



PRE-RENEWAL SUMMARY

January 1, 2024 Renewal Strategy

Meeting Date: August 23, 2023

Prepared By:

MJ INSURANCE

571 Monon Blvd.

Carmel, IN 46032

P 317.805.7500 | F 317.805.7515

mjinsurance.com





AGENDA

INTRODUCTIONS

- + MJ Team

ORGANIZATIONAL UPDATES

- + Risk Profile Updates

ANALYTICS

- + Loss Summary
- + APERTURE Key Findings

RISK SERVICES

- + MJ Risk Services

RISK TRANSFER STRATEGY

- + State of the Market
- + 2024 Renewal Strategy

NEXT STEPS

INTRODUCTIONS

MJ TEAM

Client Executive	Adam Adler 317-805-7615	adam.adler@mjinsurance.com
Risk Transfer Specialist	Lula Laubecher 317-805-7625	lula.laubecher@mjinsurance.com
Vice President, Risk Services	Mike Janicki 317-805-7540	mike.janicki@mjinsurance.com
Claims Consultant	Diane Scales 317-805-7632	diane.scales@mjinsurance.com
Certificate Requests	317-805-7542 Requests taken from 8:00 AM to 5:00 PM EST Monday – Friday. All requests received after 5:00 will be processed the next business day.	certificate@mjinsurance.com



ORGANIZATIONAL UPDATES

RISK PROFILE UPDATES



- + **Goals + Initiatives**
 - + Top organizational initiatives over next 12 months?
 - + 3-year strategic vision?
- + **Trajectory**
 - + 12-month placement projections?
 - + 3-year expectations?
- + **Operations**
 - + Operational Changes?
 - + New initiatives?
- + **Organizational Structure**
 - + Internal changes?
- + **Challenges + Concerns**
 - + Business Risk Issues?
- + **Risk Management Philosophy**
 - + Risk appetite change?
 - + Level of satisfaction with current program and partners?

ANALYTICS



APERTURE KEY FINDINGS

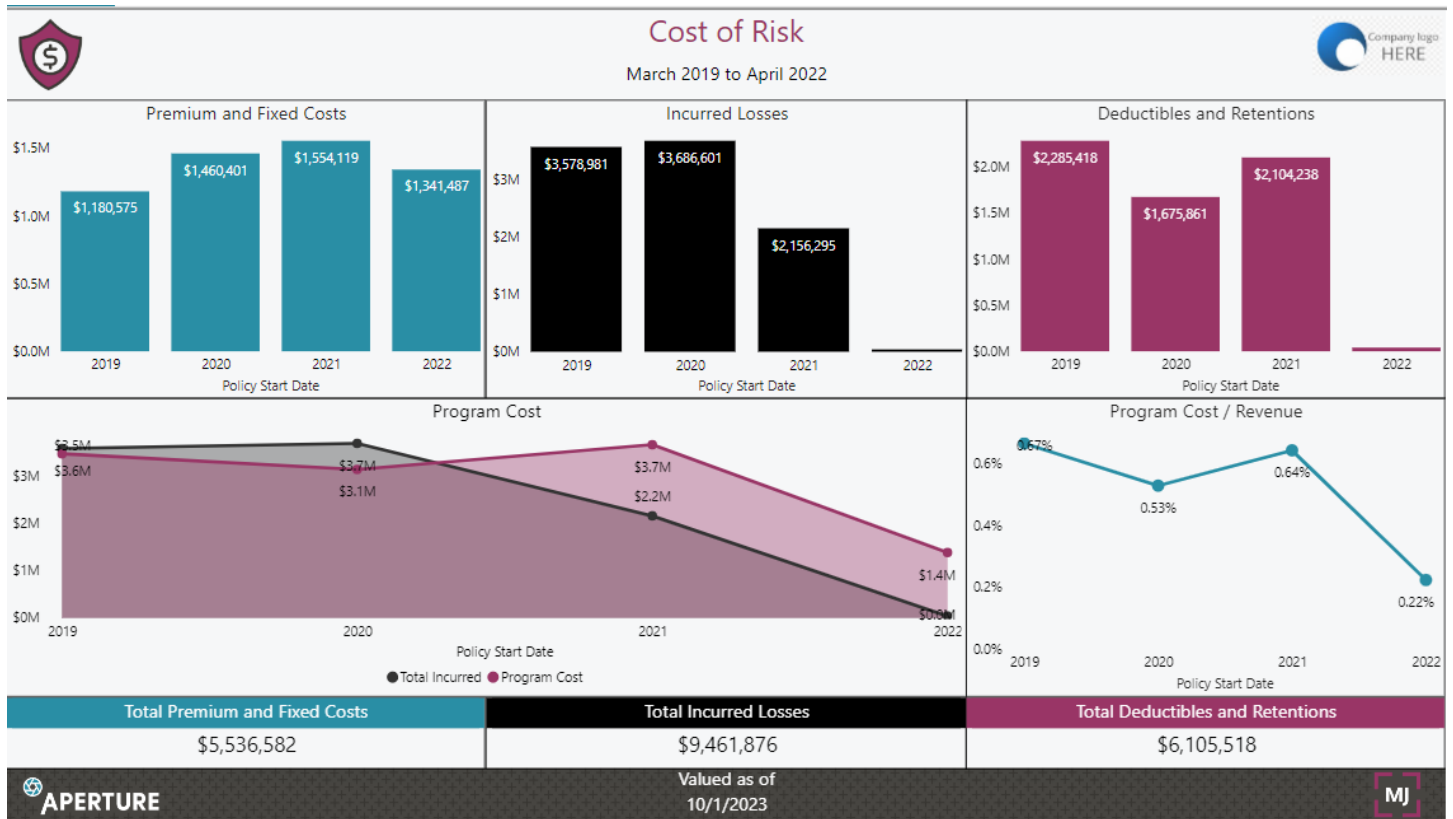
LOSS SUMMARY

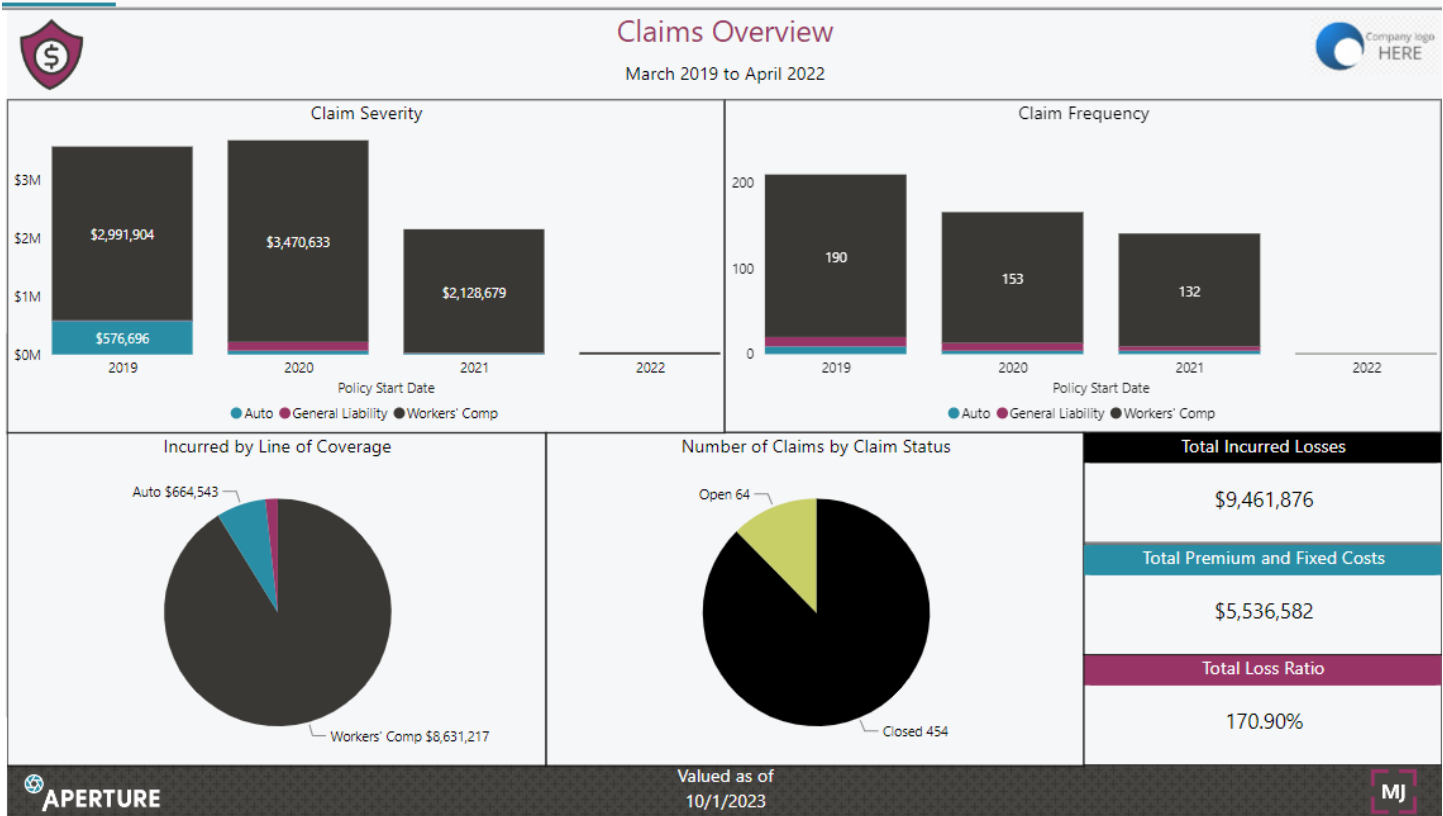
Loss Summary												
March 2019 to April 2022												
Coverage Line	Policy Start Date	Policy End Date	Carrier	Claim Count	Premium	Total Paid	Total Reserve	Total Incurred	Carrier Incurred	Client Incurred	Carrier Loss Ratio	Total Loss Ratio
Auto	3/1/2019	3/1/2020	Demo Carrier	9	\$202,550	\$503,929	\$72,767	\$576,696	\$569,857	\$6,839	281.34%	284.72%
Auto	3/1/2020	3/1/2021	Demo Carrier	4	\$411,061	\$66,710	\$0	\$66,710	\$64,301	\$2,410	15.64%	16.23%
Auto	3/1/2021	3/1/2022	Demo Carrier	4	\$470,693	\$5,637	\$15,500	\$21,137	\$17,137	\$4,000	3.64%	4.49%
Auto	3/1/2022	3/1/2023	Demo Carrier	0	\$285,303	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%
General Liability	3/1/2019	3/1/2020	Demo Carrier	11	\$131,027	\$10,380	\$0	\$10,380	\$0	\$10,380	0.00%	7.92%
General Liability	3/1/2020	3/1/2021	Demo Carrier	9	\$216,695	\$15,257	\$134,000	\$149,257	\$132,432	\$16,826	61.11%	68.88%
General Liability	3/1/2021	3/1/2022	Demo Carrier	5	\$241,178	\$6,479	\$0	\$6,479	\$0	\$6,479	0.00%	2.69%
General Liability	3/1/2022	3/1/2023	Demo Carrier	0	\$325,571	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%
Workers' Comp	3/1/2019	3/1/2020	Demo Carrier	190	\$846,998	\$1,945,171	\$1,046,734	\$2,991,904	\$723,706	\$2,268,199	85.44%	353.24%
Workers' Comp	3/1/2020	3/1/2021	Demo Carrier	153	\$832,645	\$2,443,383	\$1,027,250	\$3,470,633	\$1,814,007	\$1,656,626	217.86%	416.82%
Workers' Comp	3/1/2021	3/1/2022	Demo Carrier	132	\$842,248	\$496,176	\$1,632,503	\$2,128,679	\$34,920	\$2,093,759	4.15%	252.74%
Workers' Comp	3/1/2022	3/1/2023	Demo Carrier	1	\$730,613	\$15,000	\$25,000	\$40,000	\$0	\$40,000	0.00%	5.47%
Total				518	\$5,536,582	\$5,508,122	\$3,953,754	\$9,461,876	\$3,356,359	\$6,105,518	60.62%	170.90%
Total Premium and Fixed Costs					Total Incurred Losses				Total Deductibles and Retentions			
\$5,536,582					\$9,461,876				\$6,105,518			
APERTURE					Valued as of 10/1/2023				MJ			

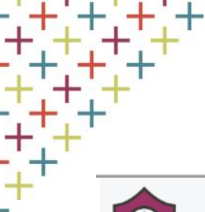


APERTURE KEY FINDINGS

Summary





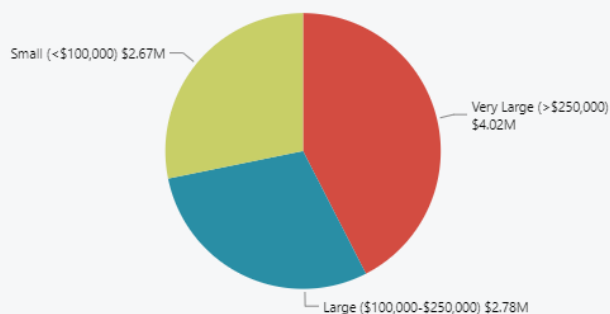


Large Claims

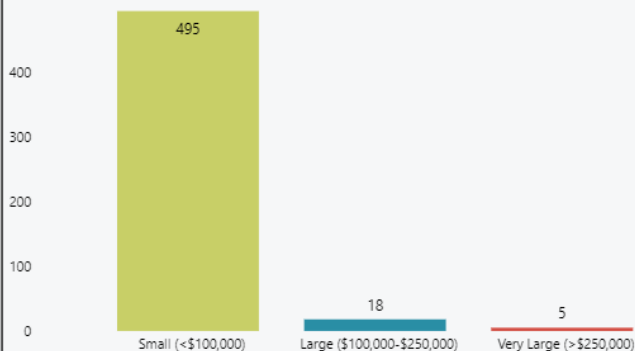
March 2019 to April 2022



Claim Size by Total Incurred



Claim Size by Claim Count



Total Incurred	Date of Loss	Claim Status	State	Litigation	Claim Description
\$2,062,969.93	11/9/2020	Open	AZ		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$911,148.06	2/12/2020	Open	NC		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$451,723.88	9/18/2019	Closed	IN		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$306,836.83	10/10/2019	Open	IA		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$283,638.40	4/17/2021	Open	NC		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$243,498.41	8/8/2021	Open	IN		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$234,198.29	4/2/2020	Open	GA		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$228,897.00	10/12/2021	Open	IN		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam
\$181,611.10	11/18/2020	Open	IN		neque laoreet suspendisse interdum consectetur libero id faucibus nisi tincidunt eget nullam non nisi est sit amet facilisis magna etiam

APERTURE

Valued as of
10/1/2023



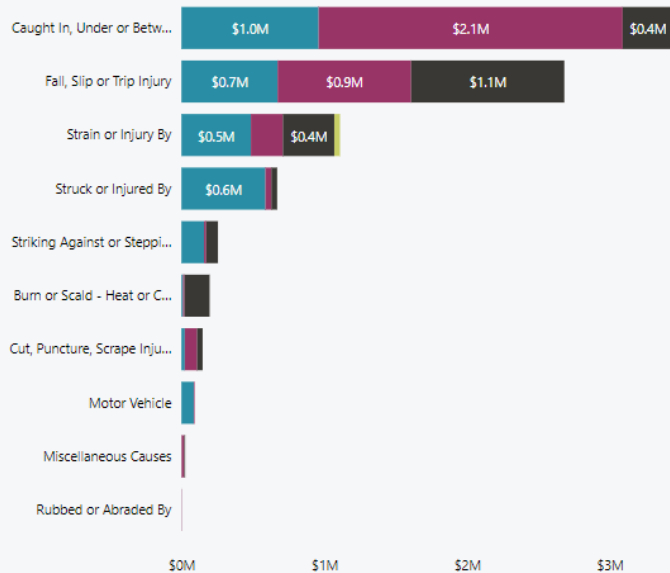
Causes

March 2019 to April 2022



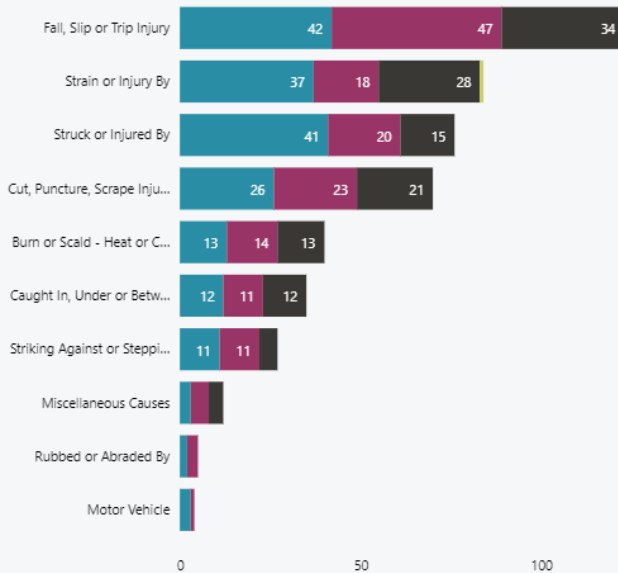
Top 10 Causes by Total Incurred

Policy Start Date ● 2019 ● 2020 ● 2021 ● 2022



Top 10 Causes by Claim Count

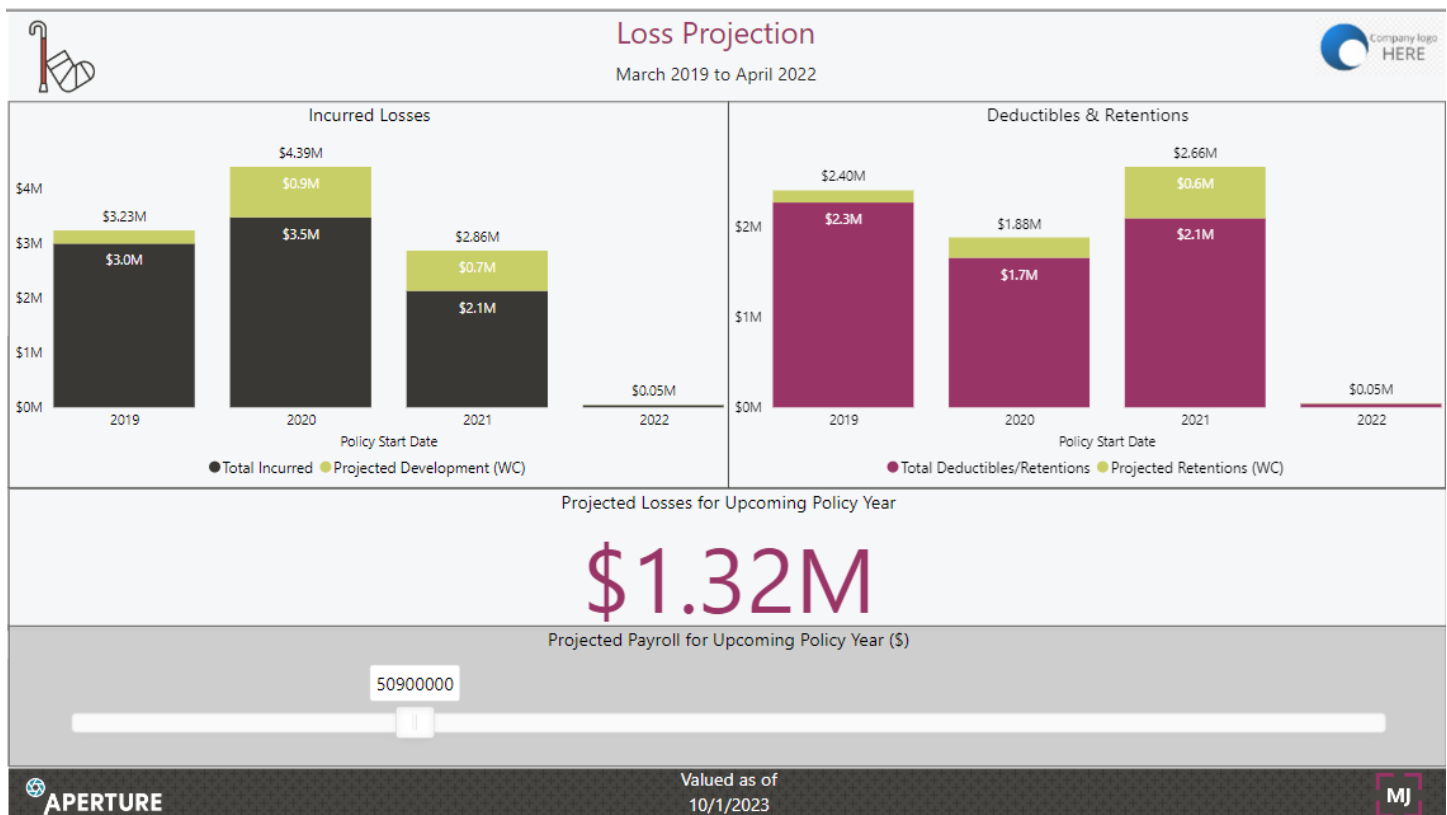
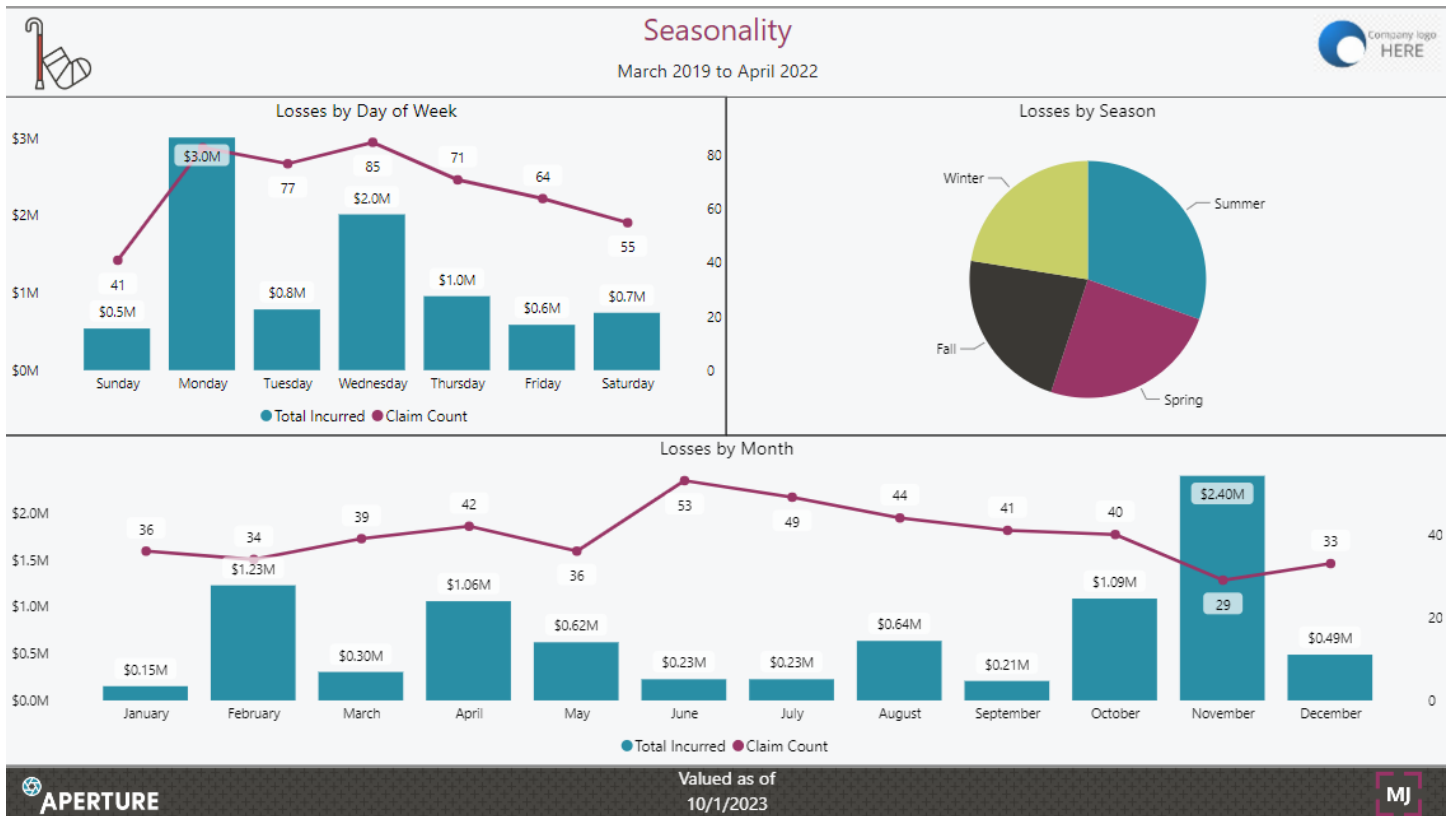
Policy Start Date ● 2019 ● 2020 ● 2021 ● 2022



APERTURE

Valued as of
10/1/2023







MJ RISK SERVICES

Our Risk Services team plays an integral role in the evaluation and analysis of your risk profile through various Risk Assessments and on-demand resources.

- + **Risk Assessments**

- + Employee Safety
- + Fleet/Auto Safety
- + Business Continuity
- + Employee Practices
- + Cyber Risk
- + Contractual Risk

- + **Educational Seminars and Trainings**

- + **Safety Resources**

- + Employee Safety Manual review
- + Return to Work programs
- + Various safety content (Toolbox Talks / Employee Newsletters)
- + Third-party site safety hazard and compliance audits

- + **Risk Management Center (Resource portal)**

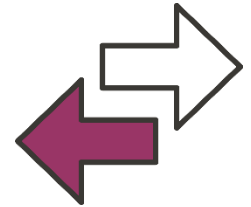
- + Online Training Library: on-demand training resources
- + COI Tracking: manage vendor and contractor certificates
- + Training Track: track employee training compliance and recertification
- + Risk Management Library: best practice resources - sample programs and policies
- + Job Description Tracking: position description storage to easily develop job hazard analysis
- + SDS Management: repository for managing and providing access to safety data sheets
- + Ask the HR Expert: on-demand helpdesk with access to certified HR professionals
- + Incident Tracking: management of FROI and OSHA 300 logs

- + **MJ Client Journey**



- + Strategy Meeting
 - + Assessments
 - + Risk Matrix
- + Action Meeting
 - + Annual Plan

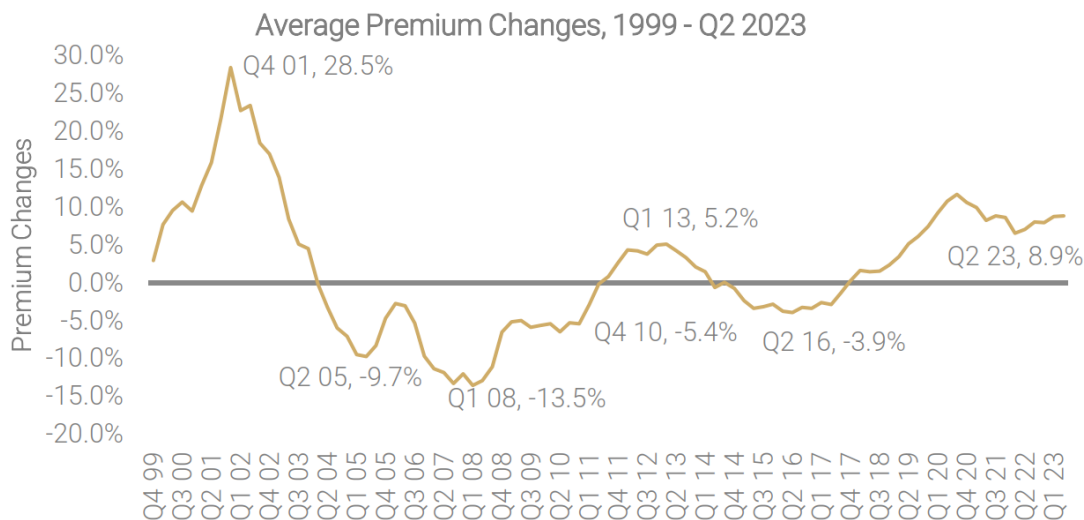
RISK TRANSFER STRATEGY



STATE OF THE MARKET

The following are key takeaways from The Council of Insurance Agents & Brokers' Commercial Property/Casualty Market Report for Q2 2023 (April 1 – June 30):

- + Q2 2023 was the 23rd consecutive quarter of premium increases, at 8.9%. Medium-sized accounts saw the highest increase, at 9.8%, though only slightly higher than the 9.7% increase in premiums for large-sized accounts.



Source: The Council of Insurance Agents & Brokers

- + Commercial property had the highest reported increase out of all lines, at 18.3%. Natural catastrophe losses and rising property values were among the primary drivers of these increases, according to respondents. Issues with reinsurance capacity led to difficulties placing property policies in the admitted market, especially for coastal property, as well as non-renewals from some carriers on existing accounts.
- + Cyber premiums rose by only 3.6% this quarter, the strongest sign of relief for the line seen so far. Respondents also reported greater carrier appetite for underwriting cyber.
- + Workers Compensation notched the 6th consecutive quarter of decreases, at -0.7%. Commercial auto also recorded an increase of 10.4%, marking a milestone of 50 consecutive quarters of premium increases.
- + Respondents reported that high premiums and future premium increases remained top of mind for their clients. Some reported that clients were "rate fatigued," leading to them purchasing lower limits or biting the bullet and increasing their deductibles to

keep premiums down. A respondent from a midsize Northeastern firm mentioned that combined with compounding rate increases, the “demand by insurance carriers for risk control, inspections, worksheets, claims reviews, and general information” appeared to be contributing to a level of mistrust among clients.’

- + “Adopting new technology,” “becoming more data-driven,” and “enhancing the customer experience” were all top priorities for respondents this quarter, besides “driving organic growth” and “recruiting and developing talent.” Respondents saw leveraging technology to get better and more accurate data in front of their clients, as well as using that data to develop better offerings and inform risk management strategies, all as key to enhancing the customer experience.

BY-LINE SECOND QUARTER 2023 RATE CHANGES RANGED FROM -0.7% TO +18.3%

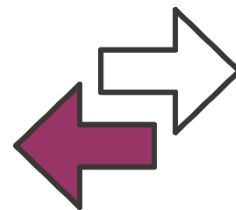
	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Second Quarter 2023	10.4%	-0.7%	18.3%	5.2%	8.1%	8.3%
First Quarter 2023	8.3%	-0.5%	20.4%	4.6%	8.5%	8.3%
Fourth Quarter 2022	7.3%	-1.1%	16.0%	4.9%	9.6%	7.4%
Third Quarter 2022	7.6%	-0.7%	11.2%	5.7%	11.3%	7.0%
Second Quarter 2022	7.2%	-1.2%	8.3%	4.7%	11.3%	6.1%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Source:
The Council of Insurance Agents & Brokers

RATE CHANGES IN OTHER LINES

	2023	High	Low
Broker E&O	2.2%	15.4%	-4.5%
Business Interruption	8.0%	28.8%	-10.2%
Construction	7.6%	38.7%	-10.7%
Cyber	3.6%	34.3%	-1.5%
D&O Liability	1.6%	32.4%	-8.7%
Employment Practices	2.2%	21.9%	-8.1%
Flood	7.2%	8.6%	-2.7%
Marine	3.6%	4.5%	-10.6%
Medical Malpractice	2.7%	32.5%	-4.1%
Surety Bonds	0.7%	11.2%	-2.3%
Terrorism	1.1%	10.4%	-3.6%

Source:
The Council of Insurance Agents & Brokers



2023 RENEWAL SYNOPSIS

- + MJ heavily - yet strategically - marketed the insurance program out to a number of insurance markets for consideration.
- + We obtained a very competitive option.
- + We elected to move to a higher deductible, which provided some additional pricing relief.
- + The overall result is that MJ was able to secure favorable renewal terms, including a nearly 12% overall net rate decrease year-over-year!

2024 RENEWAL STRATEGY

- + We moved coverage last year to new carrier. The new carrier was nearly \$130,000 less premium than what the other insurance carrier delivered for the renewal last year.
- + Based on experience thus far, it appears the partnership with the new carrier went well with the transition, and things have remained a good relationship.
- + Initial feedback from the new carrier for the upcoming renewal is they are happy and that loss results are coming in right around expectations. They would like to continue onward with the partnership. **Initial indications are that on an overall basis, the new carrier look to keep a flat rate renewal.** Their renewal on individual coverage line basis might deviate from this, but overall looking to come in significantly less than general industry average increases.



NEXT STEPS:

OCTOBER

- + MJ will request Review + Update Renewal Applications/Exposures
- + Client completes + returns update of Renewal Applications/Exposure updates.
- + MJ formally submits Client insurance applications to insurance carriers for consideration.
- + MJ obtains initial carrier feedback and indications and relays to Client.
- + Risk Control Visits are made to Client's facilities, if necessary

NOVEMBER

- + As needed, continued insurance carrier Risk Control visits with Client team.
- + MJ conducts many various insurance carrier meetings and discussions.
- + MJ meets and negotiates with various insurance underwriters to obtain specific terms and pricing. MJ relays back to Client.

DECEMBER

- + MJ obtains formal quote proposals from interested carrier parties.
- + MJ reviews quotes, negotiates where applicable, prepares Renewal Proposal.
- + Client and MJ reconvene with Renewal Proposal meeting to review formal coverage terms. Finalize renewal decisions.
- + Upon finalization of renewal decision, MJ provides insurance binder, claims information, Certificates of Insurance, and processes all other renewal-related paperwork.

YOUR FUTURE IN ⁺
FOCUS.

