



# CITY OF CORONA

# *INSURANCE BROKER REPORT*

JUNE 16, 2021

Presented by:

**Alliant Insurance Services, Inc.**

*(THIS INFORMATION HAS BEEN CONSOLIDATED FROM VARIOUS INDUSTRY SOURCES)*

**Alliant**





# Presentation Overview

- Insurance Market Update
- Key Industry Metrics
- Overview of PRISM

# Key Industry Metrics



- Insurers' **combined ratio** deteriorated to 100.2% for 2nd Qtr 2020 from 98.9% a year earlier.
- **Policyholder surplus** declined \$22.1 billion in the first half 2020 from an all time high of \$847.8 billion at year end 2019.
- **Net income after taxes** fell to \$24.3 billion in first-half 2020 from \$32.8 billion in first-half 2019.
- Signs point to a healthy, yet unsettled, insurance market, due to the unknowns of **COVID-19**, **weather extremes**, sea level rise, **wildfires**, catastrophic losses, **social inflation** and **investment earnings**. All remain areas of **concern for insurers**.

# Insurance Market Update

## *Property and Liability:*

Market continues to harden – market capacity has been cut, fewer carriers are willing to write the business and minimum premiums have increased.

- Many standard carriers are not offering large ground up limits forcing brokers to build capacity through multiple carriers.
- Several carriers have pulled out of public entity in CA and are non-renewing coverage within the state, increasing Retentions for exposures such as Police Professional & Employment Practices and dishing out large double digit increases.

*COVID-19 exclusions expected on all policies in light of the pandemic.*






# Insurance Market Update - continued

## **Workers Compensation Market.**

Treatment of COVID-19 claims could still impact the Workers' Compensation market significantly. However, unlike other core coverage lines, WC remains relatively stable.


- Several Lead Markets looking to increase Minimum Premiums and/or Retentions – especially for organizations with police and fire payroll.
  - Industry increase in severity claims due to Medical Inflation and Presumptive Laws.
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# Insurance Market Update - continued

## *Cyber Liability Market.*

Public Entities and Healthcare among largest target class for criminals.

- Cybercrime is projected to hit \$6 trillion annually by 2021, was \$2 trillion in 2019
  - Expect upward pressure on rates and possible coverage restrictions.
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# Who is PRISM?

**We are a Member-Directed Risk Sharing Pool**

Our Mission Statement:

*Public Risk Innovation, Solutions, and Management is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services, which drive member stability, efficiency, and best practices.*

**1.057B**

Premium

**53B**

Payroll

**5269K**

Daily Attendance

**76B**

Total Insured Val.

**133K**

Employee Lives

# PRISM Membership

*Over 300 organizations, with over 2,050 sub-members including:*

- *55 of 58 CA Counties*
- *80% of the cities in CA*
- *Educational Organizations (K-12 and Higher Education)*
- *Special Districts*
- *Housing Authorities*
- *California JPAs*





Thank you!

JUNE 15, 2021