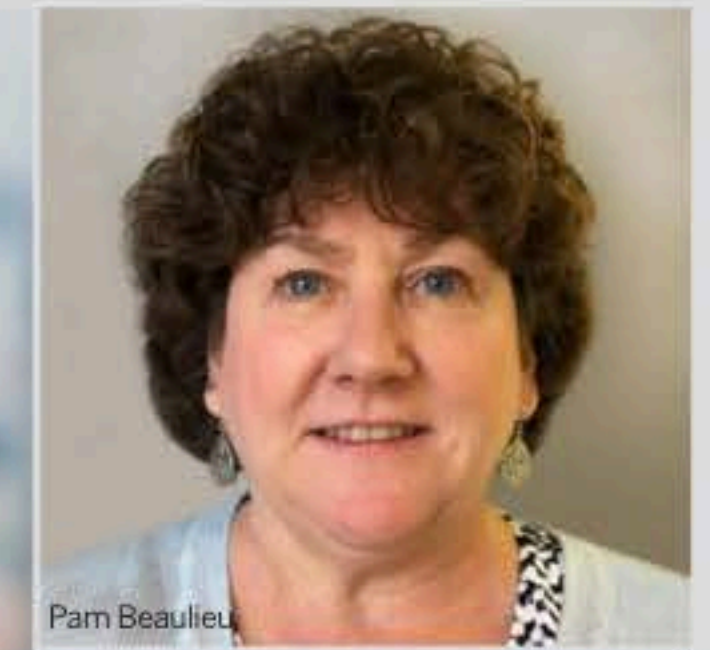
There are multiple reasons for this. One is that workers' comp, especially for office classifications, is generally desirable. Another is that there "aren't a ton of tech-specific codes," so in many cases, tech employees are classified in cheaper clerical roles. "Duties are simply sitting at a computer - our best-case scenario," the broker said.

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- AmTrust Financial
- Chubb
- Everest Insurance
- Hanover
- Key Risk, a Berkley Company
- Liberty Mutual Insurance
- Method Insurance Services
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance
- Zurich Insurance Group



Chris Foy



Pam Beaulieu



Matt Zender

AMTRUST FINANCIAL SERVICES

Headquarters: New York, NY

Year founded: 1998

Number of employees: 5,250

Number of offices: 100+

Leadership: Chris Foy, EVP, Head of North American Commercial P&C; Pam Beaulieu, EVP, Workers' Compensation Underwriting; Matt Zender, SVP, Workers' Compensation Strategy

AMTRUST FINANCIAL SERVICES is a niche specialty property & casualty insurance company with more than 5,200 employees worldwide. AmTrust is a top writer of workers' compensation insurance in the United States and the leading carrier in the small business workers' comp market. Since the beginning, the company's mission has remained the same: to deliver outstanding insurance and risk solutions to clients and partners around the world through innovation, niche expertise and unparalleled service. AmTrust has a financial strength rating of A- (Excellent) with

a stable outlook and a financial size of XV from A.M. Best. AmTrust invests in providing agents with the tools they need to succeed, allowing them to offer their clients the best coverage and customer service, including customized, affordable coverage options; superior loss control services; and responsive claims handling. AmTrust's extensive network, unparalleled experience and strong reputation for serving small businesses give agents a competitive advantage in providing workers' compensation and complementary coverages for small business owners.

5-STAR EXCELLENCE AWARDS



CLAIMS PROCESSING

Brokers want to know that carriers will be there for their clients in the event of a claim – brokers told *IBA* that carriers' claims handling abilities were the most important factor when selecting a workers' comp insurer.

"Claims handling and customer service are extremely important to me and my clients," said one broker, while another highlighted the importance of selecting an insurer that is "reliable and high-touch and has a true interest in claimant care."

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- AmTrust Financial
- Applied Underwriters
- Hanover
- ICW Group
- Key Risk, a Berkley Company
- Liberty Mutual Insurance
- Method Insurance Services
- Midwestern Insurance Alliance
- QBE Insurance Group
- Texas Mutual Insurance Company
- The Hartford
- Travelers
- Zenith Insurance

CUSTOMER SERVICE

Receiving top-notch customer service from carriers is also extremely important to brokers, but only nine carriers were singled out as 5-Star winners in this category – an elite but impressive group.

Among the winners, both QBE and Method were repeatedly praised for their service standards. "QBE has made the customer the focus of their vision and strategy, and it shows," one broker said. "Customer service with Method is, hands down, the best I have ever experienced," another broker said.

5-STAR EXCELLENCE AWARD WINNERS

- Applied Underwriters
- ICW Group
- Liberty Mutual Insurance
- Method Insurance Services
- Midwestern Insurance Alliance
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance

COMPETITIVE PREMIUMS

Despite not being at the top of their list of priorities, competitive pricing is still valued by brokers – and they awarded 13 carriers top marks in this area. However, brokers also made it clear that pricing alone won't win business; it has to be backed up with excellent service. As one broker put it: "Great customer service + competitive rates = success."

5-STAR EXCELLENCE AWARD WINNERS

- AF Group
- AmTrust Financial
- Applied Underwriters
- Berkshire Hathaway
- EMPLOYERS
- ICW Group
- Markel Insurance
- Method Insurance Services
- Midwestern Insurance Alliance
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance

MOST FLEXIBLE

A carrier's willingness to find solutions to meet clients' unique needs goes a long way with brokers. Time and again, brokers mentioned flexibility when asked what their top carriers are doing to set themselves apart. Eleven carriers were rewarded by brokers for their flexible approach.

5-STAR EXCELLENCE AWARD WINNERS

- AIG
- Applied Underwriters
- Chubb
- Everest Insurance
- Liberty Mutual Insurance
- Method Insurance Services
- QBE Insurance Group
- The Hartford
- Travelers
- Zenith Insurance
- Zurich Insurance Group

QBE

US headquarters: New York, NY

Year founded: 1886

Employees: 11,000+

Number of offices: 90

Leadership: John Beckman, chief underwriting officer; Kris Hill, president, alternative markets; Tom Fitzgerald, president, specialty and commercial

"WITH COVID-19, there have been some interesting challenges," says John Beckman, chief underwriting officer at QBE North America. Meeting and overcoming those challenges has earned QBE an *IBA* 5-Star Excellence Award for workers' compensation.

At QBE, flexibility is crucial during tough economic times. In 2020, that meant being flexible with employers who were forced into layoffs, which lowers a company's payroll and its workers' compensation premium. Typically, employers must wait three months after their policy expires to get their return, but QBE worked with individual clients hit hard by the pandemic to adjust their payment schedules, Beckman explains.

"Caring for our customers is at the core of who we are," he says. "We work with customers where we can to reduce cost and help them stay in business. In the long run, it's a much better model, and it helps us win long-term, loyal clients. In challenging times, companies want – and deserve – reassurance that they are partnering with carriers that truly care. That's QBE."

But QBE isn't just adapting to the consequences of COVID-19 – the company is also continuing to innovate. Beckman points to a new technology rolling out in 2021 that will expedite workers' compensation policies and processing.

"It will be faster, more accurate and more efficient, so it should be good for our employees, and our customers should see better service, too," he says.

Another technology QBE is using to improve workers' compensation is HumanTech, an app that employers can download to record employees while they're working to identify where workers are putting stress on their bodies. This insurtech app's aim is to prevent injuries and demonstrates QBE's ongoing commitment to innovating



John Beckman

with the customer in mind.

Beckman says it's also a part of an industry trend toward lower claim frequency (the number of claims per \$100 of payroll). "[By] adopting technology, the insurance industry is having a positive impact on operations of companies."

QBE North America offers workers' compensation in four ways: to small businesses for accounts under \$100,000 premium, to middle-market businesses with premium over \$100,000, workers' compensation specifically tailored to the aviation industry, and through MGA partners.

"Those MGA partners are typically very specialized in a very specific kind of employer, and they bring knowledge of exactly how that business works to us," Beckman says, adding that this kind of expertise is of the utmost importance when selecting coverage.

"If I was an employer looking to buy workers' compensation coverage, I'd be looking for the knowledge of the partner I was going to work with, and I'd look for the services," he says. "Technical expertise, agility, service and caring – that's what we aim to bring to the table."

5-STAR EXCELLENCE AWARDS



5-STAR EXCELLENCE AWARD WINNERS BY CATEGORY

Carrier	Best standard cover	Best excess & surplus cover	Loss-sensitive programs	Loss control services	Workers' comp for construction
AF Group					⊕
AIG	⊕	⊕	⊕	⊕	⊕
AmeriSafe					
AmTrust Financial			⊕		⊕
Applied Underwriters	⊕			⊕	⊕
Berkshire Hathaway		⊕	⊕		
Chubb	⊕	⊕	⊕	⊕	⊕
CNA Insurance	⊕				⊕
EMPLOYERS					
Everest Insurance	⊕		⊕	⊕	⊕
Hanover					
ICW Group	⊕		⊕	⊕	
Key Risk, a Berkley Company				⊕	⊕
Liberty Mutual Insurance	⊕	⊕	⊕		⊕
Markel Insurance					
Method Insurance Services	⊕		⊕		⊕
Midwestern Insurance Alliance	⊕			⊕	⊕
Nationwide					⊕
QBE Insurance Group	⊕		⊕	⊕	⊕
Safety National		⊕	⊕		
Texas Mutual Insurance Company					
The Hartford	⊕		⊕		⊕
Travelers	⊕		⊕	⊕	⊕
Zenith Insurance	⊕		⊕	⊕	⊕
Zurich Insurance Group			⊕	⊕	⊕

Workers' comp for hospitality	Workers' comp for manufacturing	Workers' comp for tech companies	Claims processing	Customer service	Competitive premiums	Most flexible
⊕					⊕	
⊕	⊕	⊕	⊕			⊕
⊕	⊕	⊕	⊕		⊕	
⊕	⊕	⊕	⊕	⊕	⊕	⊕
⊕					⊕	
⊕	⊕	⊕				⊕
⊕	⊕	⊕				
					⊕	
⊕	⊕	⊕	⊕			⊕
⊕	⊕	⊕	⊕			
					⊕	
⊕	⊕	⊕	⊕	⊕	⊕	⊕
⊕	⊕	⊕	⊕	⊕	⊕	⊕
					⊕	
⊕	⊕	⊕	⊕	⊕	⊕	⊕
⊕	⊕	⊕	⊕	⊕	⊕	⊕
⊕	⊕	⊕	⊕	⊕	⊕	⊕
	⊕	⊕				
⊕	⊕	⊕	⊕	⊕	⊕	⊕
⊕	⊕	⊕	⊕	⊕	⊕	⊕
⊕	⊕	⊕	⊕	⊕	⊕	⊕
	⊕	⊕				⊕