

# BEST'S REVIEW®

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AM BEST'S MONTHLY INSURANCE MAGAZINE

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# BEST'S REVIEW®

October 2021 • Volume 122 • Issue 10

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AM BEST'S MONTHLY INSURANCE MAGAZINE

## Cyberattacks: Insurers Defend Against Ransomware

Battered by losses, cyber insurers have begun to work with the government and each other to mitigate losses and find solutions to an emerging threat.

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# Ransomware Attacks Escalate, Push Cyber Insurers to Respond

The October issue also focuses on the auto insurtech sector and includes AM Best's exclusive rankings of the top auto writers.

Ransomware demands have been soaring, reaching as high as \$70 million, up from several thousand dollars a few years ago. Once just a petty crime, it has evolved into a big business and a global security threat.

Recent targets have included the Colonial Pipeline, Solar Winds, and JBS, the world's largest meat packer. CNA earlier this year confirmed it had sustained a "sophisticated cybersecurity attack" that caused network disruption and impacted certain systems. Marsh confirmed a cyber breach in April but said the incident did not harm its operations. Arthur J. Gallagher & Co. acknowledged a ransomware attack that took place in September 2020.

The pace of these attacks has increased dramatically. What can be done?

*Best's Review* asked cyber insurers what they were doing to combat the problem and mitigate losses. In "Cyberattacks: Insurers Defend Against Ransomware," cyber insurers discuss how they are working with the government and one another to control losses and maintain a market.

Cyber is still a relatively new market and insurers have seen this as an area for growth. But cyber policies may also serve as a magnet, attracting cyber criminals. In "New Ransomware Worry: Insurance Can Present Solutions and Problems for Cybersecurity," *Best's Review* speaks with Erik Weinick, attorney and co-founder, Otterbourg P.C.'s Privacy & Cybersecurity practice, about how criminals are using policies to their advantage.

The October issue of *Best's Review* also focuses on auto insurance. Auto insurtechs have emerged over the last 10 years, seeking to use technology to offer consumers better pricing and a better experience.

October is Auto Insurance Awareness Month. In "Maturing Auto Insurtech Segment Looks to Highlight Shopping Options, Education to Grow," *Best's Review* provides an overview of who's who in the auto insurtech sector. The October issue includes Best's Rankings of the top auto writers by direct premiums written and by state line.

For a visual treat, we offer a photo essay on The Insurance Library. In "Browse the Shelves of The Insurance Library, Embrace Industry's Unique History," *Best's Review* takes readers to Boston to visit the library and meet the people who preserve the past.

In "Locking the Treasure Chest Becomes More Popular Amid Pandemic and Tax Changes Both Real and Imagined," *Best's Review* examines how developments in Washington, D.C., are having an impact on irrevocable life insurance trusts.

The October issue includes a Best's Ranking of the largest U.S. private crop insurers and the largest U.S. multiperil crop insurers, ranked by market share.

In February, *Best's Review* will run a listing of standout college insurance and risk management programs. Let us know which schools are doing the best job of preparing young people for a career in the insurance industry. Go to [www.bestreview.com/collegerisk](http://www.bestreview.com/collegerisk) to take a survey. The link is also available at [www.bestreview.com](http://www.bestreview.com).

A final note: We have been updating the online edition of *Best's Review* more frequently, adding fresh content on a more regular basis. Check out *Best's Review* online at [www.bestreview.com](http://www.bestreview.com). **BR**

**Patricia Vowinkel**  
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## The Question:

Which college insurance and risk management programs stand out for their work in preparing young people for a career in insurance?

Email your answer to [bestreviewcomment@ambest.com](mailto:bestreviewcomment@ambest.com) or scan the QR code to submit your response.



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### New Ransomware Worry: Insurance Can Present Solutions and Problems for Cybersecurity

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August 2021



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$$E(c_{ij+1} | c_{ij}) = f_j c_{ij}$$

$$\text{Var}(Y) = E(\text{Var}(Y^2 | Z)) + E$$

$$\text{Var}(f_j) = \sigma_j^2 / \sum_i c_{ij}$$

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# AM Best to Host Europe Insurance Market Briefing

**Oct. 4-6:** HYBRID. Insuretech Connect Vegas, Insuretech Connect, Las Vegas. ✓

**Oct. 10-13:** Insurers Congress of C. America, Panama, and the Caribbean, Punta Cana, Dominican Republic. ✓

**Oct. 12-13:** VIRTUAL. REACH ACLI Annual Conference, American Council of Life Insurers. ✓

**Oct. 17-19:** HYBRID. SIR Annual Conference, Society of Insurance Research, Cincinnati. ✓

**Oct. 17-21:** Baden-Baden Reinsurance Meeting, Baden-Baden Kur & Tourismus, Baden-Baden, Germany. ✓

**Oct. 20:** Europe Insurance Market Briefing & Methodology Review Seminar - London, AM Best, London. ✓

**Oct. 25:** 8th Middle East Insurance Industry Awards, Middle East Insurance Review, Dubai. ✓

**Oct. 31-Nov. 2:** APCIA Annual Meeting, American Property Casualty Insurance Association, Denver. ✓

All events subject to change as organizations monitor developments regarding COVID-19. For a full list of conferences and cancellations, visit [www.bestreview.com/calendar](http://www.bestreview.com/calendar).

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## October Is Auto Insurance Awareness Month

Best's Review takes a look at various insurtechs' moves into the auto insurance space and features Best's Rankings of the auto insurance industry. Coverage begins on page 38.



## Connect With Us to Get the Best Industry Perspective



### APCIA Annual Meeting

**When:** October 31–November 2, 2021 | **Where:** Denver, CO

AM Best, a gold sponsor of the conference, will host a session titled, "AM Best's Briefing - Annual APCIA Update," on November 1, at 2:00 p.m. Stefan Holzberger, chief rating officer, and Greg Williams, senior director, will be speaking.

Note that event details are subject to change. For the latest conference information, visit [www.ambest.com/review/calendar.html](http://www.ambest.com/review/calendar.html).

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## Willis Towers Watson Names Carl Hess to Succeed John Haley as President and Chief Executive Officer

Also, Lloyd's appoints first woman deputy chair and the Bermuda Monetary Authority welcomes a new chairman this month.

**W**illis Towers Watson named Carl Hess to succeed John Haley as president effective immediately and as chief executive officer when Haley retires on Jan. 1, 2022.

Haley has served as CEO and a company director since Jan. 4, 2016. He joined WTW in 1977 and throughout his career served in a variety of roles including consulting actuary to several of the company's largest clients, manager of the Washington consulting office and leader of the global retirement practice. Haley was named CEO in 1998. Under his leadership, the company went public in 2000 and completed three mergers, in 2005, 2010 and 2016, that formed present-day Willis Towers Watson, according to his company bio.

Hess, who had been the company's head of investment, risk and reinsurance business segment, began his career at WTW in 1989 and has held diverse leadership positions spanning business segment and geography roles. He served as co-leader of North



**Carl Hess**



**John Haley**

America at Willis Towers Watson and before that, managing director, the Americas, of Towers Watson. He served as the managing director of Towers Watson's Investment business since January 2010 and also worked in a variety of roles for over 20 years at Watson Wyatt, lastly as global practice director of Watson

Wyatt's Investment business, according to the company.

In other company news, Kirsten Beasley, who has been WTW's head of healthcare broking, North America since 2018, will now head up a 26-person team in Bermuda. The office will focus on Bermuda placements in all major lines of insurance, WTW said.

Before joining Willis Towers Watson in 2016 as a senior vice president, she spent 14 years at Allied World Assurance Co., including three years as chief operations officer, and three years at Marsh as an assistant vice president, according to WTW and Beasley's LinkedIn profile.

—Staff Report

## Hiscox Names Chief Executive Officer as Masojada Announces Retirement

**T**he board of directors of Hiscox Ltd. appointed Aki Hussain to succeed Chief Executive Officer Bronek Masojada, who will retire at the end of the year.

Hussain, currently group chief financial officer, will assume his duties as CEO effective January



**Bronek Masojada**

2022, subject to regulatory approval.

Masojada joined Hiscox in 1993 as managing director when Hiscox was a Lloyd's underwriter with fewer than 200 people in one location, the company said. He was appointed CEO in 2000.

Masojada had served as deputy chairman of Lloyd's, president of the Insurance Institute of London and master of the Worshipful Company of Insurers. He has been on the board of the Association of British Insurers since 2012.

Hussain joined Hiscox in 2016 as CFO. He was appointed to the Hiscox board in 2016 and is chairman of Hiscox Re & ILS. He is responsible for ensuring

the group's ongoing capital strength, overseeing its investment portfolio of \$7.63 billion and leading a team of 250 finance experts across multiple geographies.

According to Hiscox, Hussain recently delivered a complex, multi-year finance transformation program to overhaul outdated legacy systems and improve financial insight and reporting across the group.

Hussain has more than 15 years of financial services experience across insurance, accounting and banking. Before joining Hiscox, he was CFO of Prudential plc UK and Europe.

## Lloyd's Council Appoints Its First Female Vice Chair

Lloyd's appointed Vicky Carter, an elected member of the Lloyd's Council since February 2019, its first female deputy chair.

Carter has worked for the Lloyd's market for 40 years, Lloyd's said in a statement.

The appointment recognizes Carter's professional contribution to the Lloyd's market and global (re)insurance industry over many decades, said Bruce Carnegie-Brown, Lloyd's chairman, in a statement.

Carter began her career in medicine before moving to reinsurance broking in 1980, Lloyd's said. She joined Guy Carpenter in 2010 as vice chair of international operations and in 2018 became chairwoman of Global Capital Solutions, International.

She also holds positions on the company's executive committee and board. Carter is chairwoman of the Lloyd's Charities Trust and Lloyd's Community Program and a trustee of the Sick Children's Trust. She also is a freeman of the City of London and a liveryman of the Worshipful Company of Insurers.



**Vicky Carter**

## Assurity Life Insurance Names Successor to Longtime CEO

Assurity Life Insurance Co.'s board of directors has named Susan Keisler-Munro to succeed Thomas E. Henning as president and chief executive officer, effective Jan. 1, 2022.

Henning, who has been CEO for 26 of his 31 years at Assurity, will continue



**Susan Keisler-Munro**

in 2022 as a non-executive chairman of the board of directors, Assurity said in a statement.

Keisler-Munro also was elected to the board of directors and has occupied several positions at Assurity over the past 34 years. She has served as senior vice president and chief of operations since 2005.

## Bermuda Monetary Authority's New Chairman to Take Over This Month

Bermuda's minister of finance appointed Donald Scott chairman of the Bermuda Monetary Authority, effective Oct. 1.

Formerly deputy chairman, Scott will take over the position from Jeremy Cox, who has been executive chairman since 2019 and CEO since 2010, the BMA said.

Craig Swan, the BMA's deputy chief executive officer for the past 21 months, will become CEO.

Swan joined the BMA in 2006 and held various insurance, policy and risk positions, more recently at the managing director level, the BMA said. He has represented the BMA on international regulatory standard-setting committees and led the BMA's insurance regulatory dialogue.



**Donald Scott**

## AIG Taps Interim Chief Risk Officer as Permanent CRO, Executive Vice President

American International Group Inc. has named its interim chief risk officer, Sabra Purtill, as permanent CRO and executive vice president. Purtill also will join the AIG executive leadership team, according to the company.

In this role, Purtill will oversee AIG's corporate risk management strategy on an enterprise-wide basis as AIG continues to strengthen its culture of underwriting excellence with an appropriate risk appetite while adjusting to a dynamically changing environment, including emerging climate, cyber and other fast-evolving risks. Purtill previously served as AIG's deputy chief financial officer, overseeing treasury, rating agency relations, investor relations and corporate development. She will be based in New York.

During her 30 years of industry experience, Purtill has held a range of executive roles at several



**Sabra Purtill**

companies. Before joining AIG in 2019, Purtill was with Hartford Financial Services Group Inc., where she served as senior vice president, investor relations and treasurer. She was also managing director, investor relations & communications, at Assured Guaranty Ltd. and, before that, a corporate finance officer at Ace Ltd., now known as Chubb Ltd., according to AIG.

### **CNA Chief Financial Officer Resigns; New Chief Operations Officer Named**

**C**NA said Al Miralles, executive vice president and chief financial officer, resigned to transition to a career in the technology sector. Larry Haefner, CNA's former chief actuary, was named to succeed Miralles as interim CFO while the company conducts an executive search for a permanent replacement, the company said in a statement.

Miralles joined CNA in 2011 as treasurer and head of investments. In 2014, he was named president of CNA's long-term care business. In 2017, Miralles became



**Al Miralles**

chief risk officer and then president of CNA Warranty. As CFO, Miralles was responsible for all aspects of CNA's financial organization, including asset and capital management, financial planning and analysis, investor relations, treasury services, corporate accounting, financial reporting, corporate tax, financial regulation, internal audit and corporate development, according to his company bio.

Haefner has been with CNA for 13 years, according to the company.

CNA also named Gary Haase to succeed Michael Costonis as chief operations officer. Costonis, after three years as COO, has been named as global head of marketing, strategy and innovation. Costonis joined CNA after 26 years with Accenture, most recently as senior managing director, according to his LinkedIn profile.

Haase, who has 20 years of industry knowledge, joins CNA from Catalina Holdings where he worked for over 17 years, most recently as group COO, according to his LinkedIn profile.



**Michael Costonis**

## **BEST'S REVIEW®**

### **College Insurance and Risk Management Survey**

Which college insurance and risk management programs stand out for their work in preparing young people for a career in insurance? The results will be published in the February issue of *Best's Review*. Go to [www.bestreview.com/collegerisk](http://www.bestreview.com/collegerisk) to take the 7-question survey.



## Howden Group Appoints Chief Corporate and Legal Affairs Officer

**H**owden Group named Will Bloomer to the newly created role of chief corporate and legal affairs officer and Frances Coats as group general counsel.

In his newly expanded role, Bloomer will focus on major, complex corporate initiatives and development.

Bloomer has held the role of group general counsel since 2013. He joined Howden Group in March 2012 as corporate and legal director. He is also an executive committee member.

Prior to joining Howden, he spent 12 years with Heath Lambert, later Gallagher Heath, as general counsel and compliance director. He began his career as a solicitor with Cameron McKenna in London and Hong Kong, according to a company statement.

Coats joins the company as group general counsel to lead the international legal team and will report to Bloomer. She will join the Howden Broking and DUAL group executive committees and most recently was European general counsel for Bolttech, an international insurtech business. She was previously chief counsel, corporate and commercial at The Ardonagh Group.

In other company news, Howden Broking named Charlie Connell as head of entertainment for its global sports and entertainment practice group, which was launched earlier this year.

In this newly created role, Connell will be responsible for developing and delivering creative solutions for clients in the entertainment industry, enabling them to navigate the continued insurance and risk management-related challenges posed by COVID-19, Howden said in a statement.

Connell joins Howden from EC3 Brokers, where he has worked as head of contingency and entertainment for the past four years.

## Former Chubb Exec Joins Beazley as Head of US Cyber and Tech

**B**eazley has named Patricia Kocsondy as head of U.S. cyber and tech. Kocsondy will focus on the middle market and large-risk cyber and tech underwriting in the United States and will be based in New York, the company said.



**Will Bloomer**



**Patricia Kocsondy**

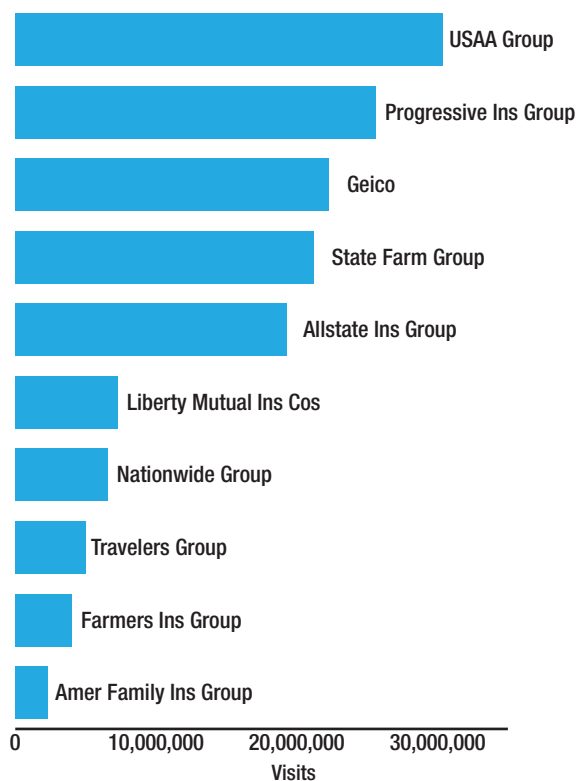
Kocsondy is an experienced cyber underwriter and manager and joins Beazley from Chubb, where she served as senior vice president, errors & omissions and cyber underwriting, for Chubb Ltd.'s North American financial lines.

In her previous role, she was responsible for strategic leadership and direction, portfolio management, product development and underwriting strategy, extending over a broad span of Chubb's E&O and cyber segments and products.

Kocsondy also previously held roles at Ace Ltd.; Chubb & Son, a division of Federal Insurance Co., and Hartford Financial Services Group Inc., according to a company statement. **BR**

## Web Traffic: Visits to US Private Passenger Auto Writers

USAA and Progressive lead web analytics provider Semrush's ranking of the top 10 US Private Passenger Auto Writers based on direct premiums written.



Source: [www.semrush.com](http://www.semrush.com)  
Reported traffic for September 2021.

For a full listing of Best's Rankings, please visit [news.ambest.com](http://news.ambest.com).



# MASTHEAD FORESTAY

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# Agents Turn to Search Engines and Customer Reviews to Bolster Digital Footprint

The rise of online insurance sales created by COVID-19 has agents looking for new ways to build their online and digital presence.

by Lori Chordas

**A**s COVID-19 continues to significantly shift the purchase of insurance to online and digital channels, consumers are increasingly looking for insurance agents to be easily accessible and responsive, said Chip Bacciocco, CEO of TrustedChoice.com. He said agents must improve their digital footprints and near-real-time responsiveness in order to remain competitive. They can grow their customer base by using digital and search engine marketing tools and publishing consumer reviews and ratings of their agencies and products provided by authoritative sources and customers, Bacciocco said.

Following is an edited transcript of Bacciocco's interview with AM Best TV.

## How can agents be found online?

Today, not only do agents need to be found online but they also need to be recognized for what they do. Too many agents today think only about their agency website. However, they need to think about enhancing their overall digital footprint, which is comprised of their agency site and their search engine optimization strategy, as well as their presence on social media channels, insurers' websites and online directories like TrustedChoice.com. On top of that is their presence within search engines like Google, Bing and Yahoo.



Chip Bacciocco

## How can agents build trust in an online setting through customer reviews and being recommended by recognized authorities?

Being recommended online by credible third-parties is critical, especially since we sell a trust-reliant product—insurance. Like with Amazon, consumers want to see what others are saying about a product. Does it have five stars, four, one? What's the price difference between products? Agents need to publish customer ratings and reviews both on their agency websites and on insurance company websites, and on authoritative and highly trafficked insurance industry directories.

## When it comes to digital marketing, what is the advantage for agents to being digitally proactive and opportunistically reactive?

Today, one-third of inbound phone calls to insurance agents go unanswered. Every phone call needs to be answered by a human in two or three rings. As an agent, your first goal is not to actually win the sale outright but to stop the shopping. If you did the work to help them find you online, and the prospect fits your appetite, then when they find you, you want to engage them quickly and stop them from shopping elsewhere.

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AM Best TV



Go to [www.bestreview.com](http://www.bestreview.com) to watch the interview with Chip Bacciocco.

## Regulatory Update

Texas auto insurance bill; Michigan health ministry action.

**AUTO INSURANCE:** Automobile insurers with a small slice of the Texas market will no longer be allowed to file rates without actuarial support.

A bill passed by the Legislature and signed by Gov. Greg Abbott in May closes a loophole that allows companies that write less than 3.5% of the personal auto liability market to file rates without actuarial support.

The law, which became effective Sept. 1, also tightens restrictions on insurers that write residential property coverage without actuarial support.

The Texas Office of Public Insurance Counsel supported the amendments, saying the exemptions limit its and the Texas Department of Insurance's ability to monitor those insurers' rates for compliance with state law.

**HEALTH INSURANCE:** Michigan insurance regulators have ordered a health-sharing ministry and companies that provide its business services to cease operations for allegedly acting like an insurance company without permission.

The action was filed against the Alera Cos. and Sharity Healthshare Inc., formerly known as Trinity Healthshare, and a third associated business, Ensurian. Sharity recently filed for Chapter 11 bankruptcy protection, saying it could not pay members' "sharing requests" or provide service of any kind to its members.

The health-sharing ministry and associated companies have been entangled in legal disputes with states including New York, Washington, Texas, Maryland, Colorado, New Hampshire and Connecticut.

## Trade Group: Germany Faces Highest Natural Cat Losses

Flooding and devastating hail storms probably will make 2021 the year with the highest natural hazard losses for German insurers in at least 50 years.

by David Pilla

**T**he insured loss estimate for mid-July rains that triggered damaging floods are contributing to what is shaping up to be the most-expensive year for natural catastrophes on record for German insurers, totaling an estimated €11.5 billion (\$13.66 billion) so far, said Germany's insurance trade group.

July flood losses will help push property/casualty insurers into the red, said the German Insurance Association (Die Deutschen Versicherer or GDV) in a statement.

"The flood disaster in mid-July and the devastating hail in early summer will probably make 2021 the year with the highest natural hazard losses for German insurers in at least 50 years," the GDV said.

Insured storm damage to houses, household effects, businesses and vehicles amount to around €11.5 billion, said GDV Managing Director Jörg Asmussen in a statement.

"We expect the property/casualty sector as a whole to be in the red this year," Asmussen said.

He said 2021 may be the most expensive year for natural hazards since the GDV began keeping statistics in the early 1970s.

He said catastrophe damage reached €11.3 billion in 2002 due to August floods on the Elbe River and devastating storms. In 1990, Germany suffered €11.5 billion in damage from a series of storms including Daria, Vivian and Wiebke.

Asmussen said the long-term average in insured losses due to natural catastrophes per year is €3.8 billion.

Insured losses for July floods in parts of Germany were originally estimated at €4 billion to €5 billion, according to the GDV.

July floods will cost insurers at least €7 billion, said the GDV. Of that, about €6.5 billion covered residential buildings, household effects and businesses, and around €450 million covered motor vehicles.

"The hail damage to around 275,000 cars alone cost the insurers around €700 million," Asmussen said. For motor insurers, this is the fourth-largest hail damage since the statistics began, he said.

"We expect the property/casualty sector as a whole to be in the red this year."

**Jörg Asmussen**  
German Insurance  
Association

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# Digitization of Insurance Industry Must Be Deployed Thoughtfully

Application Programming Interfaces are not a “single-bullet” solution that can simply be thrown at every problem.

By **Bill Pieroni**

**T**hree letters ubiquitous in any current discussion of insurance technology are “API.” Application Programming Interfaces—which most of us use every day, whether or not we realize it—are essentially tools and specifications that allow two applications to easily exchange data. Their utility to the insurance industry is obvious, as is the critical role they will play in our ongoing digitization and modernization.

However, like any technology, APIs are not a “single-bullet” solution that can simply be thrown at every problem and expected to fix years of accumulated technical debt. They must be deployed thoughtfully to maximize their potential.

We can better understand the impact of APIs on the future of the industry by looking at past stages of technological transformation. Insurers were early adopters of computing, beginning with an Infrastructure Era in the 1970s, when data processing was used to optimize costs by supporting the business with efficiency in back-



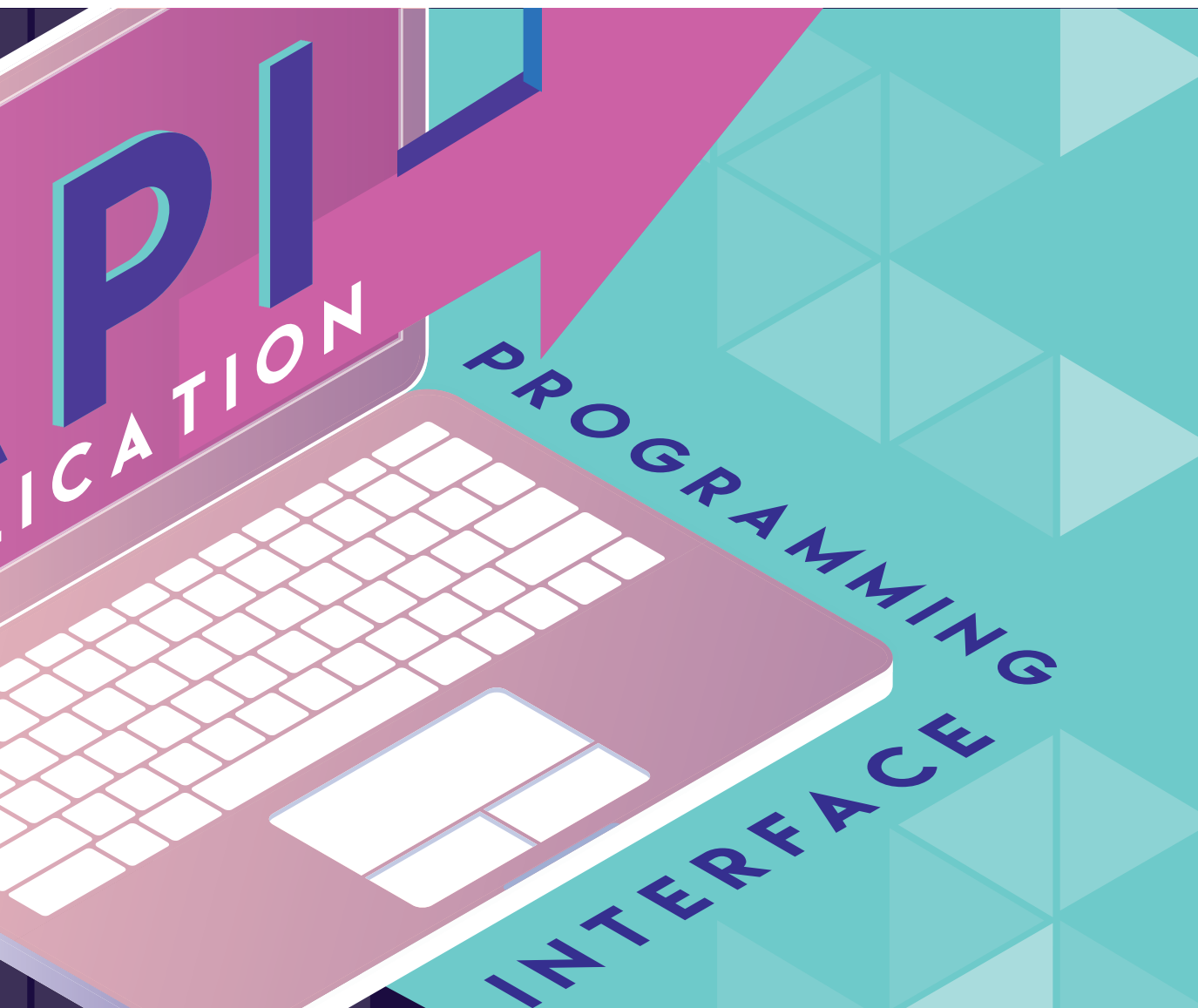
*Best's Review* contributor **Bill Pieroni** is president and CEO of ACORD. He can be reached at [bestsreviewcomment@ambest.com](mailto:bestsreviewcomment@ambest.com).



office activities such as billing. In the Integration Era of the 1980s and 1990s, computing technology was increasingly leveraged in core activities such as claims and underwriting, with companies building more sophisticated systems to facilitate the transfer and distribution of data within the enterprise.

The 21st century ushered in the Sourcing Era, with stakeholders learning to adapt the business through new technology-centric processes. Data processing has become information technology, with the industry focused on finding the most cost-effective solutions to deal with changing consumer demands and product imperatives.

Since roughly 2015, we have seen a transition to a new stage: the Outcome Era. Forward-thinking insurance organizations are integrating operations and technology to build novel business models that thoughtfully leverage data to enhance current



and future positioning. One critical imperative of this era is the need for standardized data formats to extract the maximum value from data exchange.

During 50 years of working with insurance data standards, ACORD has seen the mediums of data exchange evolve from static forms through flat-file, FTP protocols, SOAP and more—and now RESTful APIs. The same discrete data elements have been exchanged, whether captured in paper forms, EDI messages, or API calls.

One key difference is that APIs are active in a sense that older methods are not. In the past, data standards were developed and pushed out to the industry so that they could build or acquire the right solutions. Now, however, stakeholders want immediately consumable, working APIs—which, by their nature, essentially act as specification and solution in one package.

The industry needs to leverage a consistent set of atomic-level data elements to realize the full impact of the API revolution. There are significant potential network effects that will enhance the value of API adoption across all stakeholders—if the industry commits to a set of next-generation standards.

What are the critical success factors in navigating the API era? First, develop an explicit strategic intent specifically around API strategy and dedicate sufficient resources to execute on it. Just as importantly, adopt and implement consistent standards for API-enabled data exchange.

Finally, cultivate talent and culture that will embrace the power of next-generation, standardized data exchange and leverage it to its full potential—not just optimizing processes within their silo, but across the enterprise and the industry as a whole.

BR

# Litigation Trends Could Set D&O Market on Stormy Course

Derivative litigation continues to be one of the major exposures for directors and officers insurance.

By **Lance Ewing**

**A**n ousted CEO decides to help the newly appointed CEO in his last few days at the helm. “I’ve left you two envelopes on your desk,” the departing CEO said. “When you hit your first major crisis, open the first envelope. If you run into greater trouble later, open the second one.”

Three months into his role, the newly minted CEO hits a crisis. He opened the envelope marked No. 1. The note inside said, “Blame me.” It worked like a charm. A few months later, the stock of the company nosedived and the board was furious. The first-year CEO opened the second envelope. This note read, “Prepare two envelopes.” Or so the story goes.

Directors and officers are always looking for protection not just for the entity but for themselves as well. As many in the insurance world are aware, directors and officers (D&O) insurance did not get its true start until after the stock market crash of 1929. Prior to the crash, no such policies were available. The appeal for corporations to embrace and buy D&O coverage didn’t emerge until the late 1940s and then took a meteoric rise in the 1960s when many mergers and acquisitions plus several bankruptcies began to see litigation escalate. The plaintiffs’ lawyers had arrived.



*Best's Review* columnist **Lance Ewing** is vice president, enterprise risk management and operations for the San Manuel Band of Mission Indians. He also is a former president of the Risk and Insurance Management Society. He can be reached at [bestreviewcomment@ambest.com](mailto:bestreviewcomment@ambest.com).



What does 2022 hold for the D&O marketplace? Many issues have driven D&O claims since the early days and derivative litigation continues to be one of the major exposures for D&O. While the directors and officers want to maintain a more historical D&O program with tower limits for defending derivative lawsuits, many companies today are increasingly shifting the allocation of “complete ABC” limits to a higher percentage of A-side-only coverage. This provides less balance sheet protection but more personal liability coverage to the individuals.

An example of such a claim occurred when New York State Comptroller Thomas DiNapoli filed a derivative lawsuit against the board of directors of Wynn Resorts Ltd. The lawsuit accused the board of not doing anything to stop then-CEO Steve Wynn’s alleged sexual misconduct. The lawsuit was





filed on behalf of the company against the board members.

It appears that derivative litigation and defense will continue to develop into 2022.

Chris Crawford, senior vice president and client executive at Marsh, believes that another emerging risk for D&O in 2022 is de-SPAC and IPO litigation. Crawford states that 27% of 2018 IPOs were hit with class-action securities litigation within the three-year window of their offering and over 17% of closed de-SPAC offerings in the past 18 months have been the subject of securities claims. “With over 300 SPACs looking to close transactions and take companies public and a continued hot IPO market, class-action litigation against companies undertaking public offerings will likely see 2022 with continued rising D&O premiums and retentions to levels that already have large

corporations self-insuring the first \$15 million of D&O coverage,” according to Crawford.

An added exposure for boards and company officers is a direct focus on board diversity. Litigation has popped up against businesses with accusations that directors and officers have breached their duties by making false assertions about their commitment to diversity, equity and inclusion. Several states and the NASDAQ have enacted requirements for minimum board seat representation. Moreover, shareholder activism is highlighting diversity initiatives against public companies, and how current D&O policies will respond is a growing concern not just for the board but also for the insurance carriers.

Carriers, directors, officers and shareholders all need to be prepared for what could be a tumultuous D&O marketplace in 2022.

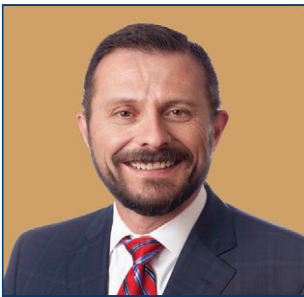
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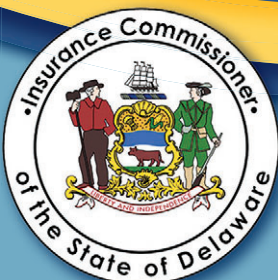
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# BEST'S REVIEW® ISSUES & ANSWERS: New Trends in Specialty Coverage

## Interviewed Inside:



**Russ Johnston**  
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# Positioning Ourselves for Success in Emerging Markets

By their very nature, emerging risks are a perfect fit for E&S and Specialty Lines. In a recent interview, Russ Johnston, President, E&S/Specialty, discusses current trends, staying prepared for new opportunities, cultivating expert talent, and why it's important to partner with a values-based leader like Nationwide in these specialty markets. Following are excerpts from this interview.

## What trends or emerging risks are specialty lines insurers seeing these days?

We're keeping a close eye on many noteworthy, emerging trends. We see that customers are increasingly considering how to protect their intellectual property. Cyber, as always, continues to be an area of focus, and the pandemic has only underscored how important cyber risks are. Climate change has also been in the spotlight. Climate-related disturbances have been increasing in frequency and severity over the last five to 10 years, and I don't believe this trend line is an aberration. We need to be prepared to address the ongoing risks of climate change moving forward.

## What's the key to staying competitive in the specialty marketplace?

The first thing you need to do is listen to your customer. At the end of the day, you could have the greatest thing since sliced bread, but if the customer doesn't want it, then you're not relevant.

It always starts with listening to what your customers are trying to solve for and then bringing solutions to bear. The second piece is innovation. If there's anything we've learned over the last 12 months, it's that companies that were on the innovation horizon were the ones that were successful. Finally, it's important to support the communities where we live and work. At Nationwide, we're passionate about helping others, and we have a long history of giving back through philanthropy, volunteerism and workplace giving.

## How are you attracting, developing and retaining underwriting talent?

For us, it really starts with the fact that we've got a great culture. Nationwide has been designated as a top company to work for in the United States by third parties based on surveys with our associates. Second, you need to be flexible in terms of how you bring talent into the organization. For us, I think that includes embracing a flexible working environment. This is something we learned well during the pandemic, and it will become an important part of our operating rhythm. Going forward, the vast



**Nationwide®**

## Russ Johnston

President, E&S/Specialty  
Nationwide



**"Our values are at the heart of everything we do, and that guides us in how we cultivate our relationships with both our associates and our business partners."**

Go to the Issues & Answers section at [www.bestreview.com](http://www.bestreview.com) to watch an interview with Russ Johnston.

majority of our associates will either be in some remote or hybrid working environment.

Workers today also want to know how their employers are serving the community, and we've made an ongoing and sustained social commitment to a multitude of causes including a \$100 million contribution to the Nationwide Children's Hospital by the Nationwide Foundation.

## How important is it to be a values-based carrier in this highly competitive insurance marketplace?

Our values are at the heart of everything we do, and that guides us in how we cultivate our relationships with both our associates and our business partners. The great thing about being a mutual is our members—our key constituents. When we sit across the table from them, we view them as true partners. We recognize that our mutual success is dependent on each other. That really resonates with people.

Our mission has always been to protect people, businesses and futures with extraordinary care. This purpose shows up every day in everything that we do, and we're proud to share that with the members we serve.



# Locking the Treasure Chest Becomes More Popular Amid Pandemic and Tax Changes Both Real and Imagined

The COVID-19 pandemic and a looming lowering of the estate-tax exemption, paired with potentially further reductions and increases discussed in Washington, D.C., have cast a light on the role of irrevocable trusts as part of a life insurance and estate plan.

by Terrence Dopp

**R**ussell B. Long, the deceased U.S. Senate titan from Louisiana, generally gets credit for the old saw summing up Americans' sentiments toward taxation: "Don't tax you. Don't tax me. Tax the guy behind the tree."


Yet behind the seemingly jokey expression lies a truth: Nobody likes paying taxes, and people will do what they can to head off the taxman—within reason.

Prompted by a confluence of factors including a concern that President Joe Biden and Democrats in Congress will lower the estate-tax exemption, the wealthiest Americans—those able to bequeath sums in the eight-digit range—are finding new

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appetite for structures such as irrevocable life insurance trusts and other arrangements involving insurance policies to decouple estates, and large death benefits, from that calculation.

Shelton Swafford Chambers sums it up this way:

Every three to six years, she urges clients to revisit estate plans as situations and tax law can change. Typically, when she calls one family of nine periodically to say it's time to revisit or make changes to an existing plan, two members are ready and willing to do that. Recently, she said her latest call to the family resulted in six members champing at the bit to do so.

"Absolutely, positively yes," Swafford Chambers, who practices with Chambliss, Bahner & Stophel P.C. in Chattanooga, Tennessee, said when asked if business was above traditional levels. "Even before Biden was elected there was still a little more interest than usual. Then it kind of accelerated."

Swafford Chambers prepares dynasty trusts and estate plans for a client roster clustered around manufacturing and transportation business owners. She said the trusts she prepares often go beyond stock ILITs and are so-called defective grantor trusts that include life insurance as a component while encompassing more liquid assets.

## Key Points

**Environment:** The COVID-19 pandemic forced people to ponder their own mortality as the estate-tax exemption is set to go down by almost half.

**Unknown:** President Joe Biden and others in Washington, D.C., have discussed raising the tax and further lowering the exemption, creating an unknown environment that has made conditions right for finding vehicles to minimize or even remove estate tax burdens.

**Trusts:** Attorneys say they've seen a greater willingness to go with irrevocable trusts, which circumvent taxes but also require those establishing them to give up varying levels of control over assets.

The rationale behind the "garden variety" ILIT is simple, according to James G. Pressly, an attorney with Pressly, Pressly, Randolph & Pressly in the well-to-do enclave of Palm Beach, Florida.





“I think that a global pandemic really had a lot of people thinking about updating their estate plan. So when you combine peoples’ thoughts on their own mortality with this exemption reduction, it did kind of create the perfect storm.”

**Shelton Swafford Chambers**  
Chambliss, Bahner & Stophel P.C.

If a person goes to their insurance broker and buys a life policy with a \$10 million death benefit, down the road that money will be taxed as part of the payout. However, if the same person goes first to a lawyer and establishes a trust to buy the same policy and funds a theoretical premium payment of \$1 million through a gift to the trust, then no estate tax is levied on the death benefit, he said.

“Just in general, the more money that you can stow away that will not be taxed at death the better,” he said. “A life insurance trust can be a simple way to do that.”

### Dropping Floor

Under U.S. tax law, the first \$11.7 million of taxable estates are currently exempt from levies for individuals and double that for married couples. Beyond that threshold, the levy can range as high

as 40% and in the case of a handful of states up to a maximum of 20% at the lower level. The 2017 tax overhaul led by former President Donald Trump called for the exemption to automatically revert in 2026 to \$5.49 million, which with inflation is likely to be around \$6 million.

For those with the need, and wherewithal, to see this tax as a real prospect in their estate plans, that alone was enough to prime the pump for greater planning.

Alas, as usual in the last couple of years, there’s always more.

First, the COVID-19 pandemic caused many to evaluate their own mortality in a way they hadn’t before. And as part of a nebulous and unwritten American Families Plan, Biden has hinted at raising billions in part by targeting the largest estates. In September, Democrats on the House Ways and Means Committee released an initial outline of what they’ll seek and the proposal, which could change drastically or go away entirely without approval, calls for a number of changes to estate trust structures and higher capital gains levies. In the Senate, Democrat Joe Manchin has signaled the price tag is too high.

With the certainty that the exemption is cut come 2026—and concern that Congress could go even deeper in the latest round of spending talks—the potential number of people looking at the possibility of heirs facing an estate tax grows. Simply put, it’s gone from a problem facing the megawealthy to potentially the workaday wealthy.

“I think there is absolutely concern that it is going to happen earlier,” Swafford Chambers said. “We had a frenzy at the end of 2020 to get as much done as we could. When we first started in 2021 it did die down a little bit because everyone thought when is it going to change and what is it going to be?”

“There’s no clear sense of what’s going to happen,” she said.

### Murky Outlook

Clouding the matter is the procedural effort being used in Washington, D.C., to pass the credits.

The Senate chamber is split 50-50 and Vice President Kamala Harris, a Democrat, has the tie-breaking vote to give her party an effective one-vote edge. To skirt Republicans in the Senate, Democrats plan to use the reconciliation process allowing them to approve it along partisan lines.

The bill is essentially blank and the process leaves it up to committees to write it as they go along, meaning the final outcome is hazy at best.

David B. Bingham, a tax and estate planning attorney with Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. in Little Rock, Arkansas, said client awareness of the potential changes varies. Some people will send him articles with the latest developments and others are unaware of potential changes. In normal times he'd prepare one to one-and-a-half trusts per week. Currently, he said not a week goes by that he's not preparing multiple such plans as his clients make deeply personal decisions about taxation and inheritance.

In the current tax environment he divides the world of estate planning into three baskets: those with less than \$10 million; those with estates ranging from \$11 million to \$22 million; and those with more than \$22 million. Most of those in the first basket aren't facing any tax threats and the people in the third group know they'll be facing the levies so it's an easy topic to broach. It's the people in the middle who are facing the growing risk and for whom the creation of certain types of trusts is a growing issue, Bingham said.

"I'm a tax attorney and I've never had a client come in and tell me 'My taxes are going up or they could theoretically go up and I'm really pleased about that,'" he said. "Really, it's much more personal."

Like Swafford Chambers, he said the plans he prepares usually stretch beyond traditional ILITs. That structure can serve as a basis or starting point but often either leave clients with the issue of how to make premium payments on a jumbo life insurance policy without using gift-tax exemption or require the loss of control some find difficult.

Common formats right now include Spousal Lifetime Access Trusts, which allow spouses to retain control over the assets in the trust, and Intentionally Defective Grantor Trusts, which let the grantor place assets into them and removes them from estate taxes while they remain subject in some cases to income taxes.

Both ILITs and other forms of irrevocable trusts can contain so-called Crummey provisions, which allow the grantor to make annual gifts of as much as \$15,000 per designee into them while restricting the use of those assets. In both ILITs and more exotic structures, those gifts can be used to make life insurance payments.



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**David B. Bingham**

Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

David Riedel, an attorney with Adler Pollock & Sheehan P.C. in Providence, Rhode Island, said lower tax thresholds make a pure ILIT more attractive as death benefits come in line with the limit, allowing grantors to use the structure to replace any assets lost to the taxman. Still, he said forming trusts and including life insurance has become more attractive because policies can be tailored to cover the anticipated tax burden, and "eight million" different schemes allow people flexibility to ensure they fit their goals. "The thing now is that the client needs to be willing to pull the trigger," he said. "What makes it different is the unknown, the various things that have been talked about."

Swafford Chambers said no one reason has been behind the increased interest she sees. "I think that a global pandemic really had a lot of people thinking about updating their estate plan. So when you combine peoples' thoughts on their own mortality with this exemption reduction, it did kind of create the perfect storm."

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# Cyberattacks: Insurers Defend Against Ransomware

Battered by losses, cyber insurers have begun to work with the government and each other to mitigate losses and find solutions to an emerging threat.

by Tom Davis

**V**ishaal Hariprasad, CEO and co-founder of cyber insurer Resilience, didn't hesitate when President Joe Biden looked right at him and asked: "How can the insurance industry help drive better cyber standards for the country?"

"Auto insurance helped us get seat belts, life insurance put a cost to smoking and property insurance brought smoke detectors," Hariprasad told Biden during a recent White House summit on cyberattacks. "Insurance has done it other places. Why not cyber?"

Now the industry that's been battered by losses from ransomware has begun to collaborate with the government and each other to share resources, mitigate losses and find solutions to what has become an emerging national security threat.

A consortium of cyber insurers earlier this year formed CyberAcuView to "use their collective expertise" to compile and analyze data to enhance cyberrisk mitigation efforts and ensure a competitive market for cyber insurance, according to a statement from the organization.

"Helping the industry more broadly understand systemic risk is one of our top initiatives," said Mark Camillo, CEO of CyberAcuView, which is sponsored and supported by such cyber insurance underwriters as American International Group Inc., Axis Capital, Beazley, Chubb, Hartford, Liberty Mutual and Travelers.

Aon has called for the National Association of Insurance Commissioners to update its cyber

reporting mechanism to "a format commensurate to where the line of business has grown," Catherine Mulligan, global head of Aon's Reinsurance Solutions cyber practice group, said during a recent AM Best briefing on cyberattacks.

"The industry can't adequately address what we can't see," Mulligan said. "More granular reporting would provide that additional clarity." Right now, cyber comes "with limited direction on reporting" and "doesn't have the framework of an audit," she said. "This was maybe appropriate when cyber was incidental and still in its earlier stages."

At the White House summit in August, insurance industry leaders such as Hariprasad met with Biden, members of his Cabinet, his national security team and private sector and academic leaders to discuss the nation's cybersecurity efforts.



**Tom Davis** is managing editor. He can be reached at [tom.davis@ambest.com](mailto:tom.davis@ambest.com).



## Key Points

**Attacks Increasing:** Since May 1, there have been at least 37 “significant” international cyber incidents, including the Colonial Pipeline attack that caused a spike in gas prices, according to a report from the Center for Strategic and International Studies.

**Premiums Rising:** Cyber premiums have more than doubled since 2016, rising from \$1.3 billion to \$2.7 billion last year, according to Fred Eslami, senior financial analyst at AM Best.

**Insurers Are Selective:** The cyber activity is so high now, “we can be in a position of saying to clients, ‘If you don’t have these controls in place then you’re not going to get covered for these types of attacks,’” said Tracie Grella, global head of cyber insurance for AIG.





“Years ago, it was more manageable. There were significant attacks that happened but they were less frequent.”

**Tracie Grella**  
AIG

One attendee, Joshua Motta, chief executive officer and co-founder of Coalition, said the meeting was called to determine how these groups can work together to collectively improve the nation’s cybersecurity.

“As the threats from ransomware and other cybercrimes accelerate, small and midsize businesses can’t be left to fend for themselves. It takes a broad combination of accessible technology and aligned incentives to keep these companies safe,” Motta said.

Many insurers already have responded by raising premiums and, anecdotally, lowering limits and creating clearer policy language. They’ve been re-evaluating their own standards, changing their practices of underwriting, becoming more selective in issuing coverage and avoiding potential policyholders who don’t have the right controls and protections in place.

“We’ve gotten to a point where it’s a board-level

concern and a concern of significance,” Mulligan said.

### Cyber Premiums on the Rise

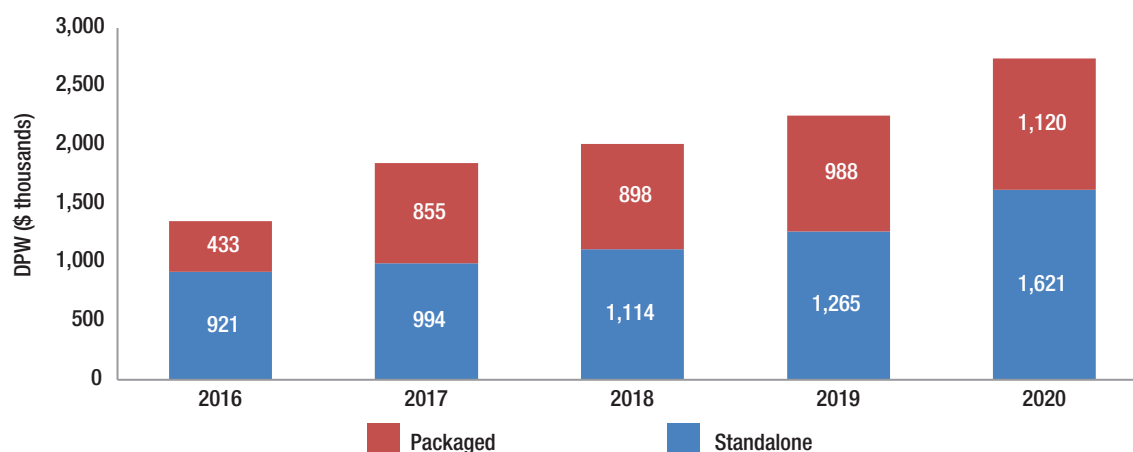
With cyberattackers benefiting from rapidly evolving digital technology, cyber premiums have more than doubled since 2016, rising from \$1.3 billion to \$2.7 billion last year for U.S. insurers who filed National Association of Insurance Commissioners statutory filings, according to Fred Eslami, associate director at AM Best.

“In 2020, the growth in premiums for the entire commercial lines was about 4% while the growth in cyber premiums was 21%. This is a tremendous growth for this line,” Eslami said.

Peter Zaffino, president and chief executive officer of AIG, said in an August conference call that the company’s cyber premium prices rose nearly 40% globally over the past year, the largest increase in North America.

Loss and defense and cost containment ratios

### U.S. P/C Industry – Cyber Direct Premiums Written



Source: AM Best data and research

also increased from about 44% in 2019 to about 68% in 2020, Eslami said.

“This is a huge growth in terms of the loss ratio,” he said. “If you assume that there is a 25%, 27% underwriting expense, you’re talking about a combined ratio of 96%, 97%, which seems to be high for this line.”

The trend is likely to continue, analysts say. Since May 1, there have been at least 37 “significant” international cyber incidents, including the Colonial Pipeline attack that impacted the oil industry and caused a spike in gas prices, according to the Center for Strategic and International Studies. In all of 2015, there were 35 incidents, according to the report.

Indeed, ransomware demands have risen as high as \$70 million—a far cry from 2015, when they were typically in the thousands of dollars, insurers and analysts say.

Some insurers say they see opportunity when companies are scrambling to get more protection against losses. Coalition, for instance, which started in 2017, places its focus squarely on cyber.

“We’ve realized that a computer security failure can result in bodily injury, property damage and pollution liability, and we are the only cyber insurance market that I’m aware of that, by default, covers those in our policy,” Motta said. “We just want to be able to cover more of the exposures that organizations have when technology fails.”

Insurers also have worked with the government to share what they have learned about losses and security controls, according to Tracie Grella, global head of cyber insurance for AIG.

“We certainly have been on top of it,” Grella said. “Years ago, it was more manageable. There were significant attacks that happened but they were less frequent.”

### A Long History

Insurers and industry analysts say they first started to see an escalation in cyberattacks as far back as 15 years ago. Cyber coverage was small, and the claims were usually reported under the category of “kidnapping,” “extortion” or “casualty” because of the potential loss that could be caused.

“Your kidnapping ransom also included coverage for extortion. It just naturally included that,” said Grella. “So if you were placing a kidnapping or ransom policy, you would think,



“In 2020, the growth in premiums for the entire commercial lines was about 4% while the growth in cyber premiums was 21%. This is a tremendous growth for this line.”

**Fred Eslami**  
AM Best

‘Well, what if the extortion is from a cyber means? Would that be covered?’

“And so a client or a risk manager or a broker would say, ‘This policy, since it covers extortion, it should be expanded into cyber extortion.’ So that change would often be made and become more standard in the coverage,” she said.

Grella said one of the problems was that, because there wasn’t a lot of understanding within the specialized coverage areas to deal with cyber, “the industry didn’t implement underwriting procedures around that.”

In 2014, Grella said, AIG started to engage with clients and the government on cyber scenarios that highlighted concerns around coverage response by traditional insurance policies, whether cyber should be more “affirmatively” covered, and what needed to be done to make policies more effective. Indeed, she said, AIG has been working closely with





“Cyberrisk is too complex to be handled by risk management, risk transfer or IT/security independently. They need to be connected and integrated so that security and insurance are part of the same value proposition.”

**Mario Vitale**  
Resilience

several different government agencies including the FBI, the U.S. Department of Treasury and the New York Department of Financial Services to share insights.

“The market has been going through this transition over the last number of years and more carriers [have been] getting on board,” she said. “Regulators started to ask questions and say, ‘How are you measuring this exposure?’”

“In 2016, we started implementing the affirmative cyber strategy in different products and different geographies and so it’s been a journey,” she said.

Mario Vitale, president of Resilience, which provides insurance coverage and cybersecurity services to protect midmarket companies, said the industry didn’t initially deal with the rising problem of ransomware with the appropriate mindset because cybersecurity and cyber insurance were placed in “two different buckets.” They needed to be blended together, he said.

“Cyberrisk is too complex to be handled by risk management, risk transfer or IT/security independently. They need to be connected and integrated so that security and insurance are part of the same value proposition,” he said.

### Insurers Raise Standards

With ransomware demands potentially nearing \$100 million, carriers have tightened underwriting and reduced limits. There’s been a boost in minimum cybersecurity standards that must be met before a company qualifies for ransomware coverage, according to Sandeep Deva, vice president of policy development for Exdion, a consulting and product organization specializing in insurtech.

If those standards aren’t met, carriers will exclude ransomware from a cyber policy. Axa

and Hiscox have adopted this kind of change and imposed limits on ransomware coverage in some geographic areas. Axa in France won’t cover ransomware, for example.

These changes have left some policyholders “scrambling for some sort of protection when they are due for renewal,” according to Deva.

“So they are not ready to offer any coverage at all. They’re saying that we won’t cover those losses ... we won’t even give you a quote on that,” he said.

The cyber activity is so high now, Grella said, “we can be in a position of saying to clients, ‘If you don’t have these controls in place then you’re not going to get covered for these types of attacks.’”

“So that would be an incentive for organizations to invest in those controls so they can have proper insurance cover,” Grella said. “The government has looked to the insurance industry to be that incentive to help businesses improve their overall security.”

AIG is now asking more granular questions in the underwriting process “that are related to the failures that we observe when we’re analyzing these losses after the incidents,” she said, adding, “We need to ensure the controls are in place to prevent those types of failures and losses.

“Because of the frequency and severity of the ransomware activity and the feeling that it’s not anywhere near stopping, we need to make sure that we are focused on controls that we know specifically mitigate or reduce or prevent ransomware activity. So that’s where we’re focusing a lot of our underwriting, on those types of specific, granular-level questions.”

According to Exdion’s Deva, “if more information is reported, then there’s more data for underwriters to work with [and] come up with better coverages and better plans.”

## Best's Rankings

### U.S. P/C Industry – Top 20 Cyber Insurers – 2021 Edition

Ranked by 2020 total standalone and packaged cybersecurity direct premiums written.

(\$ millions)

Rank	Company	2020 DPW	Market Share (%)	% of Cyber DPW		2020 Loss & DCC Ratio	2020 Est. UW Exp Ratio	2020 Est. Comb Ratio
				Standalone	Packaged			
1	Chubb INA Group	404.1	14.8	0.0	100.0	61.0	23.8	84.8
2	XL Reinsurance America Group	293.0	10.8	100.0	0.0	98.2	24.8	123.0
3	American International Group	228.4	8.4	99.2	0.8	100.6	25.2	125.8
4	Travelers Group	206.8	7.6	81.2	18.8	85.5	31.7	117.2
5	Beazley USA Insurance Group	177.7	6.5	95.0	5.0	47.9	27.2	75.1
6	AXIS US Operations	133.6	4.9	67.3	32.7	46.2	26.9	73.1
7	CNA Insurance Companies	119.6	4.4	15.2	84.8	106.1	27.4	133.5
8	Fairfax Financial (USA) Group	108.5	4.0	99.9	0.1	55.7	24.9	80.7
9	Hartford Insurance Group	102.9	3.8	10.7	89.3	29.4	30.6	59.9
10	BCS Financial Group	86.6	3.2	57.7	42.3	59.1	26.7	85.8
11	Sompo Holdings US Group	72.6	2.7	100.0	0.0	114.1	22.2	136.4
12	Tokio Marine US PC Group	65.7	2.4	48.1	51.9	48.8	26.8	75.6
13	Zurich Insurance US PC Group	64.4	2.4	89.2	10.8	40.4	22.7	63.1
14	Liberty Mutual Insurance Companies	41.9	1.5	41.7	58.3	30.0	34.9	64.9
15	Aspen US Insurance Group	39.3	1.4	99.6	0.4	29.6	27.3	56.9
16	Berkshire Hathaway Insurance Group	37.4	1.4	29.8	70.2	25.8	16.8	42.7
17	Markel Corporation Group	29.7	1.1	74.9	25.1	38.0	30.4	68.4
18	Everest Re U.S. Group	28.2	1.0	100.0	0.0	48.0	26.7	74.8
19	The Cincinnati Insurance Companies	24.9	0.9	0.0	100.0	24.6	31.4	56.0
20	Swiss Reinsurance Group	23.7	0.9	100.0	0.0	42.6	27.9	70.5

Source: 

“This would also mean that there are security protocols that are being put [in place] that are going to become more robust, and we’d be able to identify issues a lot faster,” he said. “So adding those questions that recognize the need—all of this needs to be reported. It’s a big step forward. And it’s a welcome step.”

## Cyber Controls

Erik Weinick, attorney and co-founder, Otterbourg P.C.’s Privacy & Cybersecurity practice, said companies need to develop the same types of controls that a driver has with automobile insurance.

“Just like an auto insurance company may say to you, ‘I’m sorry. If you had worn your seat belt, you wouldn’t have sustained those injuries,’ an insurance policy for cyber may not be enforceable if there were certain preconditions that an organization failed to take,” he said.

For example, Weinick said, cyber insurance policies could require an “educational component” or training exercise where an organization “sends out fake spoofing emails to see how the employees respond.”

“If they’re responding incorrectly by clicking on

a nefarious link, there’s an opportunity to educate the employee on how to better deal with those emails, or to have an outside consultant come in and perform penetration testing so we can test and assess the actual electronic vulnerabilities of a particular system,” he said.

Grella said the government could take steps to compel potential policyholders to develop better controls and “tax credits are always brought up but it feels like the government is not really interested in that. But I think that could work.”

“We are involved in a lot of the conversations and the government has always viewed insurance as an area of importance with respect to cyber activity,” she said.

Mulligan said the industry needs “to continue the efforts that are already going on to address emerging trends. My view is that I would caution against any existential panic.”

“People who know me know that my motto is, ‘Cooler heads will prevail,’” Mulligan said. “Collectively, we’re working to build a long-term stable market for this line of business. We know that insurers have been responding to the challenges of ransomware.”

BR





# New Ransomware Worry: Insurance Can Present Solutions and Problems for Cybersecurity

Insurance policies could be a “guide” for cybercriminals to determine how much to demand in ransomware attacks, said Erik Weinick, attorney and co-founder, Otterbourg P.C.’s Privacy & Cybersecurity practice.

by Tom Davis

**F**inancial and data losses have been piling up now that the number of cyberattacks on companies, individuals and governments has escalated in recent years. Insurance companies have provided coverage for these victims of ransomware but they have found themselves re-evaluating their own policies and protection as insurers, too, have been impacted.

Ironically, cyber insurance policies can even serve as a “guide”—or even a magnet—for cybercriminals to determine how much to demand in ransomware attacks, said Erik Weinick, attorney and co-founder, Otterbourg P.C.’s Privacy & Cybersecurity practice.

Following is an edited transcript of an interview with Weinick, an expert in both cybersecurity and insurance.

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## Has the issue of cybersecurity been taken seriously in recent years?

There’s a growing appreciation among the business community and the nonprofit community that cybersecurity is a pressing issue. I think there’s still a misunderstanding among that community as to who the potential victims are ... there are still a tremendous number of organizations out there that believe that because they are under the radar or they’re a certain size, that they’re not a potential victim of these attacks. That’s simply not the case.

At the end of the day, as I like to say, most cybercriminals are not looking to become a household name themselves. They’re not looking to get into the hall of fame of cyberattacks. They’re looking to make a quick buck. What’s the easiest way to do that? It’s to go after the low-hanging fruit. Very often, the low-hanging fruit are the smaller, lesser-known organizations that have fewer resources to protect themselves and mitigate

against these types of attacks. One of the weapons or defenses that these smaller organizations have at their disposal is a comprehensive cyber insurance policy, which brings with it not just a monetary protection in the event that something goes wrong, but an army of experts that can help those smaller organizations protect themselves and mitigate against the inevitable attack.

**Some of these attacks have happened as far as seven years ago or even longer. Why does it matter more now? Is it because of the frequency, the size, the impact, the amount of losses?**

It's all of the above, and it's also an increase in the reliance of the business community on electronic systems and things like the proliferation of the internet.

Your electronic and connected thermostats and security cameras and things of that nature that can become a potential vulnerability for organizations, it's twofold. It's an increase in the number of attacks, but it's the increased reliance on our

electronic systems that leaves us more vulnerable.

**One of the issues that's been raised is that despite the appearance of protection, cybersecurity insurance is not only becoming more expensive and less extensive, but it's accidentally painting insurers as potential targets for attacks. Can you speak to that?**

There's mixed evidence out there as to whether or not simply having cyber insurance makes you more or less likely to be attacked.

As I said, I think that the criminals are performing a cost-benefit analysis, if you will, as to, "OK, this is who I'm going to attack. This is who I'm able to gain access to, and then if I'm going to effectuate a ransomware attack" ... It may be that they just seize information and threaten to leak it out. We've seen that happen with some law firms and other holders of sensitive information. The existence of these insurance policies is perhaps serving as a guide for the criminals as to how much to ask for.

They don't necessarily need to know that you have "x" amount sitting in your corporate bank



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“There’s mixed evidence out there as to whether or not simply having cyber insurance makes you more or less likely to be attacked.”

**Erik Weinick**  
Otterbourg P.C.

account, but they know that if your policy limit is \$5 million or \$10 million, they know that they can ask for that and there’s a good chance that they may get it.

**What they’ve done is, from my understanding, infiltrated victims’ electronic systems to identify the existence of a policy in order to determine the amount of the policy they may cover. Then, they essentially tailor their ransomware demands to those policy limits to increase the likelihood of payment in return for restoration of data. Is that what’s been happening?**

Yes, that we’re seeing on an anecdotal basis. Again, it’s a little early to point to specific data or specific studies that say this is a widespread problem. There’s a certain logic to it that’s appealing.

I am uncomfortable with consumers and businesses saying to themselves, “Well, I’m not going to get cyber insurance because that makes me a target.” To me, it’s the equivalent of saying, “I’m not going to get auto insurance, because it makes it more likely that I’m going to get into a car accident.” You still want to have that protection. I’d rather have it than not have it.

**This scenario presents some legal, business, and moral questions for those who are tasked, essentially, with safeguarding the organization’s data. Is that fair to say?**

That’s right. It’s one of a host of factors that you were describing. For more sophisticated organizations, the role of a CISO, chief information security officer, is generally tasked with making recommendations to a board of directors or a CEO

as to what is their cybersecurity protection going to look like.

Like anything else, you want to have a multilayered defense ... in cybersecurity, you should have a robust electronic system. You should have good policies in place. Having the added protection of insurance at a reasonable cost, again—that’s a decision that every organization has to make for itself and balance the premium cost versus costs of compliance as well.

Again, it’s not just the premium that’s a cost of insurance, but doing all of these things, which, at the end of the day, should help to mitigate risk. That’s another cost of having the policy. Again, it carries with it the benefit of going through that exercise and improving your cybersecurity standing.

**The bottom line is an organization should understand exactly what is covered and what is not and what the organization’s own obligations are in order to maintain the coverage. That fair to say?**

Absolutely. What I’ll add to that is that we encounter a lot of organizations who say to us, “Well, I have a general liability policy,” and they believe that they’re covered under that. What we’ll say in response is that they should go back and read that very carefully, because they may think it’s covered, but it may in fact be explicitly or implicitly not covered. **BR**

## AM Best TV



Go to [www.bestreview.com](http://www.bestreview.com) to watch the interview with Erik Weinick.



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# Maturing Auto Insurtech Segment Looks to Highlight Shopping Options, Education to Grow

AM Best: Positive outlook on innovation in the auto insurtech space is reinforced by a continued record-breaking flow of funding.

by Renée Kiriluk-Hill

**D**elivering fast, cheap pricing for automobile insurance isn't the end game for players in the burgeoning insurtech industry. Rather, awareness of shopping options

and consumer education are emerging as two important new opportunities, said Marty Sansone,

**Renée Kiriluk-Hill** is an associate editor. She can be reached at [renee.kiriluk-hill@ambest.com](mailto:renee.kiriluk-hill@ambest.com).





The Zebra's vice president of insurance.

"As consumers increasingly gravitate toward the 'one-stop shop' model they get from other industries, insurtechs and carriers must approach the customer experience journey beyond the pure insurance shopping to bring new segments of shoppers through their door," he said.

Like a spate of insurtechs in recent years, The Zebra, an auto insurance aggregator, has expanded, in part, through capital raises. In April, it raised \$150 million in Series D fundraising rounds, moving its valuation past \$1 billion.

AM Best Associate Director Edin Imsirovic said ultimately, insurtechs and their investors are learning that just plain "tech" isn't going to get them to profitability, particularly as they tread

into a space where incumbent players are already leveraging technology to a greater degree than the overall insurance industry.

"The auto insurtech ecosystem is very diverse, with many different players catering to many unmet needs. While providing an outlook for such a diverse set of players is hard, it is fair to say that overall, AM Best has a positive outlook on innovation in the space," Imsirovic said. "The positive outlook is reinforced by







“The auto insurtech ecosystem is very diverse, with many different players catering to many unmet needs. While providing an outlook for such a diverse set of players is hard, it is fair to say that overall, AM Best has a positive outlook on innovation in the space.”

**Edin Imsirovic**  
AM Best

continued record-breaking flow of funding.”

Equity funds have invested heavily in insurtech, along with incumbents such as Munich Re. Longtime carriers have created companies, such as Allstate with Arity or USAA’s plan for telematics-based Noblr Inc.

Auto insurtech underwriters have raised the bar, but they set it at a level that’s pretty easily attainable by legacy writers, said Risk Information Inc. Editor Brian Sullivan. “The name of the game is how they interact with the customers,” rather than building a better model, the way Netflix did in film and TV content distribution, he said.

These are some of the companies moving forward in the insurtech space:

## Arity

**Founded:** 2016

**Headquarters:** Chicago

**What they do:** Allstate established the mobility data and analytics subsidiary to operate its connected car business and generate third-party business.

**Parent/President:** The subsidiary of publicly traded Allstate is led by President Gary Hallgren.

**Funding:** Produced \$64 million of revenue in the second quarter of 2021, compared with \$26 million in the prior-year period. Net income of \$1 million in the second quarter compared with a \$3 million net loss a year earlier.

## Cambridge Mobile Telematics

**Founded:** 2010

**Headquarters:** Cambridge, Massachusetts

**What they do:** The mobile telematics provider powers 79 programs globally with insurers, automotive manufacturers and mobile network operators. Its technology touches several million drivers daily through partnerships with 21 of the 25 largest U.S. auto insurers and globally.

**Founders/CEO:** Founder and CEO Bill Powers and founders and MIT professors Hari Balakrishnan, also Cambridge chief technology officer, and Sam Madden, Cambridge chief scientist, lead the company.

**Key Investors/Funding:** SoftBank Vision Fund invested \$500 million in late 2018.

## Metromile Inc.

**Founded:** 2011

**Headquarters:** San Francisco

**What they do:** The pay-per-mile carrier also has Metromile Enterprise, which licenses its technology platform to insurers globally.

**Founders/CEO:** Founded by David Friedberg and Steve Pretre. The current CEO is Dan Preston.

**Key Investors:** Metromile became a public company in a February 2021 special purpose acquisition company merger with INSU Acquisition Corp. (NASDAQ: MILE).

**Funding:** The business combination was funded by INSU II’s approximately \$230 million cash-in-trust and \$170 million of proceeds on previous INSU II shares private placement.

## Root Inc.

**Founded:** 2016

**Headquarters:** Columbus, Ohio

**What they do:** Root started with mobile-only auto coverage. It now offers auto insurance in 31 states, renters in nine states and homeowners in 13. It is partnering with used-car seller Carvana on an embedded product.

**Founders/CEO:** CEO Alex Timm and Dan Manges founded the carrier.

**Funding:** Root went public with an October 2020 initial public offering (NASDAQ: ROOT). It raised about \$724 million in the IPO.

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## Sigo Seguros

**Founded:** 2019

**Headquarters:** Jersey City, New Jersey

**What they do:** Sigo is a Spanish-first, fully bilingual agency that expanded to MGA services, started in Texas in August 2021.

**Founders/CEO:** The company was founded by CEO Nestor Hugo Solari, COO Julio Erdos and engineering Vice President Ivan Arambula.

**Funding/key investors:** Amicle Capital, Bonded Capital Ventures, Demeter Capital, Financial Solutions Lab, Park City Angels and gANGELS participated in a \$1.5 million seed round.

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## South Korea Carrot General Insurance Corp.

**Founded:** 2019

**Headquarters:** Seoul

**What they do:** Carrot is a full-stack insurer that can underwrite business.

**Parent/CEO:** The Hanwha General Insurance subsidiary was established through a joint partnership between Hanwha, SK Telecom, Hyundai Motor Group, Altos Ventures and Stic Investments and is led by CEO Paul Jung.

**Funding:** Has nearly \$200 million in capital after raising \$88.2 million in a recent rights offering.

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## Tractable

**Founded:** 2014

**Headquarters:** London

**What they do:** The computer vision—a segment of artificial intelligence in which computers interpret digital images—financial services company said its AI analyzes auto claims in real time and can predict whether a vehicle is

repairable, or evaluate needed repairs. It offers claims and other services for carriers and others including fleets, rental companies and manufacturers and recently started working with a Japanese insurer on typhoon property damage.

**Founders/CEO:** Co-founders are CEO Alex Dalyac, Chief Technology Officer Razvan Ranca and President Adrien Cohen.

**Key Investors:** Insight Partners and Georgian led the most recent fundraise; other investors include Ignition.

**Insurance Partners:** The company works with more than 20 major auto insurers globally, Tractable said, including Geico, Tokio Marine Nichido, Mitsui Sumitomo, Aioi Nissay Dowa, Sampo Japan, Covéa, Admiral Seguros and Ageas.

**Total Funding:** Raised \$115 million and is valued at more than \$1 billion.

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## Wefox

**Founded:** 2015 as One

**Headquarters:** Berlin

**What they do:** A digital insurer, active in five countries.

**Founders/CEO:** CEO Julian Teicke, Wefox Holding AG CFO Fabian Wesemann and CRO Dario Fazlic.

**Key investors/funding:** A \$650 million Series C round was led by Target Global; Mubadala Ventures led a \$235 million Series B round; Horizons Ventures and Target Global ran a \$30 million Series A round; and Salesforce Ventures took the lead in a \$5.5 million seed round.

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## The Zebra

**Founded:** 2012

**Headquarters:** Austin, Texas

**What they do:** The aggregator started with auto insurance quoting, recently expanded to homeowners and plans to add more personal lines.

**Founders/CEO:** Keith Melnick succeeded co-founder Adam Lyons as CEO in 2017. Lyons founded The Zebra with Joshua Dziabiak.

**Key Investors:** Accel and Weatherford Capital are the most recent of 13 investors. Others include Ballast Point Ventures and Silverton Partners.

**Funding:** Raised \$256.5 million in seven rounds since 2013.

BR

## Best's Rankings

## Top 25 U.S. Commercial Auto Writers – 2021 Edition

Ranked by 2020 direct premiums written.  
(\$ Thousands)

2020 2019		Company / Group	AMB#	2020 direct	% Change in	Market Share (%)			Adjusted Loss Ratios			% of Company
Rank	Rank			premiums written		2020	2019	2018	2020	2019	2018	
1	1	Progressive Ins Group	000780	\$5,829,233	-0.1	12.7	12.8	11.4	62.2	63.1	61.0	13.8
2	2	Travelers Group	018674	2,860,332	2.2	6.2	6.2	6.3	64.7	70.9	73.9	9.9
3	5	Old Republic Ins Group	000734	1,883,081	16.7	4.1	3.6	3.5	73.7	73.9	66.8	39.4
4	3	Liberty Mutual Ins Cos	000060	1,689,377	-10.5	3.7	4.2	4.4	66.1	89.1	79.4	4.7
5	4	Nationwide Group	005987	1,659,268	-0.8	3.6	3.7	4.0	74.8	74.1	72.8	9.0
6	7	Zurich Ins US PC Group	018549	1,622,780	13.8	3.5	3.1	3.4	76.8	69.3	79.7	11.9
7	6	Berkshire Hathaway Ins	000811	1,417,138	-9.7	3.1	3.5	3.7	66.6	69.0	61.4	3.1
8	9	Auto-Owners Ins Group	004354	1,249,969	10.7	2.7	2.5	2.5	60.6	64.4	65.9	13.4
9	8	Allstate Ins Group	000008	1,068,177	-16.1	2.3	2.8	2.4	59.6	72.0	72.3	2.7
10	10	Chubb INA Group	018498	895,288	-7.4	1.9	2.1	1.8	73.8	58.2	80.0	3.7
11	16	W. R. Berkley Ins Group	018252	841,906	17.7	1.8	1.6	1.5	52.2	59.5	60.6	12.4
12	18	Amer Intl Group	018540	821,630	21.0	1.8	1.5	1.6	75.6	105.1	94.5	6.1
13	12	Hartford Ins Group	000048	776,778	0.1	1.7	1.7	1.7	66.8	69.0	57.3	6.3
14	15	Cincinnati Ins Cos	004294	763,897	3.7	1.7	1.6	1.7	54.1	59.2	64.4	13.8
15	14	Great Amer P & C Ins Group	004835	761,841	1.6	1.7	1.7	1.7	55.2	60.8	62.9	11.4
16	13	Tokio Marine US PC Group	018733	748,731	-2.9	1.6	1.7	1.9	59.6	67.0	67.0	8.2
17	20	Erie Ins Group	004283	684,684	7.7	1.5	1.4	1.4	55.4	76.9	71.2	9.0
18	11	State Farm Group	000088	679,745	-21.0	1.5	1.9	1.7	68.2	76.7	75.7	1.0
19	21	Selective Ins Group	003926	677,625	11.1	1.5	1.3	1.3	61.0	66.3	74.7	21.1
20	22	Sentry Ins Group	000086	656,742	17.9	1.4	1.2	1.2	63.8	66.8	79.4	24.1
21	19	Fairfax Financial (USA) Group	003116	630,167	-3.2	1.4	1.4	1.4	60.5	65.0	67.7	8.4
22	23	CNA Ins Cos	018313	587,261	14.6	1.3	1.1	1.0	70.1	58.8	66.4	5.0
23	25	Acuity, A Mutual Ins Co	000468	586,433	16.5	1.3	1.1	1.0	45.8	59.9	59.7	32.9
24	27	Markel Corp Group	018468	571,289	19.5	1.2	1.1	1.2	77.0	67.4	56.3	9.4
25	26	Federated Mutual Group	004284	560,053	11.4	1.2	1.1	1.1	73.4	68.4	64.6	31.0
Top 25 Writers				\$30,523,425	1.2	66.3	66.3	65.8	65.2	69.4	70.4	7.2
Total U.S. P/C Industry				\$46,049,675	1.3	100.0	100.0	100.0	64.1	69.6	69.0	6.3

Reflects Grand Total (includes Canada and U.S. Territories).

Source: [BESTLINK](#) — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021

## Top 25 U.S. Auto Liability Writers – 2021 Edition

Ranked by 2020 direct premiums written.  
(\$ Thousands)

2020 2019		Company / Group	AMB#	2020 direct	% Change in	Market Share (%)			Adjusted Loss Ratios			% of Company
Rank	Rank			premiums written		2020	2019	2018	2020	2019	2018	
1	2	Progressive Ins Group	000780	\$25,888,829	5.2	14.1	13.2	11.8	54.0	61.7	60.9	61.2
2	1	State Farm Group	000088	24,060,734	-4.3	13.1	13.5	14.5	54.1	57.4	62.3	36.4
3	3	Berkshire Hathaway Ins	000811	21,573,919	-3.9	11.8	12.1	12.0	66.0	77.0	73.2	46.7
4	4	Allstate Ins Group	000008	15,639,083	-5.5	8.5	8.9	8.9	56.1	63.2	60.5	39.9
5	5	USAA Group	004080	8,763,754	2.6	4.8	4.6	4.6	68.9	87.9	85.1	35.6
6	7	Liberty Mutual Ins Cos	000060	8,238,236	-0.7	4.5	4.5	4.6	63.3	72.8	70.9	22.8
7	6	Farmers Ins Group	000032	7,878,264	-6.9	4.3	4.5	4.6	58.7	63.5	63.3	33.3
8	8	Travelers Group	018674	5,195,055	0.5	2.8	2.8	2.7	60.7	65.6	66.1	18.0
9	9	Nationwide Group	005987	4,544,536	-7.0	2.5	2.6	2.9	66.1	62.3	62.4	24.6
10	10	Amer Family Ins Group	000124	3,338,154	-9.2	1.8	2.0	2.1	55.4	67.3	70.6	29.4
11	11	Kemper PC Companies	018908	2,871,440	5.6	1.6	1.5	1.4	59.1	62.5	65.5	63.5
12	12	Auto-Owners Ins Group	004354	2,738,070	1.3	1.5	1.5	1.4	62.3	67.0	65.9	29.5
13	13	Erie Ins Group	004283	2,234,797	0.1	1.2	1.2	1.2	57.8	75.0	73.7	29.4
14	14	Auto Club Enterprises Ins Group	018515	1,995,724	-2.3	1.1	1.1	1.1	64.8	74.6	74.5	44.7
15	15	Hartford Ins Group	000048	1,815,093	-7.1	1.0	1.1	1.1	59.2	66.4	65.5	14.7
16	16	Mercury Gen Group	004524	1,698,177	-6.8	0.9	1.0	1.0	50.2	62.7	68.6	47.0
17	17	CSAA Ins Group	018460	1,566,712	-5.6	0.9	0.9	0.9	52.5	63.2	66.3	39.4
18	21	Old Republic Ins Group	000734	1,404,920	21.4	0.8	0.6	0.6	77.0	78.5	70.0	29.4
19	19	Sentry Ins Group	000086	1,399,744	9.6	0.8	0.7	0.7	59.0	64.2	67.2	51.3
20	22	Zurich Ins US PC Group	018549	1,251,689	17.4	0.7	0.6	0.6	83.5	68.4	79.9	9.2
21	20	Chubb INA Group	018498	1,148,022	-7.2	0.6	0.7	0.6	69.0	60.3	76.3	4.7
22	18	Auto Club Group	000312	1,135,083	-11.7	0.6	0.7	0.7	63.7	62.0	99.2	42.8
23	23	Hanover Ins Group Prop & Cas Cos	004861	945,072	-4.7	0.5	0.5	0.5	65.2	73.8	73.7	18.5
24	25	Cincinnati Ins Cos	004294	866,938	0.2	0.5	0.5	0.5	53.9	60.2	67.8	15.6
25	24	MAPFRE North America Group	018801	854,572	-11.6	0.5	0.5	0.6	60.1	71.0	70.7	37.1
Top 25 Writers				\$149,046,617	-1.8	81.3	81.5	81.3	59.4	66.7	67.0	33.6
Total U.S. P/C Industry				\$183,238,422	-1.6	100.0	100.0	100.0	59.9	67.5	67.5	25.1

Reflects Grand Total (includes Canada and U.S. Territories).

Source: [BESTLINK](#) — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021



## Top 25 U.S. Auto Physical Damage Writers – 2021 Edition

Ranked by 2020 direct premiums written.  
(\$ Thousands)

2020 Rank	2019 Rank	Company / Group	AMB#	2020 direct premiums written	% Change in Premiums	Market Share (%)			Adjusted Loss Ratios			% of Company Premiums
						2020	2019	2018	2020	2019	2018	
1	1	State Farm Group	000088	\$17,016,667	0.4	15.1	15.0	15.8	62.3	68.7	63.3	25.7
2	2	Berkshire Hathaway Ins	000811	13,628,681	-2.7	12.1	12.4	12.1	62.3	66.1	65.5	29.5
3	3	Progressive Ins Group	000780	13,112,344	7.0	11.6	10.8	9.8	57.8	63.2	62.6	31.0
4	4	Allstate Ins Group	000008	11,307,782	-1.6	10.0	10.2	10.0	47.3	53.8	53.1	28.8
5	5	USAA Group	004080	7,009,243	4.8	6.2	5.9	5.8	60.7	74.5	76.2	28.5
6	6	Liberty Mutual Ins Cos	000060	5,298,221	0.1	4.7	4.7	4.9	46.4	56.0	53.7	14.6
7	7	Farmers Ins Group	000032	4,868,096	-7.0	4.3	4.6	4.9	51.6	59.8	56.9	20.5
8	8	Nationwide Group	005987	2,892,881	-4.6	2.6	2.7	2.9	53.3	59.0	58.8	15.6
9	9	Travelers Group	018674	2,555,669	0.9	2.3	2.2	2.2	44.5	60.5	61.6	8.9
10	10	Amer Family Ins Group	000124	2,112,393	-10.2	1.9	2.1	2.2	54.9	63.5	68.5	18.6
11	11	Erie Ins Group	004283	1,845,930	3.3	1.6	1.6	1.5	60.6	72.2	71.1	24.2
12	12	Auto-Owners Ins Group	004354	1,805,559	3.7	1.6	1.5	1.5	57.2	65.4	66.0	19.4
13	13	Auto Club Enterprises Ins Group	018515	1,571,120	-0.4	1.4	1.4	1.4	49.0	60.7	62.4	35.2
14	15	Kemper PC Companies	018908	1,317,847	1.2	1.2	1.2	1.1	58.9	58.6	56.5	29.2
15	14	CSAA Ins Group	018460	1,257,771	-5.5	1.1	1.2	1.2	48.2	57.8	59.6	31.6
16	16	Mercury Gen Group	004524	1,081,782	-8.7	1.0	1.1	1.1	51.7	59.9	60.6	29.9
17	17	Hartford Ins Group	000048	825,137	-3.0	0.7	0.8	0.8	46.1	56.1	59.7	6.7
18	18	Auto Club Group	000312	706,350	-9.9	0.6	0.7	0.7	55.1	65.2	62.8	26.6
19	19	MAPFRE North America Group	018801	671,892	-8.9	0.6	0.7	0.7	44.3	56.5	61.0	29.2
20	20	Hanover Ins Group Prop & Cas Cos	004861	626,639	-2.5	0.6	0.6	0.6	47.0	58.6	58.4	12.3
21	21	COUNTRY Financial PC Group	000302	540,964	0.2	0.5	0.5	0.5	56.5	64.6	63.7	20.3
22	22	Chubb INA Group	018498	537,354	-0.1	0.5	0.5	0.5	53.3	55.9	56.7	2.2
23	24	Cincinnati Ins Cos	004294	515,521	2.6	0.5	0.4	0.5	43.4	55.1	58.5	9.3
24	23	Amica Mutual Group	018522	503,885	-0.4	0.5	0.5	0.5	44.8	61.9	66.2	21.6
25	28	Markel Corp Group	018468	495,420	17.1	0.4	0.4	0.4	41.6	40.1	45.2	8.2
Total 25 Writers				\$94,105,148	-0.2	83.3	83.4	83.5	55.8	63.2	62.0	21.7
Total U.S. P/C Industry				\$112,947,267	-0.1	100.0	100.0	100.0	55.5	62.6	61.7	15.5

Reflects Grand Total (includes Canada and U.S. Territories).


Source:  — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021

## Top 25 U.S. Private Passenger Auto Writers – 2021 Edition

Ranked by 2020 direct premiums written.  
(\$ Thousands)

2020 Rank	2019 Rank	Company / Group	AMB#	2020 direct premiums written	% Change in Premiums	Market Share (%)			Adjusted Loss Ratios			% of Company Premiums
						2020	2019	2018	2020	2019	2018	
1	1	State Farm Group	000088	\$40,397,656	-2.0	16.2	16.2	17.2	57.2	61.7	62.5	61.1
2	2	Berkshire Hathaway Ins	000811	33,785,462	-3.2	13.5	13.7	13.4	64.5	73.0	70.7	73.2
3	3	Progressive Ins Group	000780	33,171,941	6.9	13.3	12.2	11.0	54.0	62.1	61.5	78.5
4	4	Allstate Ins Group	000008	25,878,688	-3.4	10.4	10.6	10.5	52.1	58.8	57.0	66.0
5	5	USAA Group	004080	15,772,993	3.6	6.3	6.0	5.9	65.3	82.0	81.3	64.1
6	6	Farmers Ins Group	000032	12,198,395	-6.1	4.9	5.1	5.3	54.5	61.8	60.4	51.5
7	7	Liberty Mutual Ins Cos	000060	11,847,079	1.2	4.7	4.6	4.8	55.3	62.6	61.8	32.8
8	8	Nationwide Group	005987	5,778,149	-7.5	2.3	2.5	2.7	57.3	57.7	58.2	31.2
9	9	Amer Family Ins Group	000124	5,168,252	-10.5	2.1	2.3	2.4	53.9	64.9	69.6	45.6
10	10	Travelers Group	018674	4,890,393	-0.3	2.0	1.9	1.9	49.8	60.0	59.7	17.0
11	11	Kemper PC Companies	018908	3,840,937	2.4	1.5	1.5	1.4	59.6	61.6	62.4	85.0
12	12	Auto Club Enterprises Ins Group	018515	3,566,844	-1.5	1.4	1.4	1.4	57.9	68.6	69.2	79.8
13	13	Erie Ins Group	004283	3,396,043	0.3	1.4	1.3	1.3	59.8	73.2	72.8	44.6
14	14	Auto-Owners Ins Group	004354	3,293,660	-0.7	1.3	1.3	1.2	60.1	67.1	66.0	35.4
15	15	CSAA Ins Group	018460	2,791,291	-6.7	1.1	1.2	1.2	50.4	60.8	63.3	70.2
16	16	Mercury Gen Group	004524	2,539,716	-9.0	1.0	1.1	1.1	49.4	61.1	64.8	70.3
17	18	Hartford Ins Group	000048	1,863,452	-8.1	0.8	0.8	0.9	50.3	61.2	65.5	15.1
18	17	Auto Club Group	000312	1,821,545	-11.2	0.7	0.8	0.8	60.4	62.7	85.2	68.7
19	19	MAPFRE North America Group	018801	1,353,096	-10.7	0.5	0.6	0.7	51.6	65.0	67.0	58.7
20	21	Amica Mutual Group	018522	1,251,868	-0.3	0.5	0.5	0.6	53.1	66.6	69.9	53.6
21	20	Hanover Ins Group Prop & Cas Cos	004861	1,212,585	-5.1	0.5	0.5	0.5	56.9	68.7	67.7	23.7
22	22	COUNTRY Financial PC Group	000302	1,192,566	-1.7	0.5	0.5	0.5	60.7	70.5	68.1	44.7
23	23	Sentry Ins Group	000086	1,176,385	5.1	0.5	0.4	0.4	54.8	58.7	58.9	43.1
24	25	Southern Farm Bureau Casualty Group	004237	1,059,747	-5.2	0.4	0.4	0.5	64.0	69.4	71.6	68.5
25	26	Shelter Ins Cos	000598	1,038,125	2.0	0.4	0.4	0.4	60.5	68.4	67.6	56.1
Total 25 Writers				\$220,286,868	-1.4	88.1	88.0	87.7	57.2	65.0	64.8	54.5
Total U.S. P/C Industry				\$250,136,014	-1.5	100.0	100.0	100.0	57.2	65.0	64.7	34.3

Reflects Grand Total (includes Canada and U.S. Territories).

Source:  — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021

## Top 25 U.S. Total Auto Writers – 2021 Edition

Ranked by 2020 direct premiums written.  
(\$ Thousands)

2020 Rank	2019 Rank	Company / Group	AMB#	2020 direct premiums written	% Change in Premiums	Market Share (%)			Adjusted Loss Ratios			% of Company Premiums
						2020	2019	2018	2020	2019	2018	
1	1	State Farm Group	000088	\$41,077,401	-2.4	13.9	14.1	15.0	57.5	61.9	62.7	62.1
2	2	Progressive Ins Group	000780	39,001,173	5.8	13.2	12.3	11.0	55.2	62.2	61.4	92.3
3	3	Berkshire Hathaway Ins	000811	35,202,599	-3.5	11.9	12.2	12.0	64.6	72.8	70.3	76.2
4	4	Allstate Ins Group	000008	26,946,866	-3.9	9.1	9.4	9.3	52.4	59.4	57.5	68.7
5	5	USAA Group	004080	15,772,997	3.6	5.3	5.1	5.0	65.3	82.0	81.3	64.1
6	7	Liberty Mutual Ins Cos	000060	13,536,457	-0.4	4.6	4.5	4.7	56.7	66.2	64.1	37.4
7	6	Farmers Ins Group	000032	12,746,360	-6.9	4.3	4.6	4.7	56.0	62.1	60.8	53.8
8	9	Travelers Group	018674	7,750,724	0.6	2.6	2.6	2.5	55.3	63.9	64.6	26.9
9	8	Nationwide Group	005987	7,437,417	-6.1	2.5	2.7	2.9	61.1	61.1	61.1	40.2
10	10	Amer Family Ins Group	000124	5,450,547	-9.6	1.8	2.0	2.1	55.2	65.8	69.8	48.1
11	11	Auto-Owners Ins Group	004354	4,543,629	2.2	1.5	1.5	1.4	60.3	66.4	65.9	48.9
12	12	Kemper PC Companies	018908	4,189,287	4.2	1.4	1.3	1.3	59.1	61.3	62.6	92.7
13	13	Erie Ins Group	004283	4,080,727	1.5	1.4	1.3	1.3	59.1	73.8	72.6	53.6
14	14	Auto Club Enterprises Ins Group	018515	3,566,844	-1.5	1.2	1.2	1.2	57.9	68.6	69.2	79.8
15	16	CSAA Ins Group	018460	2,824,483	-5.6	1.0	1.0	1.1	50.6	60.8	63.3	71.1
16	15	Mercury Gen Group	004524	2,779,959	-7.6	0.9	1.0	1.0	50.8	61.6	65.4	76.9
17	17	Hartford Ins Group	000048	2,640,230	-5.8	0.9	0.9	1.0	55.1	63.3	63.7	21.3
18	23	Old Republic Ins Group	000734	1,883,081	16.7	0.6	0.5	0.5	73.7	73.9	66.8	39.4
19	18	Auto Club Group	000312	1,841,433	-11.0	0.6	0.7	0.7	60.4	63.2	85.1	69.4
20	21	Sentry Ins Group	000086	1,833,127	9.4	0.6	0.6	0.5	57.9	61.3	65.3	67.2
21	19	Chubb INA Group	018498	1,685,377	-5.0	0.6	0.6	0.5	64.0	58.9	69.4	7.0
22	24	Zurich Ins US PC Group	018549	1,622,780	13.8	0.6	0.5	0.5	76.9	69.2	79.6	11.9
23	22	Hanover Ins Group Prop & Cas Cos	004861	1,571,711	-3.8	0.5	0.6	0.6	58.1	67.8	67.7	30.7
24	20	MAPFRE North America Group	018801	1,526,465	-10.4	0.5	0.6	0.7	53.2	64.8	66.6	66.3
25	25	Cincinnati Ins Cos	004294	1,382,458	1.1	0.5	0.5	0.5	50.0	58.3	64.3	24.9
<b>Top 25 Writers</b>				<b>\$242,894,132</b>	<b>-1.2</b>	<b>82.0</b>	<b>82.1</b>	<b>82.0</b>	<b>58.1</b>	<b>65.4</b>	<b>65.1</b>	<b>54.7</b>
<b>Total U.S. P/C Industry</b>				<b>\$296,185,689</b>	<b>-1.1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>58.2</b>	<b>65.7</b>	<b>65.3</b>	<b>40.6</b>

Reflects Grand Total (includes Canada and U.S. Territories).

Source: **BESTLINK** — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021

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# U.S. Total All Auto Lines – Top Writers by State, Canada and U.S. Territories – 2021 Edition

Ranked by 2020 direct premiums written.

(\$ Thousands)

State	2020 Rank	2019 Rank	No of Cos	Direct Premiums Written	% of Grand Total	Premium % Change	ALR <sup>1</sup>	DDCCE <sup>2</sup>	Agency Writer <sup>3</sup>	Direct Writer <sup>4</sup>	Market Share	Leading Writer	% Market Share	Second Leader	% Market Share
AL	24	24	585	\$4,414,213	1.5	2.3	58.4	2.5	31.2	68.8	State Farm Group	State Farm Group	19.5	Allstate Ins Group	12.5
AK	49	49	362	579,935	0.2	-1.0	59.3	2.5	22.0	78.0	State Farm Group	Berkshire Hathaway Ins	25.4	Berkshire Hathaway Ins	16.8
AZ	15	15	646	6,378,122	2.2	1.7	57.7	1.7	34.8	65.2	Berkshire Hathaway Ins	State Farm Group	14.7	Progressive Ins Group	13.7
AR	32	32	547	2,599,591	0.9	2.4	56.8	1.5	32.3	67.7	State Farm Group	State Farm Group	19.2	Progressive Ins Group	11.1
CA	1	1	606	35,277,289	11.9	-3.2	56.6	3.0	35.2	64.8	State Farm Group	State Farm Group	11.3	Berkshire Hathaway Ins	9.8
CO	16	16	583	6,187,378	2.1	1.6	55.3	2.2	31.7	68.3	State Farm Group	State Farm Group	15.5	Progressive Ins Group	11.9
CT	28	27	516	3,507,360	1.2	-3.5	57.8	3.0	42.7	57.3	Berkshire Hathaway Ins	State Farm Group	15.8	Progressive Ins Group	11.9
DE	41	41	493	1,080,143	0.4	-0.8	61.2	2.7	37.2	62.9	State Farm Group	State Farm Group	20.3	Berkshire Hathaway Ins	15.8
DC	52	52	410	425,014	0.1	-5.8	56.4	1.5	27.9	72.1	Berkshire Hathaway Ins	State Farm Group	32.5	State Farm Group	15.5
FL	3	3	615	24,351,358	8.2	0.5	67.3	4.8	43.0	57.0	Berkshire Hathaway Ins	State Farm Group	21.4	Progressive Ins Group	21.2
GA	5	5	707	11,793,663	4.0	2.1	63.0	2.8	38.3	61.7	State Farm Group	State Farm Group	18.0	Progressive Ins Group	15.2
HI	45	45	298	886,347	0.3	-4.9	48.2	1.4	30.1	69.9	Berkshire Hathaway Ins	State Farm Group	24.3	State Farm Group	16.4
ID	39	39	508	1,392,970	0.5	5.0	55.1	1.5	34.3	65.7	State Farm Group	State Farm Group	11.4	Progressive Ins Group	11.4
IL	8	9	692	9,522,094	3.2	-2.5	55.4	2.8	38.1	61.9	State Farm Group	State Farm Group	23.6	Allstate Ins Group	10.4
IN	22	22	678	4,903,176	1.7	0.8	53.1	2.4	47.1	52.9	State Farm Group	State Farm Group	16.8	Progressive Ins Group	13.2
IA	34	35	577	2,380,952	0.8	2.1	64.5	1.7	60.0	40.1	Progressive Ins Group	State Farm Group	18.5	State Farm Group	15.4
KS	35	34	551	2,372,336	0.8	-0.9	54.3	1.5	40.3	59.7	State Farm Group	State Farm Group	14.8	Progressive Ins Group	13.6
KY	26	26	596	3,681,105	1.2	-1.8	58.7	2.0	34.1	65.9	State Farm Group	State Farm Group	18.7	KY Farm Bureau Group	16.0
LA	18	18	530	5,606,680	1.9	-1.9	63.5	4.1	35.0	65.0	State Farm Group	State Farm Group	24.6	Progressive Ins Group	17.2
ME	44	44	428	957,388	0.3	0.6	53.9	0.9	48.7	51.3	Progressive Ins Group	State Farm Group	15.4	State Farm Group	10.8
MD	17	17	586	6,003,263	2.0	-1.3	53.8	1.5	37.8	62.2	Berkshire Hathaway Ins	State Farm Group	22.0	State Farm Group	14.9
MA	14	14	413	6,384,785	2.2	-3.3	49.1	1.3	65.5	34.5	MAPFRE North America Group	State Farm Group	19.8	Berkshire Hathaway Ins	12.5
MI	7	6	546	10,492,781	3.5	-5.0	59.8	4.3	50.1	49.9	Progressive Ins Group	State Farm Group	18.1	State Farm Group	15.0
MN	23	23	553	4,575,879	1.5	-0.6	54.5	2.0	46.0	54.0	State Farm Group	State Farm Group	19.3	Progressive Ins Group	18.2
MS	33	33	541	2,499,373	0.8	2.4	64.2	2.3	35.5	64.5	State Farm Group	State Farm Group	19.1	Progressive Ins Group	13.8
MO	21	21	617	5,040,878	1.7	0.0	62.8	1.9	33.9	66.1	State Farm Group	State Farm Group	17.8	Progressive Ins Group	13.0
MT	43	43	475	1,020,771	0.3	2.7	54.4	1.7	39.5	60.5	State Farm Group	State Farm Group	16.9	Progressive Ins Group	15.0
NE	37	37	540	1,679,758	0.6	0.6	54.3	1.5	50.0	50.0	State Farm Group	State Farm Group	15.8	Progressive Ins Group	15.2
NV	30	30	576	3,265,370	1.1	-2.6	59.6	4.1	34.1	65.9	Berkshire Hathaway Ins	State Farm Group	14.6	Progressive Ins Group	14.0
NH	42	42	449	1,056,585	0.4	-1.1	47.8	0.9	45.4	54.6	Progressive Ins Group	State Farm Group	13.5	Berkshire Hathaway Ins	12.0
NJ	9	8	563	9,426,202	3.2	-4.5	57.8	4.6	31.3	68.7	Berkshire Hathaway Ins	State Farm Group	19.2	Progressive Ins Group	13.2
NM	36	36	524	1,788,647	0.6	-1.2	51.1	2.1	35.7	64.3	State Farm Group	State Farm Group	16.7	Progressive Ins Group	16.1
NY	4	4	585	16,832,569	5.7	-1.4	61.7	5.1	36.7	63.3	Berkshire Hathaway Ins	State Farm Group	26.2	Allstate Ins Group	13.5
NC	11	11	584	7,835,326	2.6	1.6	59.3	1.0	38.0	62.0	Allstate Ins Group	State Farm Group	16.3	State Farm Group	12.4
ND	48	48	474	681,334	0.2	-2.1	46.8	0.7	51.3	48.7	Progressive Ins Group	State Farm Group	17.2	State Farm Group	9.5
OH	10	10	701	8,155,680	2.8	-1.3	52.1	1.5	54.8	45.2	Progressive Ins Group	State Farm Group	16.6	State Farm Group	14.5
OK	29	29	566	3,400,874	1.1	0.0	56.4	1.9	34.9	65.1	State Farm Group	State Farm Group	18.8	Progressive Ins Group	13.9
OR	27	28	566	3,567,267	1.2	-1.4	53.7	2.1	33.9	66.1	State Farm Group	State Farm Group	16.2	Progressive Ins Group	15.9
PA	6	7	692	10,846,837	3.7	-1.7	56.2	2.5	51.8	48.2	State Farm Group	State Farm Group	15.5	Erie Ins Group	13.0
RI	40	40	441	1,115,120	0.4	0.3	54.0	1.6	45.9	54.1	Progressive Ins Group	State Farm Group	24.6	Berkshire Hathaway Ins	11.7
SC	20	20	601	5,200,348	1.8	2.1	62.5	1.9	36.9	63.1	State Farm Group	State Farm Group	20.4	Progressive Ins Group	14.7
SD	47	47	479	762,714	0.3	2.4	69.7	1.2	54.5	45.6	Progressive Ins Group	State Farm Group	15.1	State Farm Group	14.2
TN	19	19	666	5,408,210	1.8	2.2	58.0	2.1	35.9	64.1	State Farm Group	State Farm Group	16.9	TN Farmers Ins Cos	13.9
TX	2	2	708	27,435,877	9.3	-1.6	59.8	3.1	41.2	58.8	Progressive Ins Group	State Farm Group	15.7	State Farm Group	12.1
UT	31	31	561	2,686,830	0.9	2.9	60.5	2.2	39.9	60.1	State Farm Group	State Farm Group	12.2	Allstate Ins Group	10.6
VT	51	51	429	467,178	0.2	-1.4	44.6	0.6	56.8	43.2	Progressive Ins Group	State Farm Group	18.3	Berkshire Hathaway Ins	12.6
VA	12	12	637	6,704,346	2.3	-0.9	55.4	1.6	38.4	61.7	Berkshire Hathaway Ins	State Farm Group	17.1	State Farm Group	12.9
WA	13	13	586	6,485,788	2.2	-1.9	53.5	2.4	34.9	65.1	State Farm Group	State Farm Group	13.2	Progressive Ins Group	12.9
WV	38	38	498	1,454,156	0.5	-2.8	51.4	1.3	48.3	51.7	State Farm Group	State Farm Group	21.8	Erie Ins Group	15.5
WI	25	25	602	3,977,501	1.3	-1.0	52.9	1.8	56.3	43.7	Progressive Ins Group	State Farm Group	18.5	Amer Family Ins Group	13.8
WY	50	50	451	544,991	0.2	0.7	62.8	1.4	35.7	64.3	State Farm Group	State Farm Group	17.0	Progressive Ins Group	16.3
Guam	55	55	24	68,653	0.0	-2.9	30.7	2.4	81.4	18.6	Chung Kuo Ins Co Ltd GUB	State Farm Group	18.6	Amer Intl Group	18.5
Puerto Rico	46	46	68	778,369	0.3	3.3	38.0	0.7	69.6	30.4	Universal Ins Group of Puerto Rico	State Farm Group	34.3	Coop de Seguros Multiples PR	30.3
U.S. Virgin Is.	56	56	39	48,411	0.0	-1.1	40.9	4.5	86.1	13.9	Underwriters at Lloyd's, London (M)	State Farm Group	40.7	Guardian Ins Group	37.6
Canada	53	53	36	103,216	0.0	3.1	-64.8	-69.3	72.5	27.5	CNA Ins Cos	State Farm Group	28.8	Liberty Mutual Ins Cos	25.5
Other	54	54	89	78,469	0.0	-7.7	46.1	3.2	88.0	12.0	Natl Unity Ins Co	State Farm Group	29.4	New Horizon Ins Co	21.6
N. Mariana Is.	57	57	8	4,223	0.0	-5.0	36.4	4.6	100.0	0.0	Tokio Marine US PC Group	State Farm Group	38.8	DB Ins US Group	21.5
<b>Grand Total</b>			<b>1,467</b>	<b>\$296,185,689</b>	<b>100.0</b>	<b>-1.1</b>	<b>58.2</b>	<b>2.8</b>	<b>40.4</b>	<b>59.6</b>	<b>State Farm Group</b>	<b>State Farm Group</b>	<b>13.9</b>	<b>Progressive Ins Group</b>	<b>13.2</b>

1. ALR: Adjusted loss ratio is direct losses incurred divided by the difference between direct premium earned and dividends paid to policyholder.

2. DDCCE: Direct defense and cost containment expense ratio is the former allocated loss adjustment expense (ALAE) ratio.

3. Insurers that distribute primarily through independent agents.

4. Insurers that distribute primarily through a direct-selling system or an exclusive agency system.

Note: Data for some companies in this report has been received from the NAIC.

Source:  — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021

# U.S. Auto Liability – Top Writers by State, Canada and U.S. Territories – 2021 Edition

Ranked by 2020 direct premiums written.

(\$ Thousands)

State	2020 Rank	2019 Rank	No of Cos	Direct Premiums Written	% of Grand Total	Premium % Change	ALR <sup>1</sup>	DDCCE <sup>2</sup>	Market Share Agency Writer <sup>3</sup>	Market Share Direct Writer <sup>3</sup>	Leading Writer	% Market Share	Second Leader	% Market Share
AL	23	24	568	\$2,572,852	1.4	2.5	56.7	4.2	35.8	64.2	State Farm Group	18.1	Progressive Ins Group	12.6
AK	47	46	353	342,279	0.2	-2.4	61.7	3.9	25.3	74.7	State Farm Group	25.1	Berkshire Hathaway Ins	16.7
AZ	13	14	629	4,026,614	2.2	1.7	58.0	2.6	37.8	62.2	Berkshire Hathaway Ins	14.6	Progressive Ins Group	14.5
AR	32	32	533	1,449,711	0.8	1.9	55.5	2.5	37.5	62.5	State Farm Group	17.2	Progressive Ins Group	12.4
CA	1	1	586	21,232,886	11.6	-4.5	58.8	4.8	38.2	61.8	State Farm Group	10.8	Farmers Ins Group	10.2
CO	16	18	565	3,725,309	2.0	0.6	57.8	3.4	34.5	65.5	State Farm Group	14.3	Progressive Ins Group	12.6
CT	28	28	506	2,304,634	1.3	-3.7	59.9	4.4	44.9	55.1	Berkshire Hathaway Ins	15.6	Progressive Ins Group	13.3
DE	40	39	475	754,735	0.4	-1.7	62.4	3.7	39.4	60.6	State Farm Group	20.0	Berkshire Hathaway Ins	15.6
DC	51	50	403	250,077	0.1	-9.6	52.5	2.5	32.3	67.7	Berkshire Hathaway Ins	30.2	State Farm Group	15.0
FL	2	2	595	17,827,341	9.7	1.2	70.4	6.2	44.8	55.2	Progressive Ins Group	21.4	Berkshire Hathaway Ins	20.2
GA	5	5	684	7,937,146	4.3	2.6	67.3	4.1	40.3	59.7	State Farm Group	17.3	Progressive Ins Group	16.1
HI	45	43	287	514,809	0.3	-7.0	49.2	2.1	34.3	65.7	Berkshire Hathaway Ins	23.0	State Farm Group	16.4
ID	39	40	490	798,756	0.4	4.4	55.8	2.5	37.8	62.3	Progressive Ins Group	12.8	State Farm Group	10.7
IL	9	9	673	5,586,716	3.0	-4.0	54.7	4.7	42.8	57.2	State Farm Group	21.3	Progressive Ins Group	10.4
IN	21	22	657	2,884,767	1.6	0.4	52.1	3.8	50.1	49.9	State Farm Group	15.4	Progressive Ins Group	14.1
IA	35	35	555	1,204,683	0.7	1.9	53.2	3.1	63.3	36.7	Progressive Ins Group	20.4	State Farm Group	13.4
KS	34	34	527	1,251,901	0.7	-1.1	57.9	2.7	44.7	55.4	Progressive Ins Group	15.1	State Farm Group	13.1
KY	26	26	579	2,428,105	1.3	-1.7	59.8	3.0	36.2	63.8	State Farm Group	17.7	KY Farm Bureau Group	15.2
LA	15	15	517	3,793,521	2.1	-1.9	61.0	5.9	38.9	61.1	State Farm Group	22.8	Progressive Ins Group	18.0
ME	44	44	415	515,181	0.3	-1.1	52.7	1.4	52.5	47.5	Progressive Ins Group	17.2	State Farm Group	10.3
MD	17	17	566	3,703,374	2.0	-1.6	54.1	2.3	41.1	58.9	Berkshire Hathaway Ins	21.2	State Farm Group	14.6
MA	18	16	397	3,686,623	2.0	-4.5	51.1	2.0	66.6	33.4	MAPFRE North America Group	19.1	Berkshire Hathaway Ins	13.3
MI	7	6	526	6,620,865	3.6	-7.7	60.4	6.5	49.9	50.1	Progressive Ins Group	19.6	State Farm Group	15.5
MN	24	23	539	2,553,645	1.4	-2.2	51.3	3.5	48.4	51.6	Progressive Ins Group	20.0	State Farm Group	17.9
MS	33	33	524	1,448,144	0.8	2.0	63.4	3.7	40.4	59.6	State Farm Group	17.0	Progressive Ins Group	15.3
MO	22	21	587	2,865,044	1.6	-1.0	64.2	3.2	37.9	62.1	State Farm Group	16.2	Progressive Ins Group	14.3
MT	43	45	463	524,846	0.3	1.7	57.9	3.5	43.3	56.7	Progressive Ins Group	16.7	State Farm Group	15.4
NE	37	37	529	892,367	0.5	-0.3	55.7	2.6	52.6	47.4	Progressive Ins Group	17.7	State Farm Group	14.1
NV	27	27	557	2,393,813	1.3	-2.4	62.9	5.4	36.3	63.7	Progressive Ins Group	14.4	Berkshire Hathaway Ins	14.1
NH	42	42	438	560,361	0.3	-1.7	47.3	1.6	48.5	51.5	Progressive Ins Group	14.4	Berkshire Hathaway Ins	12.3
NJ	6	7	546	6,640,045	3.6	-5.3	59.8	6.3	34.0	66.0	Berkshire Hathaway Ins	18.1	Progressive Ins Group	14.0
NM	36	36	507	1,126,495	0.6	-1.9	52.7	3.2	38.5	61.5	Progressive Ins Group	16.6	State Farm Group	15.9
NY	4	4	572	11,325,480	6.2	-1.5	64.5	7.4	39.2	60.8	Berkshire Hathaway Ins	24.8	Allstate Ins Group	13.4
NC	11	12	563	4,294,883	2.3	1.9	63.8	1.7	39.7	60.3	Allstate Ins Group	16.2	State Farm Group	12.2
ND	49	48	461	314,183	0.2	-3.4	54.7	2.6	57.2	42.8	Progressive Ins Group	19.6	State Farm Group	8.5
OH	10	10	682	4,676,912	2.6	-2.2	49.4	2.5	57.5	42.5	Progressive Ins Group	18.2	State Farm Group	13.2
OK	30	30	552	1,918,718	1.0	0.1	55.2	3.1	39.4	60.6	State Farm Group	16.4	Progressive Ins Group	14.7
OR	25	25	550	2,430,021	1.3	-1.9	51.7	2.9	35.5	64.5	Progressive Ins Group	17.0	State Farm Group	15.3
PA	8	8	669	6,158,691	3.4	-2.8	55.2	4.2	53.5	46.5	State Farm Group	14.1	Progressive Ins Group	13.9
RI	41	41	432	736,225	0.4	-0.5	55.2	2.3	49.4	50.6	Progressive Ins Group	27.5	Berkshire Hathaway Ins	11.1
SC	19	19	586	3,372,301	1.8	2.1	65.9	2.9	39.6	60.5	State Farm Group	20.1	Progressive Ins Group	16.1
SD	46	47	465	342,989	0.2	0.5	55.7	2.2	57.9	42.1	Progressive Ins Group	16.2	State Farm Group	13.1
TN	20	20	641	3,054,592	1.7	2.0	56.3	3.2	39.3	60.7	State Farm Group	15.5	Progressive Ins Group	12.5
TX	3	3	695	16,247,854	8.9	-1.7	64.3	5.1	46.4	53.6	Progressive Ins Group	16.1	State Farm Group	11.5
UT	31	31	542	1,728,106	0.9	2.8	62.6	3.2	41.5	58.5	State Farm Group	11.7	Progressive Ins Group	10.9
VT	52	52	417	229,482	0.1	-2.9	43.9	1.1	61.0	39.1	Progressive Ins Group	20.4	Berkshire Hathaway Ins	11.2
VA	14	13	613	3,913,353	2.1	-2.1	55.7	2.6	42.1	57.9	Berkshire Hathaway Ins	16.1	Progressive Ins Group	13.3
WA	12	11	567	4,282,649	2.3	-2.6	55.3	3.5	36.2	63.8	Progressive Ins Group	13.4	State Farm Group	12.8
WV	38	38	484	805,175	0.4	-5.1	47.9	2.2	51.2	48.8	State Farm Group	20.3	Erie Ins Group	14.6
WI	29	29	582	2,220,857	1.2	-2.2	50.1	3.1	58.3	41.7	Progressive Ins Group	19.8	Amer Family Ins Group	13.4
WY	50	51	438	252,852	0.1	0.2	58.7	2.6	42.7	57.3	Progressive Ins Group	17.9	State Farm Group	15.0
Guam	56	56	24	17,032	0.0	-4.6	45.0	4.6	84.3	15.7	DB Ins US Group	18.9	USAA Group	15.7
Puerto Rico	48	49	64	318,231	0.2	1.9	40.9	1.3	78.4	21.6	Universal Ins Group of Puerto Rico	26.1	Asoc de Suscripción Conjunta del Seg	22.3
U.S. Virgin Is.	55	55	37	32,831	0.0	-2.5	39.0	4.6	95.1	4.9	Underwriters at Lloyd's, London (VI)	49.3	Guardian Ins Group	37.7
Canada	53	53	34	77,457	0.0	2.3	-97.5	-92.0	71.0	29.0	Liberty Mutual Ins Cos	26.5	CNA Ins Cos	25.4
Other	54	54	87	68,139	0.0	-5.6	55.2	8.5	97.0	3.0	Natl Unity Ins Co	33.8	New Horizon Ins Co	24.2
N. Mariana Is.	57	57	8	1,764	0.0	-1.7	48.6	9.4	100.0	0.0	Tokio Marine US PC Group	39.8	DB Ins US Group	26.8
<b>Grand Total</b>			<b>1,443</b>	<b>\$183,238,422</b>	<b>100.0</b>	<b>-1.6</b>	<b>59.9</b>	<b>4.4</b>	<b>43.0</b>	<b>57.0</b>	<b>Progressive Ins Group</b>	<b>14.1</b>	<b>State Farm Group</b>	<b>13.1</b>


1. ALR: Adjusted loss ratio is direct losses incurred divided by the difference between direct premium earned and dividends paid to policyholder.

2. DDCCE: Direct defense and cost containment expense ratio is the former allocated loss adjustment expense (ALAE) ratio.

3. Insurers that distribute primarily through independent agents.

4. Insurers that distribute primarily through a direct-selling system or an exclusive agency system.

Note: Data for some companies in this report has been received from the NAIC.

Source:  — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021



# U.S. Auto Physical Damage – Top Writers by State, Canada and U.S. Territories – 2021 Edition

Ranked by 2020 direct premiums written.

(\$ Thousands)

State	2020 Rank	2019 Rank	No of Cos	Direct Premiums Written	% of Grand Total	Premium % Change	ALR <sup>1</sup>	DDCCE <sup>2</sup>	Market Share Agency Writer <sup>3</sup>	Direct Writer <sup>4</sup>	Leading Writer	% Market Share	Second Leader	% Market Share
AL	22	23	485	\$1,841,362	1.6	1.9	60.8	0.2	24.8	75.2	State Farm Group	21.5	Alfa Ins Group	13.9
AK	51	51	268	237,656	0.2	1.1	55.8	0.4	17.2	82.8	State Farm Group	26.0	USAA Group	18.1
AZ	16	16	540	2,351,508	2.1	1.7	57.3	0.3	29.7	70.3	Berkshire Hathaway Ins	15.0	State Farm Group	14.8
AR	30	32	461	1,149,880	1.0	3.0	58.4	0.2	25.7	74.4	State Farm Group	21.8	Southern Farm Bureau Casualty Group	13.5
CA	1	1	505	14,044,403	12.4	-1.2	53.1	0.4	30.6	69.4	State Farm Group	12.2	Berkshire Hathaway Ins	11.4
CO	14	14	479	2,462,069	2.2	3.1	51.6	0.3	27.4	72.6	State Farm Group	17.1	USAA Group	12.4
CT	28	28	423	1,202,726	1.1	-3.0	53.8	0.3	38.6	61.4	Berkshire Hathaway Ins	16.1	Allstate Ins Group	11.8
DE	48	48	383	325,408	0.3	1.4	58.3	0.3	31.9	68.1	State Farm Group	20.9	Berkshire Hathaway Ins	16.2
DC	52	52	309	174,937	0.2	0.3	62.3	0.1	21.7	78.3	Berkshire Hathaway Ins	35.9	State Farm Group	16.2
FL	3	3	515	6,524,017	5.8	-1.3	59.0	0.9	38.1	61.9	Berkshire Hathaway Ins	24.6	Progressive Ins Group	20.6
GA	8	8	605	3,856,516	3.4	1.1	54.2	0.2	34.1	65.9	State Farm Group	19.5	Progressive Ins Group	13.5
HI	46	45	213	371,538	0.3	-1.6	46.8	0.5	24.2	75.8	Berkshire Hathaway Ins	25.9	State Farm Group	16.5
ID	39	39	411	594,214	0.5	5.8	54.1	0.2	29.7	70.3	State Farm Group	12.4	Farm Bureau of ID Group	11.1
IL	6	6	591	3,935,378	3.5	-0.3	56.4	0.3	31.4	68.6	State Farm Group	26.7	Allstate Ins Group	12.4
IN	21	21	571	2,018,408	1.8	1.5	54.6	0.2	42.9	57.1	State Farm Group	18.9	Progressive Ins Group	11.8
IA	29	29	466	1,186,269	1.1	2.3	75.9	0.3	56.6	43.4	State Farm Group	17.5	Progressive Ins Group	16.5
KS	32	31	455	1,120,435	1.0	-0.8	50.3	0.2	35.4	64.6	State Farm Group	16.8	Progressive Ins Group	11.9
KY	27	27	479	1,253,001	1.1	-2.0	56.4	0.2	30.2	69.9	State Farm Group	20.7	KY Farm Bureau Group	17.5
LA	24	22	411	1,813,159	1.6	-2.0	68.6	0.4	26.7	73.3	State Farm Group	28.4	Progressive Ins Group	15.7
ME	43	43	350	442,207	0.4	2.5	55.4	0.3	44.4	55.6	Progressive Ins Group	13.2	State Farm Group	11.3
MD	17	15	476	2,299,889	2.0	-0.8	53.2	0.2	32.6	67.4	Berkshire Hathaway Ins	23.2	State Farm Group	15.3
MA	13	13	324	2,698,162	2.4	-1.7	46.3	0.5	63.9	36.1	MAPFRE North America Group	20.7	Berkshire Hathaway Ins	11.5
MI	7	7	439	3,871,916	3.4	0.0	58.8	0.3	50.4	49.6	Progressive Ins Group	15.5	State Farm Group	14.2
MN	20	20	467	2,022,233	1.8	1.6	58.5	0.2	42.9	57.1	State Farm Group	21.1	Progressive Ins Group	15.9
MS	33	33	444	1,051,230	0.9	3.0	65.2	0.4	28.8	71.2	State Farm Group	21.9	Progressive Ins Group	11.9
MO	19	19	517	2,175,834	1.9	1.2	60.9	0.3	28.6	71.4	State Farm Group	20.0	Progressive Ins Group	11.3
MT	41	41	373	495,924	0.4	3.8	50.5	-0.3	35.6	64.5	State Farm Group	18.5	Progressive Ins Group	13.1
NE	36	36	436	787,391	0.7	1.6	52.6	0.2	47.0	53.0	State Farm Group	17.7	Progressive Ins Group	12.5
NV	35	35	469	871,558	0.8	-3.1	50.6	0.3	28.0	72.0	Berkshire Hathaway Ins	16.0	State Farm Group	16.0
NH	40	40	374	486,224	0.4	-0.4	48.4	0.2	42.0	58.0	Progressive Ins Group	12.6	Berkshire Hathaway Ins	11.6
NJ	12	11	454	2,786,157	2.5	-2.4	53.1	0.6	24.9	75.1	Berkshire Hathaway Ins	21.7	NJM Ins Group	12.2
NM	37	37	426	662,152	0.6	0.1	48.3	0.3	31.0	69.1	State Farm Group	18.2	Progressive Ins Group	15.3
NY	4	4	480	5,507,089	4.9	-1.3	56.0	0.3	31.6	68.4	Berkshire Hathaway Ins	29.1	Allstate Ins Group	13.8
NC	9	9	468	3,540,443	3.1	1.3	53.9	0.2	35.9	64.1	Allstate Ins Group	16.3	State Farm Group	12.7
ND	47	47	386	367,150	0.3	-1.0	39.9	-0.8	46.3	53.7	Progressive Ins Group	15.2	State Farm Group	10.3
OH	10	10	579	3,478,769	3.1	-0.1	55.8	0.3	51.1	48.9	State Farm Group	16.3	Progressive Ins Group	14.4
OK	26	26	466	1,482,157	1.3	-0.3	57.9	0.3	29.2	70.8	State Farm Group	22.0	Progressive Ins Group	12.9
OR	31	30	447	1,137,246	1.0	-0.3	58.2	0.4	30.4	69.6	State Farm Group	18.2	Progressive Ins Group	13.7
PA	5	5	590	4,688,146	4.2	-0.1	57.6	0.2	49.6	50.5	State Farm Group	17.4	Erie Ins Group	15.1
RI	45	46	348	378,894	0.3	1.7	51.6	0.3	39.1	60.9	Progressive Ins Group	18.8	Berkshire Hathaway Ins	13.0
SC	23	24	502	1,828,047	1.6	2.1	56.1	0.3	32.1	67.9	State Farm Group	21.0	Allstate Ins Group	13.5
SD	44	44	379	419,725	0.4	4.0	81.3	0.4	51.6	48.4	State Farm Group	15.1	Progressive Ins Group	14.1
TN	15	17	558	2,353,618	2.1	2.4	60.1	0.5	31.5	68.5	State Farm Group	18.7	TN Farmers Ins Cos	16.0
TX	2	2	579	11,188,023	9.9	-1.4	53.3	0.3	33.6	66.4	Progressive Ins Group	15.0	Allstate Ins Group	13.1
UT	34	34	456	958,723	0.8	3.0	56.7	0.3	37.0	63.0	State Farm Group	13.0	Allstate Ins Group	11.8
VT	50	50	334	237,695	0.2	0.1	45.2	0.2	52.9	47.2	Progressive Ins Group	16.3	Berkshire Hathaway Ins	14.0
VA	11	12	534	2,790,993	2.5	0.9	54.9	0.2	33.0	67.0	Berkshire Hathaway Ins	18.5	USAA Group	14.2
WA	18	18	478	2,203,139	2.0	-0.5	50.2	0.2	32.3	67.8	State Farm Group	13.8	Progressive Ins Group	11.9
WV	38	38	385	648,981	0.6	0.2	55.9	0.2	44.7	55.3	State Farm Group	23.6	Erie Ins Group	16.6
WI	25	25	495	1,756,643	1.6	0.5	56.5	0.2	53.7	46.3	Progressive Ins Group	16.8	Amer Family Ins Group	14.2
WY	49	49	360	292,138	0.3	1.1	66.4	0.4	29.8	70.2	State Farm Group	18.8	Progressive Ins Group	14.9
Guam	53	53	19	51,621	0.0	-2.3	26.0	1.7	80.4	19.6	Amer Intl Group	22.5	USAA Group	19.6
Puerto Rico	42	42	51	460,137	0.4	4.3	36.0	0.3	63.5	36.5	Universal Ins Group of Puerto Rico	39.9	Coop de Seguros Multiples PR	36.2
U.S. Virgin Is.	55	55	28	15,580	0.0	1.9	44.8	4.3	67.3	32.7	Guardian Ins Group	37.5	USAA Group	32.6
Canada	54	54	19	25,759	0.0	5.4	35.6	0.3	77.0	23.0	CNA Ins Cos	39.0	Liberty Mutual Ins Cos	22.5
Other	56	56	46	10,329	0.0	-19.6	-15.6	-29.5	28.8	71.2	USAA Group	71.1	Amer Intl Group	15.8
N. Mariana Is.	57	57	6	2,459	0.0	-7.3	27.8	1.3	100.0	0.0	Tokio Marine US PC Group	38.1	DB Ins US Group	17.7
<b>Grand Total</b>			<b>1,346</b>	<b>\$112,947,267</b>	<b>100.0</b>	<b>-0.1</b>	<b>55.5</b>	<b>0.3</b>	<b>36.1</b>	<b>63.9</b>	<b>State Farm Group</b>	<b>15.1</b>	<b>Berkshire Hathaway Ins</b>	<b>12.1</b>

1. ALR: Adjusted loss ratio is direct losses incurred divided by the difference between direct premium earned and dividends paid to policyholder.

2. DDCCE: Direct defense and cost containment expense ratio is the former allocated loss adjustment expense (ALAE) ratio.

3. Insurers that distribute primarily through independent agents.

4. Insurers that distribute primarily through a direct-selling system or an exclusive agency system.

Source:  — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021

# U.S. Private Passenger Auto – Top Writers by State, Canada and U.S. Territories – 2021 Edition

Ranked by 2020 direct premiums written.

(\$ Thousands)

State	2020 Rank	2019 Rank	No of Cos	Direct Premiums Written	% of Grand Total	% Change in Premiums	ALR <sup>1</sup>	DDCCE <sup>2</sup>	Market Share Agency Writer <sup>3</sup>	Market Share Direct Writer <sup>4</sup>	Leading Writer	% Market Share	Second Leader	% Market Share
AL	24	24	260	\$3,730,557	1.5	1.0	57.1	2.0	21.5	78.5	State Farm Group	22.7	Allstate Ins Group	14.4
AK	49	49	143	503,905	0.2	-0.9	59.2	2.0	14.2	85.8	State Farm Group	28.8	USAA Group	19.0
AZ	14	15	329	5,594,688	2.2	0.7	56.7	1.3	28.2	71.8	Berkshire Hathaway Ins	16.4	State Farm Group	15.0
AR	32	32	247	2,148,756	0.9	2.0	57.1	0.9	21.7	78.3	State Farm Group	23.0	Southern Farm Bureau Casualty Group	12.6
CA	1	1	312	30,320,113	12.1	-2.6	54.3	2.3	27.7	72.3	State Farm Group	12.8	Berkshire Hathaway Ins	10.8
CO	16	17	276	5,377,131	2.1	1.0	54.6	1.9	24.4	75.6	State Farm Group	17.6	Progressive Ins Group	11.4
CT	28	27	261	3,020,111	1.2	-4.0	57.7	2.7	36.7	63.3	Berkshire Hathaway Ins	17.8	Progressive Ins Group	12.1
DE	41	41	214	926,642	0.4	-1.1	59.8	2.2	28.8	71.2	State Farm Group	23.4	Berkshire Hathaway Ins	17.9
DC	52	52	178	378,878	0.2	-0.2	58.3	1.2	20.6	79.4	Berkshire Hathaway Ins	36.1	State Farm Group	17.2
FL	3	3	309	20,766,304	8.3	0.5	65.2	4.2	35.9	64.1	Berkshire Hathaway Ins	24.1	Progressive Ins Group	21.5
GA	5	6	358	10,079,257	4.0	1.6	60.8	2.4	30.4	69.6	State Farm Group	21.0	Progressive Ins Group	14.9
HI	45	43	136	773,565	0.3	-3.3	48.9	1.0	20.7	79.3	Berkshire Hathaway Ins	27.7	State Farm Group	18.5
ID	39	39	230	1,148,607	0.5	3.7	55.1	1.2	25.0	75.0	State Farm Group	13.7	Progressive Ins Group	11.4
IL	9	9	365	7,619,740	3.0	-2.3	55.2	2.2	26.2	73.8	State Farm Group	29.2	Allstate Ins Group	12.1
IN	22	22	350	4,007,822	1.6	-0.3	52.4	1.9	38.0	62.0	State Farm Group	20.4	Progressive Ins Group	14.0
IA	35	35	273	1,885,995	0.8	0.5	63.3	1.3	51.8	48.2	Progressive Ins Group	21.1	State Farm Group	19.4
KS	34	34	263	1,962,521	0.8	-2.1	53.8	1.1	31.1	68.9	State Farm Group	17.6	Progressive Ins Group	14.2
KY	26	26	279	3,170,569	1.3	-2.1	59.1	1.6	26.3	73.8	State Farm Group	21.5	KY Farm Bureau Group	18.0
LA	18	18	236	4,748,431	1.9	-2.8	60.1	3.0	26.6	73.4	State Farm Group	28.6	Progressive Ins Group	18.0
ME	44	45	201	782,381	0.3	-0.4	55.0	0.8	40.8	59.3	Progressive Ins Group	16.5	State Farm Group	13.0
MD	17	16	259	5,255,534	2.1	-1.9	53.5	1.4	30.5	69.5	Berkshire Hathaway Ins	24.8	State Farm Group	16.8
MA	15	14	175	5,418,490	2.2	-2.7	49.5	1.1	60.7	39.3	MAPFRE North America Group	20.7	Berkshire Hathaway Ins	14.7
MI	6	5	260	9,300,585	3.7	-6.3	60.3	4.1	45.8	54.2	Progressive Ins Group	19.7	State Farm Group	16.9
MN	23	23	281	3,858,507	1.5	-1.4	54.8	1.9	38.3	61.7	State Farm Group	22.6	Progressive Ins Group	20.2
MS	33	33	226	2,035,848	0.8	1.4	63.9	1.5	24.3	75.7	State Farm Group	23.1	Progressive Ins Group	13.7
MO	21	21	296	4,221,791	1.7	-1.0	61.5	1.4	24.9	75.1	State Farm Group	21.0	Progressive Ins Group	13.4
MT	43	44	197	814,295	0.3	2.0	53.5	1.2	29.4	70.6	State Farm Group	20.8	Progressive Ins Group	15.9
NE	37	37	254	1,337,517	0.5	-0.8	53.2	1.0	40.5	59.5	State Farm Group	19.4	Progressive Ins Group	17.0
NV	30	29	268	2,812,075	1.1	-1.7	56.4	3.4	27.6	72.4	Berkshire Hathaway Ins	16.4	State Farm Group	15.9
NH	42	42	202	890,016	0.4	-2.5	48.6	0.7	38.4	61.6	Progressive Ins Group	14.7	Berkshire Hathaway Ins	13.9
NJ	8	8	269	7,729,155	3.1	-5.0	55.8	4.0	21.1	78.9	Berkshire Hathaway Ins	22.9	Progressive Ins Group	13.3
NM	36	36	245	1,530,491	0.6	-1.3	49.0	1.6	28.3	71.7	State Farm Group	19.4	Progressive Ins Group	16.4
NY	4	4	319	14,006,259	5.6	-1.6	60.6	4.3	27.9	72.2	Berkshire Hathaway Ins	30.6	Allstate Ins Group	15.3
NC	11	11	281	6,715,171	2.7	1.9	59.3	0.7	31.2	68.8	Allstate Ins Group	17.8	State Farm Group	14.2
ND	48	48	216	507,340	0.2	-0.7	45.2	0.1	39.3	60.7	Progressive Ins Group	20.0	State Farm Group	12.4
OH	10	10	388	6,858,519	2.7	-2.5	53.0	1.3	47.7	52.3	State Farm Group	17.2	Progressive Ins Group	17.0
OK	29	30	277	2,813,656	1.1	0.0	57.0	1.3	25.9	74.1	State Farm Group	22.3	Progressive Ins Group	14.1
OR	27	28	259	3,054,069	1.2	-2.5	54.4	1.9	28.1	71.9	State Farm Group	18.7	Progressive Ins Group	16.6
PA	7	7	377	9,048,443	3.6	-1.9	56.3	2.1	44.3	55.7	State Farm Group	18.4	Erie Ins Group	13.6
RI	40	40	211	981,451	0.4	0.1	55.6	1.6	41.0	59.0	Progressive Ins Group	26.3	Berkshire Hathaway Ins	12.9
SC	19	19	278	4,600,111	1.8	1.6	61.2	1.6	30.7	69.3	State Farm Group	22.9	Progressive Ins Group	14.7
SD	46	46	221	599,887	0.2	0.7	69.6	0.9	46.1	53.9	State Farm Group	17.6	Progressive Ins Group	17.3
TN	20	20	335	4,523,190	1.8	1.3	58.0	1.6	25.6	74.4	State Farm Group	20.0	TN Farmers Ins Cos	16.3
TX	2	2	366	22,566,433	9.0	-2.9	57.0	2.2	32.0	68.0	Progressive Ins Group	15.1	State Farm Group	14.3
UT	31	31	253	2,284,474	0.9	2.0	59.6	1.7	32.5	67.5	State Farm Group	14.2	Allstate Ins Group	12.1
VT	51	51	185	384,542	0.2	-2.8	44.9	0.5	51.4	48.6	Progressive Ins Group	19.5	Berkshire Hathaway Ins	14.8
VA	12	12	326	5,811,090	2.3	-1.4	55.2	1.4	31.1	68.9	Berkshire Hathaway Ins	19.2	State Farm Group	14.7
WA	13	13	304	5,599,295	2.2	-2.7	53.1	2.1	29.4	70.6	State Farm Group	15.1	Progressive Ins Group	13.1
WV	38	38	221	1,259,917	0.5	-2.0	52.6	1.0	42.0	58.0	State Farm Group	24.9	Erie Ins Group	15.8
WI	25	25	307	3,260,730	1.3	-2.3	54.0	1.4	48.9	51.1	Progressive Ins Group	21.1	Amer Family Ins Group	16.6
WY	50	50	190	435,409	0.2	1.7	64.7	0.8	24.0	76.0	State Farm Group	21.0	Progressive Ins Group	16.6
Guam	53	53	15	58,473	0.0	-0.1	32.4	2.5	78.1	21.9	USAA Group	21.9	Amer Intl Group	21.7
Puerto Rico	47	47	20	543,321	0.2	4.1	40.2	0.4	60.2	39.8	Universal Ins Group of Puerto Rico	41.0	Coop de Seguros Multiples PR	39.5
U.S. Virgin Is.	54	54	17	42,827	0.0	0.9	43.2	4.6	84.5	15.5	Underwriters at Lloyd's, London (M)	46.0	Guardian Ins Group	34.5
Canada	57	57	14	95	0.0	-43.1	-99.9	-99.9	100.0	0.0	Hartford Ins Group	99.7	Assurant P&C Group	0.3
Other	55	55	36	27,569	0.0	-31.6	46.0	9.5	65.4	34.7	USAA Group	34.7	Natl Unity Ins Co	23.0
N. Mariana Is.	56	56	7	3,467	0.0	7.4	34.0	1.6	100.0	0.0	Tokio Marine US PC Group	35.4	First Net Ins Co	19.2
<b>Grand Total</b>			<b>1,075</b>	<b>\$250,136,014</b>	<b>100.0</b>	<b>-1.5</b>	<b>57.2</b>	<b>2.3</b>	<b>32.5</b>	<b>67.5</b>	<b>State Farm Group</b>	<b>16.2</b>	<b>Berkshire Hathaway Ins</b>	<b>13.5</b>

1. ALR: Adjusted loss ratio is direct losses incurred divided by the difference between direct premium earned and dividends paid to policyholder.

2. DDCCE: Direct defense and cost containment expense ratio is the former allocated loss adjustment expense (ALAE) ratio.

3. Insurers that distribute primarily through independent agents.

4. Insurers that distribute primarily through a direct-selling system or an exclusive agency system.

Note: Data for some companies in this report has been received from the NAIC.

Ratios of 999.9 and -99.9 are maximum and minimum values, respectively.

Source:  — State/Line (P/C Lines) — P/C, US; data as of: July 16, 2021



# U.S. Commercial Auto – Top Writers by State, Canada and U.S. Territories – 2021 Edition

Ranked by 2020 direct premiums written.

(\$ Thousands)

State	2020 Rank	2019 Rank	No of Cos	Direct Premiums Written	% of Grand Total	Premium % Change	ALR <sup>1</sup>	DDCCE <sup>2</sup>	Market Share Agency Writer <sup>3</sup>	Market Share Direct Writer <sup>3</sup>	Leading Writer	% Market Share	Second Leader	% Market Share
AL	24	24	451	\$683,657	1.5	9.4	65.6	5.5	84.4	15.6	Progressive Ins Group	14.9	Auto-Owners Ins Group	9.3
AK	52	52	275	76,030	0.2	-1.7	59.7	5.6	73.6	26.4	CopperPoint Ins Group	14.1	Liberty Mutual Ins Cos	12.9
AZ	20	21	468	783,433	1.7	8.9	65.5	4.9	82.3	17.7	Progressive Ins Group	12.0	Travelers Group	6.8
AR	33	32	424	450,835	1.0	4.1	55.5	4.6	82.4	17.6	Progressive Ins Group	14.4	Travelers Group	5.6
CA	1	1	480	4,957,176	10.8	-7.0	70.1	7.5	80.7	19.3	Progressive Ins Group	9.1	Travelers Group	7.4
CO	19	19	451	810,247	1.8	5.4	60.6	4.3	79.8	20.2	Progressive Ins Group	15.0	Travelers Group	7.6
CT	30	29	389	487,250	1.1	0.0	58.4	5.0	80.3	19.7	Progressive Ins Group	10.6	Travelers Group	8.6
DE	46	45	384	153,500	0.3	1.3	69.8	5.5	87.7	12.3	Progressive Ins Group	11.1	Great Amer P & C Ins Group	9.9
DC	54	53	324	46,136	0.1	-35.3	44.2	3.4	87.9	12.1	Progressive Ins Group	13.3	Travelers Group	8.8
FL	3	3	481	3,585,054	7.8	0.6	80.1	8.1	83.9	16.2	Progressive Ins Group	19.4	Auto-Owners Ins Group	8.8
GA	7	8	537	1,714,406	3.7	5.1	76.0	5.6	84.3	15.7	Progressive Ins Group	17.1	Travelers Group	5.9
HI	48	47	227	112,781	0.2	-14.2	43.6	4.3	94.4	5.6	Tokio Marine US PC Group	23.0	Island Ins Group	13.8
ID	38	39	382	244,363	0.5	11.7	54.9	3.4	77.9	22.1	Progressive Ins Group	11.6	Old Republic Ins Group	9.3
IL	5	5	525	1,902,354	4.1	-3.5	56.3	5.3	85.7	14.3	Progressive Ins Group	11.8	Travelers Group	7.3
IN	13	15	501	895,353	1.9	6.2	56.5	4.6	87.7	12.3	Progressive Ins Group	9.6	Auto-Owners Ins Group	5.5
IA	29	31	447	504,957	1.1	8.6	68.7	3.1	90.4	9.7	Progressive Ins Group	8.6	Old Republic Ins Group	8.5
KS	34	34	418	409,815	0.9	5.0	56.9	3.4	84.5	15.5	Progressive Ins Group	10.7	Nationwide Group	8.7
KY	28	27	458	510,536	1.1	0.3	56.2	4.5	83.1	16.9	Progressive Ins Group	8.5	Travelers Group	6.9
LA	17	17	415	858,249	1.9	3.6	82.2	10.6	81.2	18.8	Progressive Ins Group	12.6	Travelers Group	8.6
ME	42	43	333	175,008	0.4	5.1	49.1	1.3	84.5	15.5	W. R. Berkley Ins Group	16.2	Progressive Ins Group	10.2
MD	21	20	455	747,729	1.6	3.0	55.5	2.5	89.5	10.5	Progressive Ins Group	14.0	Erie Ins Group	12.1
MA	12	12	347	966,295	2.1	-6.7	46.8	2.6	92.1	7.9	MAPFRE North America Group	14.6	Safety Group	11.7
MI	10	11	444	1,192,196	2.6	6.9	55.5	6.1	83.2	16.8	Auto-Owners Ins Group	8.0	Progressive Ins Group	5.9
MN	22	22	438	717,372	1.6	4.0	52.7	2.9	87.3	12.7	Old Republic Ins Group	11.0	Auto-Owners Ins Group	7.6
MS	31	33	420	463,526	1.0	7.1	65.1	5.9	84.8	15.2	Progressive Ins Group	14.6	Travelers Group	8.6
MO	18	18	461	819,087	1.8	5.3	69.5	4.8	80.3	19.7	Progressive Ins Group	10.8	Travelers Group	8.0
MT	40	41	373	206,476	0.4	5.4	57.8	3.7	79.4	20.6	Progressive Ins Group	11.5	Liberty Mutual Ins Cos	9.7
NE	36	36	415	342,241	0.7	6.3	58.7	3.4	87.1	12.9	Old Republic Ins Group	15.8	Progressive Ins Group	8.4
NV	32	28	429	453,296	1.0	-7.9	79.4	8.4	74.3	25.7	Progressive Ins Group	13.1	Allstate Ins Group	10.7
NH	44	44	364	166,569	0.4	6.6	43.5	2.2	83.1	16.9	W. R. Berkley Ins Group	17.2	Liberty Mutual Ins Cos	8.3
NJ	8	7	454	1,697,047	3.7	-1.9	67.1	7.2	77.7	22.3	Progressive Ins Group	12.9	Selective Ins Group	6.7
NM	37	37	399	258,156	0.6	-0.6	63.5	5.2	79.9	20.1	Progressive Ins Group	14.3	Travelers Group	9.4
NY	4	4	449	2,826,310	6.1	-0.6	67.1	9.0	80.4	19.6	Amer Transit Ins Co	10.4	Progressive Ins Group	10.3
NC	11	10	478	1,120,155	2.4	-0.1	59.1	3.0	78.9	21.1	Progressive Ins Group	12.9	Allstate Ins Group	7.1
ND	43	42	372	173,993	0.4	-6.2	51.3	2.5	86.4	13.6	Old Republic Ins Group	10.1	Progressive Ins Group	9.3
OH	9	9	513	1,297,162	2.8	5.7	47.4	3.0	92.1	7.9	Progressive Ins Group	14.5	Cincinnati Ins Cos	8.3
OK	26	25	419	587,218	1.3	-0.1	53.7	4.6	78.4	21.6	Progressive Ins Group	13.3	Travelers Group	9.9
OR	27	30	420	513,198	1.1	5.8	49.4	3.2	68.3	31.7	Liberty Mutual Ins Cos	14.2	Progressive Ins Group	12.1
PA	6	6	533	1,798,394	3.9	-0.5	55.9	4.5	89.5	10.5	Progressive Ins Group	15.5	Erie Ins Group	10.5
RI	47	48	338	133,668	0.3	1.8	42.2	2.0	82.2	17.8	Progressive Ins Group	11.9	Travelers Group	7.5
SC	25	26	471	600,237	1.3	5.8	73.0	5.0	84.9	15.1	Progressive Ins Group	14.9	Auto-Owners Ins Group	6.6
SD	45	46	373	162,827	0.4	9.0	69.8	2.2	85.3	14.7	Old Republic Ins Group	14.5	Acuity, A Mutual Ins Co	8.9
TN	16	16	513	885,019	1.9	6.7	57.8	4.3	88.8	11.2	Progressive Ins Group	9.7	Travelers Group	6.4
TX	2	2	540	4,869,444	10.6	5.0	73.6	7.4	83.8	16.2	Progressive Ins Group	18.2	Travelers Group	5.0
UT	35	35	416	402,356	0.9	8.0	65.5	5.2	82.0	18.0	Progressive Ins Group	10.6	Auto-Owners Ins Group	8.8
VT	51	51	342	82,636	0.2	5.3	43.0	1.4	82.1	17.9	Progressive Ins Group	13.0	W. R. Berkley Ins Group	12.2
VA	14	13	488	893,256	1.9	2.7	56.4	3.6	85.5	14.5	Progressive Ins Group	13.7	Erie Ins Group	9.0
WA	15	14	446	886,493	1.9	3.7	56.1	4.4	69.3	30.7	Liberty Mutual Ins Cos	14.0	Progressive Ins Group	11.5
WV	41	40	382	194,239	0.4	-7.5	44.2	3.1	89.6	10.4	Erie Ins Group	13.6	Travelers Group	11.7
WI	23	23	462	716,770	1.6	5.4	47.6	3.7	90.1	9.9	Acuity, A Mutual Ins Co	9.1	West Bend Mutual Ins Co	7.6
WY	49	49	356	109,582	0.2	-3.3	55.4	3.9	82.4	17.6	Progressive Ins Group	15.1	Travelers Group	10.6
Guam	55	55	21	10,180	0.0	-16.3	21.2	2.0	100.0	0.0	DB Ins US Group	22.2	Pacific Indemnity Ins Co	20.4
Puerto Rico	39	38	62	235,047	0.5	1.6	32.8	1.3	91.5	8.5	Asoc de Suscripcion Conjunta del Seg	30.2	Universal Ins Group of Puerto Rico	18.7
U.S. Virgin Is.	56	56	30	5,584	0.0	-14.0	23.8	3.8	98.9	1.1	Guardian Ins Group	61.4	Topa Ins Group	30.8
Canada	50	50	31	103,121	0.2	3.2	51.6	3.0	72.5	27.5	CNA Ins Cos	28.8	Liberty Mutual Ins Cos	25.5
Other	53	54	79	50,900	0.1	13.9	46.2	-0.7	100.3	-0.3	Natl Unity Ins Co	32.8	New Horizon Ins Co	29.0
N. Mariana Is.	57	57	5	757	0.0	-37.8	46.0	16.5	100.0	0.0	Tokio Marine US PC Group	54.5	DB Ins US Group	32.4
<b>Grand Total</b>			<b>1,098</b>	<b>\$46,049,675</b>	<b>100.0</b>	<b>1.3</b>	<b>64.1</b>	<b>5.8</b>	<b>83.3</b>	<b>16.7</b>	<b>Progressive Ins Group</b>	<b>12.7</b>	<b>Travelers Group</b>	<b>6.2</b>

1. ALR: Adjusted loss ratio is direct losses incurred divided by the difference between direct premium earned and dividends paid to policyholder.

2. DDCCE: Direct defense and cost containment expense ratio is the former allocated loss adjustment expense (ALAE) ratio.

3. Insurers that distribute primarily through independent agents.

4. Insurers that distribute primarily through a direct-selling system or an exclusive agency system.

Note: Data for some companies in this report has been received from the NAIC.

Source:  — State/Line (P/C Lines) - P/C, US; data as of: July 16, 2021



**The Insurance Library in Boston** is located just a short distance from Faneuil Hall in what was formerly a thriving insurance business district. Since its inception in 1887 by the New England Insurance Exchange, the library has been a resource for the insurance and risk management community. Initially, the library's focus was regional, but over time its scope expanded and it has become a national resource for both the insurance industry and the public.



# Browse the Shelves of The Insurance Library, Embrace Industry's Unique History

The Insurance Library celebrates its special role as a centralizing hub for the insurance industry and risk management.

Photo Essay by Kim Bjorheim

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**Paul Tetrault, executive director of The Insurance Library**, sits in a Lloyd's underwriting box that had been used at the underwriting floor of Lloyd's of London. The Insurance Library is home to a large collection of insurance-related items and publications, including books, periodicals, journals and databases. It also offers professional licensing courses and webinars and hosts various events. "The library serves a very unique role in being a centralizing hub for the insurance industry and risk management, and we serve the community at large," Tetrault said. When author Benjamin Wiggins worked on his 2020 book, *Calculating Race-Racial Discrimination and Risk Assessment*, he turned to The Insurance Library for much of his research. The library also receives frequent research requests from attorneys, policy makers, scholars and students. "You may go months to years without needing to use us for research purposes, but when the situation arises, you're glad we're here," Tetrault said.



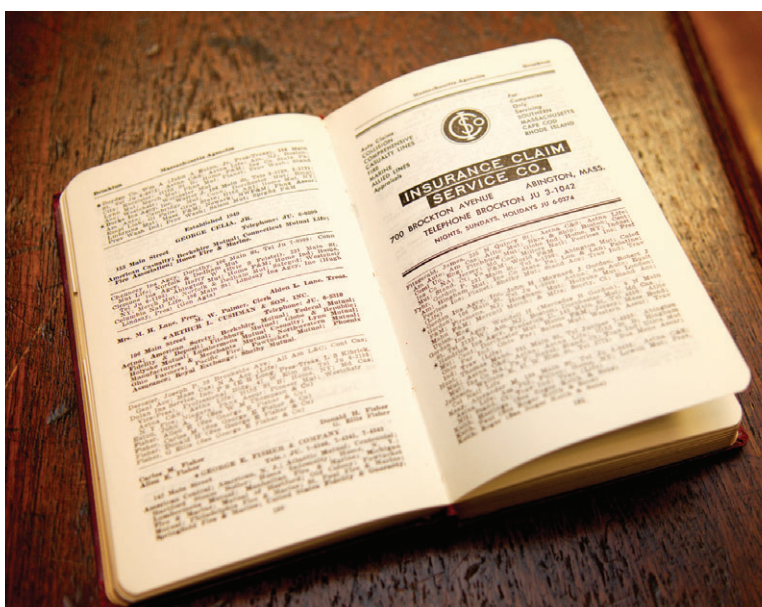




**Research Librarian Meagan Stefanow** studies an issue of *Mass. Insurance Reports*, one of the library's historic resources often used in research requests. Attorneys are among the predominant users of information from the library, according to Stefanow, and some of the common requests include company tracing of defunct or renamed companies and policy research. By consulting various historic resources, Stefanow said that they can recreate what would be a typical policy from a given time period. This type of research can be a critical component when settling claims where the original policy documents may no longer be available. "If you're trying to determine if an entity had or did not have coverage for a particular occurrence, then that is the type of information that you would need," Stefanow said. While some of this information may be available in electronic databases, Stefanow explained that courts often prefer copies of the original publications instead. "A lot of folks think that you can simply Google things and find them, but there's still a great deal of information that we have that you can't get anywhere else and that simply isn't available in an electronic format," Stefanow said.



**Research Librarian Sarah Hart** holds up a compact makeup mirror, part of the library's collection of such mirrors that were common advertising items for insurance companies. "A lot of our collection has been donated to the library over the years. We always welcome new books to the collection, new pieces of marketing or policies," Hart said. Some of these donated materials can be valuable resources when conducting research. *The Red Book Kirschner's Insurance Directories*, for example, are an especially important tool when researching long-tail claims. Using a combination of these and other resources, such as *Best's Insurance Reports* or *Best's Key Rating Guide*, Hart and her colleagues often are able to narrow down and provide details on who an insured might have had a policy with. "You might have a pollution claim that you don't find out about until 20, 30, 50 years later, and you're trying to figure out who would be responsible for helping cover that claim," Hart said. The historic resources the library provides are, according to Hart, not only important when researching old policies or companies, but also an important component for innovation and the future of the industry. "I think one of the things that would be different if libraries like this didn't exist is you would lose the history. You wouldn't see why certain classes developed the way they did. You would not understand why a homeowners policy is such an incredible innovation," she said. "That's important for innovation in the future as well. When you're looking to what do you need to change, or what do you need to do in the future, it's important to know that past."







**These early issues of *Best's Life Reports*** represent a small sample of the AM Best materials found at the insurance library. The library has had a long relationship with AM Best and the collection includes publications dating from 1900 to present day, including *The AM Best Business Trilogy*, a three-book series that explores how AM Best and its founder, Alfred M. Best, influenced the creation of the credit rating industry and its ongoing evolution. Tetrault said he is excited to have the trilogy at the library. "It's a fantastic addition to the literature of insurance, to have documented what has become such an important part of the insurance ecosystem," he said.





**Research Librarian Meagan Stefanow** holds up a Sanborn map. The Insurance Library is home to a large collection of such maps that encompass most of the New England states. These fire insurance maps detail building locations and building materials, and while they have not been updated since the 1960s, they are still used for several purposes today. “Very often in Boston, we’ll get surveyors coming in, especially with townhouses, wanting to know, perhaps, if there is a brick wall between two units. That can’t be easily determined without tearing down some Sheetrock, so it’s much easier to come in and take a look at one of these maps,” Stefanow said. **BR**




## U.S. Life/Health – Assets Distribution – 2021 Edition

Ranked by 2020 total admitted assets.

(\$ Millions)

2020 Rank	2019 Rank	Company/Group	AMB#	Bonds	% of Assets	Mortgages	% of Assets	Separate Accounts	% of Assets	Total Assets	Net Yield on Invested Assets Before Federal Income Tax, if Any				
											2020	2019	2018	2017	2016
1	1	Prudential of America Group	070189	\$140,097	20.6	\$30,232	4.4	\$453,638	66.7	\$680,214	3.20	3.70	3.70	3.90	4.50
2	2	MetLife Life Ins Companies	070192	165,010	36.2	62,766	13.8	156,893	34.4	455,631	4.60	5.10	5.70	5.20	4.40
3	3	New York Life Group	069714	211,441	56.9	34,700	9.3	65,268	17.6	371,524	3.90	4.30	4.20	4.30	4.30
4	5	Massachusetts Mutual Life Group	069702	149,042	42.3	28,601	8.1	83,481	23.7	352,026	4.30	4.30	4.70	4.30	4.20
5	4	TIAA Group*	070362	208,973	61.2	34,647	10.2	46,913	13.7	341,257	4.30	4.50	4.70	4.70	4.90
6	6	AIG Life & Retirement Group	070342	162,582	49.7	31,481	9.6	109,563	33.5	327,189	4.40	4.70	5.00	4.80	5.00
7	8	Lincoln Finl Group	070351	96,049	30.5	15,606	5.0	179,257	56.9	315,123	3.80	4.30	4.10	4.70	4.60
8	7	Northwestern Mutual Group	069515	166,511	53.9	41,568	13.5	38,447	12.4	308,874	4.20	4.10	4.20	4.20	4.50
9	9	John Hancock Life Insurance Group	069542	58,631	19.4	12,713	4.2	173,042	57.3	302,130	4.10	4.70	5.00	4.80	4.70
10	10	Jackson Natl Group	069578	54,133	18.2	10,907	3.7	219,063	73.7	297,086	4.70	5.10	5.20	5.90	6.30
11	11	Equitable Life Group	070194	54,153	22.4	12,230	5.1	164,538	68.0	241,972	1.70	1.30	7.40	4.20	5.70
12	12	Aegon USA Group	069707	56,356	24.1	10,563	4.5	145,973	62.4	233,783	4.60	4.10	4.10	4.70	4.70
13	13	Principal Finl Group Inc.	020516	59,883	26.6	15,170	6.7	138,174	61.4	224,988	4.00	4.30	4.40	4.20	4.60
14	14	Nationwide Mutual Life Group	070822	62,756	29.8	14,409	6.8	125,137	59.3	210,862	4.00	4.10	4.20	4.50	4.60
15	15	Brighthouse Ins Group	070516	49,896	24.1	11,232	5.4	131,121	63.3	207,294	3.90	4.40	4.30	4.30	4.60
16	16	Allianz Life Ins Group	070187	99,661	56.1	15,634	8.8	49,675	28.0	177,604	3.90	4.00	4.00	4.20	4.50
17	17	Pacific Life Group	069720	63,259	37.9	15,445	9.3	66,482	39.8	166,957	3.60	4.70	3.90	4.50	4.10
18	18	Voya Finl Group	070153	39,355	27.3	6,829	4.7	91,468	63.3	144,395	4.80	4.70	4.70	4.60	4.90
19	19	Talcott Resolution Group	070116	11,350	8.9	1,977	1.6	109,021	85.9	126,989	4.40	4.50	4.10	4.20	4.20
20	20	Ameriprise Finl Group	069689	19,486	15.6	2,594	2.1	89,031	71.1	125,214	4.00	4.30	4.30	4.60	4.80
21	23	Athene US Life Group	070478	64,885	56.4	12,766	11.1	17,296	15.0	115,011	4.60	4.80	6.10	5.90	4.50
22	21	Sammons Enterprises Group	070533	82,975	73.0	7,142	6.3	7,735	6.8	113,633	4.40	4.60	4.50	6.00	4.50
23	22	Thrivent Finl for Lutherans	006008	48,054	44.0	9,645	8.8	37,894	34.7	109,325	4.30	4.60	4.40	4.60	4.80
24	27	Global Atlantic Group	069786	64,903	68.8	11,254	11.9	5,472	5.8	94,300	3.80	5.20	4.30	5.20	4.50
25	24	Protective Life Group	069728	57,860	63.9	9,948	11.0	14,823	16.4	90,489	4.10	4.40	4.70	4.70	4.90
<b>Top 25 Insurers</b>				<b>\$2,247,303</b>	<b>36.6</b>	<b>\$460,061</b>	<b>7.5</b>	<b>\$2,719,402</b>	<b>44.3</b>	<b>\$6,133,870</b>	<b>4.18</b>	<b>4.49</b>	<b>4.77</b>	<b>4.76</b>	<b>4.73</b>
<b>Total U.S. Life/Health Industry</b>				<b>\$3,388,236</b>	<b>41.6</b>	<b>\$600,426</b>	<b>7.4</b>	<b>\$3,084,832</b>	<b>37.8</b>	<b>\$8,152,513</b>	<b>4.10</b>	<b>4.40</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>

\*TIAA assets are significantly understated. Most of its separate account assets are in its affiliate, CREF.

Source:  — Statement File - L/H, US; data as of: Aug. 16, 2021



# California Governor Signs Bill Expanding FAIR Plan to Farmers

The bill removes the existing statutory exclusion for “farm risks,” narrowing the exclusion to “commercial agricultural commodities or livestock, or equipment used to cultivate or transport agricultural commodities or livestock.”

by Timothy Darragh

**C**alifornia Gov. Gavin Newsom has signed legislation expanding the state’s FAIR Plan to include farm buildings and related agricultural structures, bringing coverage to farmers, including the state’s famed vintners, who were losing coverage as insurers pull back from areas plagued by wildfires.

Newsom signed S.B. 11, which the property/casualty industry fought earlier in the legislative session, without a statement.

The bill removes the existing statutory exclusion for “farm risks,” narrowing the exclusion to “commercial agricultural commodities or livestock, or equipment used to cultivate or transport

agricultural commodities or livestock,” according to a statement from the office of Insurance Commissioner Ricardo Lara.

The clarification means that farmers, ranchers and vintners will be able to purchase basic property insurance from the FAIR Plan, including coverage for family homes, animal barns, feed barns and equipment and crop storage sheds, among other such structures, it said.

FAIR Plan President Anneliese Jivan signaled her support in June when the bill passed a state legislative committee.

“As the frequency and intensity of wildfires in California increase, the FAIR Plan remains committed to working with our policymakers to address these important issues that affect many Californians,” she said in a statement. “S.B. 11 will

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### Best's Rankings

#### Top 10 U.S. Private Crop Insurers – 2021 Edition

Ranked by 2020 market share.

Company Name	AMB #	2020
Zurich Insurance US PC Group (G)	018549	19.94
Sompo Holdings US Group (G)	018878	16.88
FMH Insurance Group (G)	018171	12.78
QBE North America Insurance Group (G)	005658	12.52
Chubb INA Group (G)	018498	11.35
American International Group (G)	018540	9.42
Great American P & C Insurance Group (G)	004835	7.49
Tokio Marine US PC Group (G)	018733	3.92
Fairfax Financial (USA) Group (G)	003116	1.86
COUNTRY Financial Property Casualty Grp (G)	000302	1.49

Source: 

offer much-needed peace of mind for our farmers.”

Lara’s office said the changes are necessary to fulfill a core purpose underlying the original establishment of the FAIR Plan in 1968—to ensure the availability of basic property insurance in the state to all Californians.

The American Property Casualty Insurance Association and the Personal Insurance Federation of California earlier said they preferred establishing an Insurance Market Action Plan that would allow for an expedited process to provide coverage in areas more likely to burn.

They said the plan would offer consumers choices and a better deal than the limited and

#### Top 10 U.S. Multiperil Crop Insurers – 2021 Edition

Ranked by 2020 market share.

Company Name	AMB #	2020
Chubb INA Group (G)	018498	17.87
Sompo Holdings US Group (G)	018878	17.72
QBE North America Insurance Group (G)	005658	15.11
Zurich Insurance US PC Group (G)	018549	14.63
Great American P & C Insurance Group (G)	004835	8.44
FMH Insurance Group (G)	018171	6.04
Fairfax Financial (USA) Group (G)	003116	5.52
Tokio Marine US PC Group (G)	018733	4.87
American International Group (G)	018540	4.80
XL Reinsurance America Group (G)	018557	1.50

Source: 

expensive coverage provided through the FAIR Plan. With increasing reports of commercial insurance nonrenewals of farms, wineries and other agricultural businesses, Lara in April directed commercial insurers to report data on nonrenewals and underwriting restrictions focused on the agriculture, farming and outdoor industry, his office said. The department said the results, which were scheduled to be announced in late summer, will highlight major commercial insurance availability issues affecting agribusiness across the state. They also will provide Lara and lawmakers with the facts needed to confront pending insurance availability challenges, it said.

BR



**COVID-19 CATASTROPHE:** COVID-19 resulted in a significant loss of employment in the Caribbean, where more than 10 countries source as much as 30% of their GDP from tourism. The high number leaves the region vulnerable to external shocks; the world average is only around 14% of GDP, AM Best analysts say.

# AM Best: COVID-19 Pandemic Served Effectively as the Caribbean's 'Major Catastrophe in 2020'

The International Monetary Fund estimates that, in aggregate, tourism-dependent countries' GDP contracted by almost 10% last year due to curtailed international travel.

by John Weber

**R**icardo Longchallon, senior financial analyst, and Ann Modica, associate director, both of AM Best, discussed the August 2021 *Best's Market Segment Report: Caribbean P/C Insurers Resilient Despite COVID-19; 2021 Hurricane Season Looms* with AM Best TV. Most AM Best-rated property/casualty insurers in the Caribbean region performed better than expected in 2020 despite the hurdles presented by COVID-19, they said. The lack of hurricane and other wind activity in the Caribbean "meant that the pandemic effectively served as the region's major catastrophe in 2020," the report noted.

Following is an edited transcript of the interview.

**Given the region's dependency on tourism, to what extent did COVID hurt the economy and market in 2020?**

**Modica:** Tourism-dependent countries in the Caribbean were particularly hard hit due to the undiversified nature of their economies. The International Monetary Fund is estimating that,

in aggregate, tourism-dependent countries' GDP contracted by almost 10% last year as border closures and lockdown measures curtailed international travel.

Over 10 countries in the region source as much as 30% of their GDP from tourism. To put it into perspective, the world average is just at about 14% of GDP. Most of the Caribbean is at double, if not significantly above this level, which really leaves them vulnerable to external shocks.

I'm also going to briefly touch on how COVID resulted in a pretty significant loss of employment in the region. The tourism sector is a major contributor to employment with many countries seeing an uptick in unemployment last year.

All of this leads to lower domestic demand and a bigger strain on the country's fiscal accounts when fiscal revenues are limited to provide benefits to those who are affected by the pandemic.

**How are P/C insurers in the region managing hardening reinsurance pricing?**

**Longchallon:** Reinsurance costs drive pricing in the region. For the most part, there is no requirement to file for rate increases as insurers are required to do in the U.S., so increases in

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“One of the main drivers for growth in the insurance industry is growth in the country’s GDP. It’s expected that the region will rebound in 2021.”

**Ann Modica**  
AM Best



reinsurance pricing and, for that matter, decreases in pricing, do not need approval by regulators.

Rated insurers in the Caribbean can adjust rates fairly easily and have been implementing rate increases along with higher deductibles in order to maintain an adequate rate structure.

#### **Do you think life/health insurers were dealt a difficult year with the pandemic?**

**Longchallon:** Yes. Rated life/health companies experienced a disruption in top-line growth in 2020 as a result of the pandemic. Premiums decreased as some insurers provided premium relief to policyholders impacted by economic conditions.

Life/health insurers with direct exposure to hotel and hospitality investments realized impaired valuations, and this was the single-largest component, which drove the declines in total revenue and net income.

On the flip side, however, these insurers benefited from lower utilization expense in health claims as a result of changes in policyholder behavior and lack of access to medical care due to stay-at-home restrictions. I would say overall, the decline in net income was less than anticipated at the onset of the pandemic.

#### **Is there room for growth in this region? Are insurers doing enough to build awareness?**

**Modica:** One of the main drivers for growth in the insurance industry is growth in the country’s GDP. It’s expected that the region will rebound in 2021. The IMF is projecting that tourism-dependent countries will rebound by 2.4% this year, and that will uptick to 4.4% next year.

Then if we look at the commodity exporters, among them, they are also expected to recover

with the IMF forecasting growth of 4% this year, and all things being equal, this bodes well for the insurance market. However, I would be remiss if I didn’t mention that there are several downside risks with the most prominent being the further outbreak of the virus, such as the delta variant that we’re seeing now. This could force governments to reinstate more restrictive measures that would drag the economy for the tourism-dependent economies.

When you look at the commodity exporters, they would also be impacted due to the likelihood that lower, external demand for commodities would take place in that type of situation.

**Longchallon:** There is a significant protection gap in the region. I believe if we look at 2017 with hurricanes Irma and Maria, economic losses were in the region of \$32 billion, but insured losses were just about \$5 billion, which indicates a protection gap of more than 80%. By comparison, the protection gap in North America is approximately 50%.

This indicates that there should be room for growth regionally. However, penetration beyond existing markets has been difficult for insurers, and the gap has remained fairly consistent.

I’m not convinced that it is a lack of awareness. Several jurisdictions have insurance associations that promote the importance and benefits of insurance protection, and rated Caribbean insurers are active in their communities supporting and contributing to various events and causes. **BR**

#### **AM Best TV**



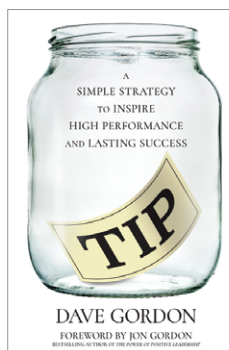
Go to [www.bestreview.com](http://www.bestreview.com) to watch the interview with AM Best’s Ann Modica and Ricardo Longchallon.

# Author Details How to Build a Personal Brand in His Award-Winning Book

Dave Gordon also highlights the importance of taking personal responsibility for one's reputation and results.



## TIP: A Simple Strategy to Inspire High Performance and Lasting Success



When it comes to creating a reputation and results, personal accountability is imperative, said Dave Gordon in his book, *TIP: A Simple Strategy to Inspire High Performance and Lasting Success*, which garnered an American Book Fest Award in 2020 and a gold medal Axiom Business Book Award this year. While it's important for individuals to take responsibility for their decisions

and actions, and to identify what they stand for to a variety of audiences, he said the keys to creating a successful personal brand and building value also come from personalizing the customer experience and sharing one's unique story.

In his book, Gordon, the chief marketing officer at claims services provider Gallagher Bassett, tells the story of Brian Davis, a salesperson who is fired without warning for being average. Davis reluctantly takes the only job he can get, where an unlikely mentor, new colleagues and demanding customers teach him the four simple principles of TIP to take control of his life, career and future. Following is an edited transcript of an interview with AM Best TV.

### AM Best TV



Go to [www.bestreview.com](http://www.bestreview.com) to watch the interview with Dave Gordon.

### What are the four principles of TIP?

The principles of TIP, which stands for 'Take It Personally,' are identity, communication, actions and unique value. In the story, Brian learns about these four cornerstones of building his own brand. He realizes that before understanding and putting the principles to use, he wasn't adding value to his former company and team. The book is a cautionary tale for young talent, and a reminder to those long established in their careers, that it's never too late to reinvent yourself or create a new beginning. Individuals should take customer experience personally. When you take care of your customers, you earn a 'stand-out' reputation, which leads to greater results and helps you move ahead in your career.

### How can individuals see through adversity to chart the right course of their future and discover their brand?

Every great story has conflict, and that is why TIP was written as a fable. It basically says, 'Don't tell someone how to live their life. Tell a story and they'll figure it out for themselves.' Individuals need to embrace their own personal stories in work and life, and how they overcame crisis moments. If they can see conflict as a chance to gain new skills as well as a great signature story of resilience, they will have a bright future and a strong brand.

### What do you hope people will take away from the book?

When I discovered the concept of personal branding, it changed my life. I hope readers will embrace this simple strategy of accountability to help them accelerate success in their careers and their lives. **BR**

**Lori Chordas** is a senior associate editor. She can be reached at [lori.chordas@ambest.com](mailto:lori.chordas@ambest.com).

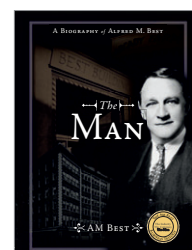
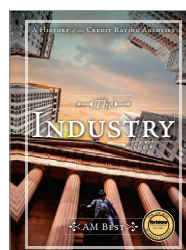
## AM Best Trilogy

AM Best details the history of AM Best, the history of credit rating agencies, and the life of Alfred M. Best.

**The Company—A History of AM Best**

**The Industry—A History of Credit Rating Agencies**

**The Man—A Biography of Alfred M. Best**



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available at  
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# App Helps Insurers Improve Patient Outcomes After Comp Claims Are Filed

The PeerWell app combines clinical expertise with technology to help manage workers' comp claims, providers say.



Karen Thomas

## PeerWell App

Insurers seek to improve patient outcomes when injured workers file compensation claims. CorVel Corp., a national provider of risk management solutions for payers and employers in the workers' compensation, auto, health and disability management industries, and PeerWell, a digital recovery platform that treats the root cause of pain and immobility, have partnered to launch an app to help case managers work with insurers as they support injured workers facing an upcoming surgery or experiencing back pain.

The PeerWell app combines clinical expertise with technology to help manage workers' comp claims for musculoskeletal injuries, said Karen Thomas, CorVel's director of case management innovation, and Manish Shah, co-founder and CEO of PeerWell. Following is an edited transcript of an interview with Thomas and Shah.

### What inspired you to launch the app?

**Shah:** For me, personally, I saw what happened with my dad when he worked as a commercial painter his whole life and had a lot of wear and tear on his body and then, ultimately, ended up having two knee replacements.

### How does the app work?

**Shah:** We're guiding [users] with home exercise programs for physical therapy, nutrition counseling, mental health and resiliency, health literacy, and improving the quality of their environment so they can have a safe and effective recovery and get back to doing the things that they need to be doing to enrich their lives.

**Tom Davis** is managing editor. He can be reached at [tom.davis@ambest.com](mailto:tom.davis@ambest.com).

### How has it or how can it impact the overall cost of claims?

**Thomas:** We're seeing a 57% quicker return-to-work rate by using the app. It also decreases the overall medical spend, which is very exciting, in the neighborhood of 38%. It's pretty substantial.



Manish Shah

### Has it improved case management overall?

**Thomas:** The thing our nurse case managers love about the PeerWell app is it acts as another set of eyes for them. On the days that they're not in contact with the injured worker, the nurse can be assured that that person is interacting with the app and, again, becoming involved in their own recovery.

### How does an app like PeerWell support a patient-centered approach to claims management?

**Thomas:** At CorVel, we believe in treating the whole patient holistically—body, mind—and PeerWell certainly does that. They're receiving education, not just on physical therapy, but on the whole person. **BR**

—Tom Davis

## AM Best TV



Go to [www.bestreview.com](http://www.bestreview.com) to watch the interview with Karen Thomas and Manish Shah.

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# Top Global Brokers - 2021 and Standing the Test of Time - 2021 Hold Top Spots on Trending News

Other trending content includes a feature on how insurers are exploring the use of cryptocurrency and a webinar on trends in the wholesale insurance market.

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## Trending: *Best's Review*

1. Top Global Insurance Brokers - 2021 Edition
2. Standing the Test of Time - 2021 Edition
3. Cryptocurrency: Insurance Industry Tests the Waters With New Initiatives
4. Guardian Life's CEO Andrew McMahon Wants the Mutual Insurer to Spend 2021 Looking Within
5. New Reinsurers Enter the Market Amid a Rise in Innovation, Abundant Capital and a Market-Changing Pandemic

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## Trending: *BestWire* \$

1. Judge: Demolished Florida Condo's \$48 Million Coverage 'Inadequate'
2. Circuit Court Sides With Insurer in COVID-19 BI Case
3. NY Superintendent Lacewell Resigns, Is Cited in Attorney General's Report on Cuomo
4. Florida Places Gulfstream Property and Casualty in Administrative Supervision
5. As Insurtechs Raise Capital, Legacy Insurers Scale Up Their Own Technology

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## Trending: *AM Best Webinars*

1. Emerging Trends and the Wholesale Insurance Market: How the Industry is Adapting
2. How Auto Insurers Are Leveraging Market Disruptions Accelerated by COVID-19
3. AM Best's Briefing - Captives' Flexibility and Control Enable Them to Outperform Commercial Peers
4. AM Best's Briefing - Caribbean Market Perspectives From the C-Suite

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## Trending: *AM Best TV - News Coverage*

1. US Assure: Builders' Risk Insurers Are Bullish on Housing Market
2. Insurers Harnessing Technology to Boost Wildfire Mitigation Efforts
3. Panel: Auto Insurers 'Changed on a Dime' During COVID-19 Pandemic
4. McKinsey: AI Will Be 'Ubiquitous' in Insurance Industry
5. IoT Insurance Observatory: Insurers Are Using Connected Devices to Prevent Loss

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These were the top trending items from June 23-Aug. 23. Features, news articles and videos were based on page views. Webinars were based on webinar attendance.

The above content can be viewed on demand at [www.bestreview.com](http://www.bestreview.com), or by visiting AM Best's home page at [www.ambest.com](http://www.ambest.com).

\$ Payment or subscription required.

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# Trending Research Includes a Report on the Impact of ESG Factors on AM Best Ratings

Other trending research includes reports on wildfires, captives and trade credit insurers.

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## Trending: Best's Special Reports

1. Impact of ESG Factors on AM Best's Rating Actions \$
  2. Insurance Companies Remain Prime Targets for Private Equity \$
  3. An Approach to Comparing Insurers' Interest Rate Assumption Changes \$
  4. Weather Conditions Portend Another Destructive Year of Wildfire Losses \$
  5. Cannabis Market Growth Expected but Federal Laws Remain a Roadblock \$
- 

## Trending: Best's Market Segment Reports

1. Captives' Flexibility and Control Enable Them to Outperform Commercial Peers \$
  2. As Government Backstops End, Trade Credit Insurers Are Well Prepared
  3. Market Segment Outlook: Mexico Insurance
  4. Market Segment Outlook: Japan Life Insurance
  5. Market Segment Outlook: Malaysia Non-Life Insurance
- 

## Trending: Best's Commentary

1. German Insurers Well Positioned to Respond to Natural Catastrophes in 2021
  2. Henan Flood Losses Expected to be Manageable for China Insurers
- 

## Trending: AM Best TV - Research Coverage

1. Insurers Increased Private Equity Investments in 2020
  2. COVID-19 Served Effectively as the Caribbean's 'Major Catastrophe in 2020'
  3. Cannabis Insurance Market Poised for Growth
  4. Litigation Drives Up Carriers' Defense and Cost Containment (DCC) Expenses
  5. Insurance Industry Increased Hedge Fund Investment in 2020
- 

These were the top trending research and commentary reports from June 23 to Aug. 23.

\$ Payment or subscription required.

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# AM Best Webinar Examines Value of Unique Data Sources

Professionals also discuss the effects of the COVID-19 pandemic on U.S. mutuals and marketing strategy for growing specialty insurance revenue.

## Streaming Live

### Unlocking the Value of Unique Data Sources

**T**his complimentary AM Best Webinar is sponsored by LexisNexis Risk Solutions.

Wednesday, Oct. 27, 2 p.m. ET

### Coming Soon: Active Insights

**T**his complimentary AM Best Webinar is sponsored by LexisNexis Risk Solutions.

## On Demand

### AM Best's Briefing: Global Reinsurance Market Perspectives

**A**M Best analysts and industry executives discuss the impact of recent claims that were dominated by the pandemic and higher frequency of natural disasters. Panelists also cover pricing trends in an environment where risk is becoming more difficult to price, while new capital is being deployed cautiously.

### Insurance Defense 101: What Insurers Need From Today's Counsel

**A** panel of insurance and legal experts examine the evolving relationship between insurers and outside counsel. Panelists also review how firms can enter into or expand their presence in this vital sector of legal defense. **This complimentary AM Best Webinar was hosted by Best's Insurance Professional Resources.**

### AM Best's Reinsurance Market Briefing—Rendez-Vous de Septembre

**A**M Best senior executives and analysts present their insights and opinions on the reinsurance market.

### AM Best's Briefing: Pandemic Forges Double-Edged Sword for US Mutuals

**A**M Best analysts and industry leaders discuss key issues affecting mutual property/casualty companies.

### IMCA/AM Best Marketing Leader Lunch with Beazley's Georgina Peters-Venzano

**G**eorgina Peters-Venzano, chief marketing officer at Beazley, discusses brand, reputation, leadership and the challenges in leading a global marketing and communications strategy to drive specialty insurance revenue growth. **This complimentary webinar was a joint presentation of the Insurance Marketing & Communications Association (IMCA) and AM Best.**

### AM Best's Canada Insurance Market Briefing

**A**M Best senior executives and industry leaders discuss the state of the Canadian insurance market.

### State of the Surplus Lines Market

**I**ndustry leaders in the surplus lines sector of the U.S. insurance market review the market and highlights of a new report on that sector. **This complimentary AM Best Webinar was co-sponsored by the WSIA Education Foundation and Lexington Insurance Co.**

For details or to register for webinars, go to <http://www.ambest.com/conferences/webinars.asp>

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## ESG Can Be a Valuable Tool for Insurers, According to CSAA Insurance Group

Also, industry professionals discuss an increase in vaccine mandate claims, the use of AI to make intersections safer and ransomware.

### On Demand

#### CSAA Insurance Group: Environmental, Social and Governance Presents Opportunities for Insurers

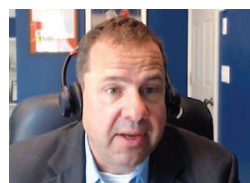
The top reasons for insurers to embrace ESG are public perception, available information and reputation, said Danielle Cagan, vice president, consumer, sustainability and reputation, CSAA Insurance Group.



Danielle Cagan

#### Travelers: EPL Claims Over Vaccine Mandates on the Rise

Employment practices liability insurers are seeing an uptick in vaccine mandate claims, despite many employers delaying office returns due to the COVID-19 delta variant, said Chris Williams, employment practices liability product manager, Travelers.



Chris Williams

#### Tech Startup: AI Can Help Reduce Blind Spots, Accidents

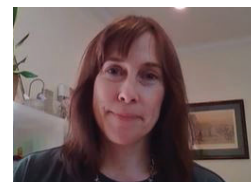
Artificial intelligence can help improve intersections, where half of all car accidents involving cyclists or pedestrians happen, said Jamie Sullivan, vice president, Derq Inc., a smart infrastructure platform.



Jamie Sullivan

#### Attorney: Ransomware Is Emerging Epidemic

Insurers play an important role in helping companies deal with ransomware attacks that are becoming part of everyday business, said Kathleen McGee, a partner with Lowenstein Sandler.



Kathleen McGee

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## Air Rage on the Rise as More Travelers Start Flying Again, Allianz Aviation Report Says

Also, AM Best Audio explores how the shipping industry is navigating the effects of COVID, working conditions on recruiting, training, development.

#### Not-So-Friendly Skies Pose Insurance Risk

David Warfel, North America head of aviation at Allianz Global Corporate & Specialty, discusses the findings of a recent aviation report by the company that shows an increase in air rage as long-grounded travelers now return to the skies.

#### Pandemic Continues to Grip Shipping Industry

Capt. Andrew Kinsey, senior marine risk consultant, Allianz Global Corporate & Specialty, explains the impact of COVID-19 on crew training and development in the shipping industry and how the sector may struggle to attract new talent because of working conditions. **BR**

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This edition lists all Credit Rating actions that occurred between August 1 and August 31, 2021. For the Credit Rating of any company rated by AM Best and basic company information, visit the AM Best website at [www.ambest.com/ratings/access.html](http://www.ambest.com/ratings/access.html) or download the ratings app at [www.ambest.com/sales/ambmobileapp](http://www.ambest.com/sales/ambmobileapp).

## Operating Companies

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS LIFE/HEALTH								
Outlook Change	L	American Federated Life Insurance Co Prospect Capital Corporation	068071	B bb	Negative Negative	B bb	Stable Stable	Mississippi
Under Review	L	American National Insurance Company American National Group, Inc.	006087	A u a+ u	Developing Developing	A a+	Stable Stable	Texas
Under Review	L	American National Life Ins Co of NY American National Group, Inc.	006365	A u a+ u	Developing Developing	A a+	Stable Stable	New York
Under Review	H	American National Life Ins Co of Texas American National Group, Inc.	007417	A u a+ u	Developing Developing	A a+	Stable Stable	Texas
Upgrade	H	AmFirst Specialty Insurance Company Wheaton Management, LLC	022942	A- a-	Stable Stable	B++ bbb+	Stable Stable	Mississippi
Under Review	H	Blue Cross and Blue Shield of Florida GuideWell Mutual Holding Corporation	068174	A+ u aa- u	Developing Developing	A+ aa-	Stable Stable	Florida
Under Review	H	Capital Health Plan, Inc. GuideWell Mutual Holding Corporation	064116	A+ u aa- u	Developing Developing	A+ aa-	Stable Stable	Florida
Outlook Change	L	Fidelity Life Assn, A Legal Res Life Co Vericity, Inc.	006386	A- a-	Negative Negative	A- a-	Stable Stable	Illinois
Under Review	H	Florida Combined Life Insurance Company GuideWell Mutual Holding Corporation	060033	A u a u	Developing Developing	A a	Stable Stable	Florida
Under Review	H	Florida Health Care Plan, Inc. GuideWell Mutual Holding Corporation	064968	A+ u aa- u	Developing Developing	A+ aa-	Stable Stable	Florida
Under Review	L	Garden State Life Insurance Company American National Group, Inc.	006436	A u a u	Developing Developing	A a	Stable Stable	Texas
Downgrade	L	Grange Life Insurance Company Kansas City Life Insurance Company	007332	B++ bbb+	Stable Negative	A- a-	Negative Negative	Ohio
Under Review	L	Guggenheim Life and Annuity Company Sammons Enterprises, Inc.	009504	B++ u bbb+ u	Developing Developing	B++ bbb+	Stable Stable	Delaware
Under Review	H	Health Options, Inc. GuideWell Mutual Holding Corporation	068672	A+ u aa- u	Developing Developing	A+ aa-	Stable Stable	Florida
Downgrade	L	Kansas City Life Insurance Company Kansas City Life Insurance Company	006605	A- a-	Negative Negative	A a	Negative Negative	Missouri
Under Review	L	Lombard International Life Assurance Co BTO LIA Holdings (Cayman), L.P.	007142	A- u a- u	Negative Negative	A- a-	Stable Stable	Pennsylvania
Under Review	L	Lombard International Life Ltd. BTO LIA Holdings (Cayman), L.P.	094344	A- u a- u	Negative Negative	A- a-	Stable Stable	Bermuda
Under Review	L	Lombard Intl Life Assur Co (Bermuda) Ltd BTO LIA Holdings (Cayman), L.P.	094345	A- u a- u	Negative Negative	A- a-	Stable Stable	Bermuda
Under Review	L	Lombard Intl Life Assur Co of New York BTO LIA Holdings (Cayman), L.P.	068237	A- u a- u	Negative Negative	A- a-	Stable Stable	New York
Downgrade	L	Old American Insurance Company Kansas City Life Insurance Company	006854	B++ bbb+	Stable Negative	A- a-	Stable Stable	Missouri
Under Review	L	Standard Life and Accident Insurance Co American National Group, Inc.	007070	A u a+ u	Developing Developing	A a+	Stable Stable	Texas
Downgrade	L	Sunset Life Insurance Company of America Kansas City Life Insurance Company	007104	B++ bbb+	Stable Negative	A- a-	Stable Stable	Missouri
Under Review	H	Triple-S Advantage, Inc. Triple-S Management Corporation	065001	B++ u bbb+ u	Positive Positive	B++ bbb+	Stable Stable	Puerto Rico
Under Review	L	Triple-S Blue, Inc., I.I. Triple-S Management Corporation	006135	B+ u bbb- u	Positive Positive	B+ bbb-	Stable Stable	Puerto Rico
Under Review	H	Triple-S Salud, Inc. Triple-S Management Corporation	068130	B++ u bbb+ u	Positive Positive	B++ bbb+	Stable Stable	Puerto Rico
Under Review	L	Triple-S Vida, Inc. Triple-S Management Corporation	007631	B++ u bbb+ u	Positive Positive	B++ bbb+	Stable Stable	Puerto Rico

**Outlook:** Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Non-Life); L = Life; H = Health; T = Title; C = Composite.

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS LIFE/HEALTH (CONTINUED)								
Rating Withdrawal	H	Union Security Life Ins Co of New York* Assurant, Inc.	008533	NR nr		B+ bbb-	Negative Negative	New York
AMERICAS PROPERTY/CASUALTY								
Outlook Change	P	1st Auto & Casualty Insurance Company Wisconsin Reinsurance Corporation	011233	B++ bbb	Negative Negative	B++ bbb	Stable Stable	Wisconsin
Outlook Change	P	1st Choice Advantage Insurance Co, Inc. Everett Cash Mutual Insurance Company	012427	A a	Stable Stable	A a	Negative Negative	Pennsylvania
Outlook Change	P	AlleghenyPoint Insurance Company Encova Mutual Insurance Group, Inc.	013871	A- a-	Positive Positive	A- a-	Stable Stable	West Virginia
Outlook Change	P	American Federated Insurance Company Prospect Capital Corporation	000357	B bb	Negative Negative	B bb	Stable Stable	Mississippi
Under Review	P	American National County Mutual Ins Co American National Group, Inc.	010255	A u a+ u	Developing Developing	A a+	Stable Stable	Texas
Under Review	P	American National General Insurance Co American National Group, Inc.	002803	A u a+ u	Developing Developing	A a+	Stable Stable	Missouri
Under Review	P	American National Lloyds Insurance Co American National Group, Inc.	011700	A u a+ u	Developing Developing	A a+	Stable Stable	Texas
Under Review	P	American National Property & Casualty Co American National Group, Inc.	003533	A u a+ u	Developing Developing	A a+	Stable Stable	Missouri
Under Review	P	ANPAC Louisiana Insurance Company American National Group, Inc.	012472	A u a+ u	Developing Developing	A a+	Stable Stable	Louisiana
Initial Rating	P	ASR Re Limited ASR Holdings Limited	074716	B++ bbb+	Stable Stable			Bermuda
Rating Affirmation	P	Bankers Insurance Company Bankers Financial Corporation	003683	B++ bbb	Negative Negative	B++ u bbb u	Negative Negative	Florida
Rating Affirmation	P	Bankers Specialty Insurance Company Bankers Financial Corporation	013845	B++ bbb	Negative Negative	B++ u bbb u	Negative Negative	Louisiana
Upgrade	P	Bondex Insurance Company Bondex Insurance Group, Inc.	013884	B++ bbb	Stable Stable	B+ bbb-	Stable Stable	New Jersey
Outlook Change	P	BrickStreet Mutual Insurance Company Encova Mutual Insurance Group, Inc.	003484	A- a-	Positive Positive	A- a-	Stable Stable	West Virginia
Upgrade	P	Canal Indemnity Company Canal Insurance Company	003571	A- a-	Stable Stable	B++ bbb+	Positive Positive	South Carolina
Upgrade	P	Canal Insurance Company Canal Insurance Company	000234	A- a-	Stable Stable	B++ bbb+	Positive Positive	South Carolina
Outlook Change	P	Consumers Insurance USA, Inc. Encova Mutual Insurance Group, Inc.	011775	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Outlook Change	P	Country-Wide Insurance Company	000301	C++ b+	Positive Positive	C++ b+	Stable Stable	New York
Downgrade	P	Crusader Insurance Company Unico American Corporation	001889	B u bb+ u	Negative Negative	B++ bbb	Negative Negative	California
Outlook Change	P	Dover Bay Specialty Insurance Company State Farm Mutual Automobile Ins Co	022601	A a	Negative Negative	A a	Stable Stable	Illinois
Outlook Change	P	Everett Cash Mutual Insurance Company Everett Cash Mutual Insurance Company	004351	A a	Stable Stable	A a	Negative Negative	Pennsylvania
Outlook Change	P	Ever-Greene Mutual Insurance Company Everett Cash Mutual Insurance Company	004757	B++ bbb+	Stable Stable	B++ bbb+	Stable Negative	Pennsylvania
Under Review	P	Farm Family Casualty Insurance Company American National Group, Inc.	000362	A u a+ u	Developing Developing	A a+	Stable Stable	New York
Upgrade	P	FDM Preferred Insurance Company, Inc. Fire Districts of NY Mutual Ins Co, Inc.	014022	A- a-	Stable Stable	B++ bbb+	Stable Stable	New York
Upgrade	P	Fire Districts Insurance Company, Inc. Fire Districts of NY Mutual Ins Co, Inc.	014023	A- a-	Stable Stable	B++ bbb+	Stable Stable	New York
Upgrade	P	Fire Districts of NY Mutual Ins Co, Inc. Fire Districts of NY Mutual Ins Co, Inc.	003788	A- a-	Stable Stable	B++ bbb+	Stable Stable	New York
Rating Affirmation	P	First Community Insurance Company Bankers Financial Corporation	011572	B++ bbb	Negative Negative	B++ u bbb u	Negative Negative	Florida

\*Ratings were removed from under review and downgraded to B+/bbb- from B++/bbb on August 11, 2021. Ratings were withdrawn on August 11, 2021.

**Outlook:** Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Non-Life); L = Life; H = Health; T = Title; C = Composite.



Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS PROPERTY/CASUALTY (CONTINUED)								
Initial Rating	C	Fortitude Reinsurance Company Ltd. Fortitude Group Holdings, LLC	095968	A a	Stable Stable	NR nr		Bermuda
Upgrade	P	Georgia Farm Bureau Casualty Ins Co Georgia Farm Bureau Mutual Insurance Co	010746	B++ bbb	Stable Positive	B+ bbb-	Positive Positive	Georgia
Upgrade	P	Georgia Farm Bureau Mutual Insurance Co Georgia Farm Bureau Mutual Insurance Co	000412	B++ bbb	Stable Positive	B+ bbb-	Positive Positive	Georgia
Rating Withdrawal	P	Hartford Steam Boiler Inspec & Ins Co CT Munich Reinsurance Company	011074	NR nr		A++ aa+	Stable Stable	Connecticut
Upgrade	P	HiRoad Assurance Company State Farm Mutual Automobile Ins Co	020583	A a	Stable Stable	A- a-	Stable Stable	Illinois
Outlook Change	P	INPEX Insurance, Ltd. INPEX CORPORATION	093605	A- a-	Positive Positive	A- a-	Stable Stable	Bermuda
Outlook Change	P	Iowa American Insurance Company Encova Mutual Insurance Group, Inc.	003603	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Outlook Change	P	Iowa Mutual Insurance Company Encova Mutual Insurance Group, Inc.	000528	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Downgrade	P	Kingstone Insurance Company Kingstone Companies, Inc.	003230	B+ bbb-	Stable Stable	B++ bbb	Negative Negative	New York
Outlook Change	P	MICO Insurance Company Encova Mutual Insurance Group, Inc.	001760	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Outlook Change	P	Motorists Commercial Mutual Insurance Co Encova Mutual Insurance Group, Inc.	000132	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Outlook Change	P	Motorists Mutual Insurance Company Encova Mutual Insurance Group, Inc.	000652	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Outlook Change	P	National American Insurance Company Chandler Insurance Company, Ltd.	000672	A- a-	Positive Positive	A- a-	Stable Stable	Oklahoma
Initial Rating	P	National Unity Insurance Company MXNORINS, S.A.P.I. de C.V.	001902	B+ bbb-	Stable Stable	NR nr		Texas
Upgrade	P	Nazareth Mutual Insurance Company	004199	B++ bbb	Stable Positive	B+ bbb-	Stable Stable	Pennsylvania
Outlook Change	P	NCMIC Insurance Company National Chiropractic Mutual Holding Co	004848	A a+	Stable Negative	A a+	Stable Stable	Iowa
Outlook Change	P	NCMIC Risk Retention Group, Inc. National Chiropractic Mutual Holding Co	014377	A a+	Stable Negative	A a+	Stable Stable	Vermont
Outlook Change	P	NorthStone Insurance Company Encova Mutual Insurance Group, Inc.	014002	A- a-	Positive Positive	A- a-	Stable Stable	West Virginia
Under Review	P	Pacific Property and Casualty Company American National Group, Inc.	012411	A u a+ u	Developing Developing	A a+	Stable Stable	California
Outlook Change	P	Phenix Mutual Fire Insurance Company Encova Mutual Insurance Group, Inc.	002339	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Outlook Change	P	PinnaclePoint Insurance Company Encova Mutual Insurance Group, Inc.	022025	A- a-	Positive Positive	A- a-	Stable Stable	West Virginia
Outlook Change	P	Professional Solutions Ins Co National Chiropractic Mutual Holding Co	012497	A a+	Stable Negative	A a+	Stable Stable	Iowa
Upgrade	P	Protective Insurance Company Progressive Corporation	000784	A a+	Stable Stable	A u a u	Positive Positive	Indiana
Upgrade	P	Protective Specialty Insurance Company Progressive Corporation	013918	A a+	Stable Stable	A u a u	Positive Positive	Indiana
Upgrade	P	Sagamore Insurance Company Progressive Corporation	001840	A a+	Stable Stable	A u a u	Positive Positive	Indiana
Upgrade	P	State Farm Indemnity Company State Farm Mutual Automobile Ins Co	011224	A a	Stable Stable	A- a-	Positive Positive	Illinois
Outlook Change	P	SummitPoint Insurance Company Encova Mutual Insurance Group, Inc.	022024	A- a-	Positive Positive	A- a-	Stable Stable	West Virginia
Under Review	P	Triple-S Propiedad, Inc. Triple-S Management Corporation	000370	B+ u bbb- u	Positive Positive	B+ bbb-	Positive Positive	Puerto Rico
Rating Withdrawal	P	Tri-State Consumer Insurance Company	001971	NR nr		A- u a- u	Developing Developing	New York

**Outlook:** Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Non-Life); L = Life; H = Health; T = Title; C = Composite.

Rating Action	Business Type	Company Name/ Ultimate Parent	AMB#	Current		Previous		Domicile
				FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
AMERICAS PROPERTY/CASUALTY (CONTINUED)								
Under Review	P	United Farm Family Insurance Company American National Group, Inc.	010701	A u a+ u	Developing Developing	A a+	Stable Stable	New York
Outlook Change	P	Wilson Mutual Insurance Company Encova Mutual Insurance Group, Inc.	001964	A- a-	Positive Positive	A- a-	Stable Stable	Ohio
Outlook Change	P	Wisconsin Reinsurance Corporation Wisconsin Reinsurance Corporation	002791	B++ bbb	Negative Negative	B++ bbb	Stable Stable	Wisconsin
EUROPE, MIDDLE EAST & AFRICA								
Downgrade	P	Arab Reinsurance Company SAL	089190	B- bb-	Negative Negative	B bb+	Stable Negative	Lebanon
Outlook Change	C	Arabia Insurance Company - Jordan Arabia Insurance Company s.a.l.	091740	B bb+	Stable Negative	B bb+	Stable Stable	Jordan
Downgrade	C	Arabia Insurance Company s.a.l. Arabia Insurance Company s.a.l.	091312	B+ bbb-	Negative Negative	B++ bbb	Negative Negative	Lebanon
Under Review	P	Enel Insurance N.V. Enel S.p.A.	094069	A- u a- u	Developing Developing	A- a-	Stable Stable	Netherlands
Outlook Change	P	Greenlight Reinsurance Ireland, DAC Greenlight Capital Re, Ltd.	091169	A- a-	Stable Stable	A- a-	Negative Negative	Ireland
Outlook Change	P	Ingosstrakh Insurance Company PJSC Ingosstrakh Insurance Company PJSC	086892	B++ bbb	Stable Positive	B++ bbb	Stable Stable	Russia
Outlook Change	P	INSURANCE COMPANY OF GAZ INDUSTRY SOGAZ INSURANCE COMPANY OF GAZ INDUSTRY SOGAZ	078919	B++ bbb	Stable Positive	B++ bbb	Stable Stable	Russia
Under Review	L	Lombard International Assurance S.A. BTO LIA Holdings (Cayman), L.P.	077132	A- u a- u	Negative Negative	A- a-	Stable Stable	Luxembourg
Outlook Change	P	Russian Reinsurance Company JSC	078871	B bb+	Positive Positive	B bb+	Stable Stable	Russia
Outlook Change	C	Société Tunisienne de Réassurance	083349	B+ bbb-	Negative Negative	B+ bbb-	Stable Stable	Tunisia
AMERICAS								
Downgrade	P	CRABI, S.A. de C.V. CRABI, Inc.	074506	C+ u b- u	Negative Negative	B bb+	Stable Stable	Mexico
Outlook Change	P	Greenlight Reinsurance, Ltd. Greenlight Capital Re, Ltd.	076873	A- a-	Stable Stable	A- a-	Negative Negative	Cayman Islands

## Holding Companies

Rating Action	Company Name	AMB#	Current		Previous		Domicile
			FSR ICR	Outlook/ Implications	FSR ICR	Outlook/ Implications	
Outlook Change	Greenlight Capital Re, Ltd.	055430	bbb-	Stable	bbb-	Negative	Cayman Islands
Under Review	GuideWell Mutual Holding Corporation	033945	a- u	Developing	a-	Stable	Florida
Downgrade	Kingstone Companies, Inc.	052715	bb-	Stable	bb	Negative	Delaware
Under Review	LIA Holdings Limited	046085	bbb- u	Negative	bbb-	Stable	United Kingdom
Rating Withdrawal	Protective Insurance Corporation*	058332	nr		bbb+	Stable	Indiana
Under Review	Triple-S Management Corporation	050905	bb+ u	Positive	bb+	Stable	Puerto Rico
Downgrade	Unico American Corporation	058482	b u	Negative	bb	Negative	California

\* Ratings were removed from under review and upgraded to bbb+ from bbb on August 25, 2021. Ratings were withdrawn on August 25, 2021.

**Outlook:** Positive, Negative, Stable. **Implications:** Positive, Negative, Developing. **Business Type:** P = Property/Casualty (Non-Life); L = Life; H = Health; T = Title; C = Composite.



## GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

### Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

\* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

### Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

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## GUIDE TO BEST'S ISSUER CREDIT RATINGS – (ICR)

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### Best's Long-Term Issuer Credit Rating (Long-Term ICR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Exceptional	aaa	-	Assigned to entities that have, in our opinion, an exceptional ability to meet their ongoing senior financial obligations.
Superior	aa	aa+ / aa-	Assigned to entities that have, in our opinion, a superior ability to meet their ongoing senior financial obligations.
Excellent	a	a+ / a-	Assigned to entities that have, in our opinion, an excellent ability to meet their ongoing senior financial obligations.
Good	bbb	bbb+ / bbb-	Assigned to entities that have, in our opinion, a good ability to meet their ongoing senior financial obligations.
Fair	bb	bb+ / bb-	Assigned to entities that have, in our opinion, a fair ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Marginal	b	b+ / b-	Assigned to entities that have, in our opinion, a marginal ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Weak	ccc	ccc+ / ccc-	Assigned to entities that have, in our opinion, a weak ability to meet their ongoing senior financial obligations. Credit quality is vulnerable to adverse changes in industry and economic conditions.
Very Weak	cc	-	Assigned to entities that have, in our opinion, a very weak ability to meet their ongoing senior financial obligations. Credit quality is very vulnerable to adverse changes in industry and economic conditions.
Poor	c	-	Assigned to entities that have, in our opinion, a poor ability to meet their ongoing senior financial obligations. Credit quality is extremely vulnerable to adverse changes in industry and economic conditions.

\* Best's Long-Term Issuer Credit Rating Categories from "aa" to "ccc" include Rating Notches to reflect a gradation within the category to indicate whether credit quality is near the top or bottom of a particular Rating Category. Rating Notches are expressed with a "+" (plus) or "-" (minus).

### Best's Short-Term Issuer Credit Rating (Short-Term ICR) Scale

Rating Categories	Rating Symbols	Category Definitions
Strongest	AMB-1+	Assigned to entities that have, in our opinion, the strongest ability to repay their short-term financial obligations.
Outstanding	AMB-1	Assigned to entities that have, in our opinion, an outstanding ability to repay their short-term financial obligations.
Satisfactory	AMB-2	Assigned to entities that have, in our opinion, a satisfactory ability to repay their short-term financial obligations.
Adequate	AMB-3	Assigned to entities that have, in our opinion, an adequate ability to repay their short-term financial obligations; however, adverse industry or economic conditions likely will reduce their capacity to meet their financial commitments.
Questionable	AMB-4	Assigned to entities that have, in our opinion, questionable credit quality and are vulnerable to adverse economic or other external changes, which could have a marked impact on their ability to meet their financial commitments.

### Long- and Short-Term Issuer Credit Non-Rating Designations

Designation Symbols	Designation Definitions
d	Status assigned to entities (excluding insurers) that are in default or when a bankruptcy petition or similar action has been filed and made public.
e	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
f	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
s	Status assigned to rated entities to suspend the outstanding ICR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
nr	Status assigned to entities that are not rated; may include previously rated entities or entities that have never been rated by AM Best.

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# Mergers, Acquisitions, State Action and Name and Ownership Changes

Fremont Life and Motorists Mutual are among the U.S. life/health and property/casualty insurers that have experienced a corporate change.

## LIFE/HEALTH

### Name Changes

**Fremont Life Insurance Co. (AMB# 039260)**, Menlo Park, Calif. This company changed its name to Ladder Life Insurance Co. on March 9, 2021.

**Motorists Life Insurance Co. (AMB# 006744)**, Columbus, Ohio. This company changed its name to Encova Life Insurance Co. on Jan. 4, 2021.

### Acquisitions & Ownership Changes

**Fremont Life Insurance Co. (AMB# 006247)**, Menlo Park, Calif. This company was sold as a shell by Fremont Indemnity Co. (in liquidation) to Treehouse Acquisition LLC, a subsidiary of Ladder Financial Inc., on Jan. 14, 2021.

**Sterling National Life Insurance Co. Inc. (AMB# 062201)**, Salt Lake City. This company was acquired by Independent Insurance Group LLC from SILAC Insurance Co. on June 30, 2021.

## PROPERTY/CASUALTY

### Mergers

**Gulfstream Select Insurance Co. (AMB# 020607)**, Baton Rouge, La. This company merged with and into Gulfstream Property and Casualty Insurance Co. on July 15, 2021.

**Municipal Assurance Corp. (AMB# 014000)**, New York. This company merged with and into Assured Guaranty Municipal Corp. on April 1, 2021.

**Tri-State Consumer Insurance Co. (AMB# 001971)**, Jericho, N.Y. This company merged with and into Stillwater Property and Casualty Insurance Co. on Aug. 1, 2021.

### Acquisitions & Ownership Changes

**BrickStreet Mutual Insurance Co. (AMB# 003484)**, Charleston, W.Va. This company converted from a mutual to a stock insurance company and became a wholly owned subsidiary of Encova Holdings Inc., a 100% owned subsidiary of Encova Mutual Holding Co. Inc., as part of a reorganization to a mutual holding company structure on Jan. 1, 2021.

**Iowa Mutual Insurance Co. (AMB# 000528)**, Columbus, Ohio. This company converted from a mutual to a stock insurance company and became a wholly owned subsidiary of Encova Holdings Inc., a 100% owned subsidiary of Encova Mutual Holding Co. Inc., as part of a reorganization to a mutual holding company structure on Jan. 1, 2021.

**Motorists Commercial Mutual Insurance Co. (AMB# 000132)**, Columbus, Ohio. This company converted from a mutual to a stock insurance company and became a wholly owned subsidiary of Encova Holdings Inc., a 100% owned subsidiary of Encova Mutual Holding Co. Inc., as part of a reorganization to a mutual holding company structure on Jan. 1, 2021.

**Motorists Mutual Insurance Co. (AMB# 000652)**, Columbus, Ohio. This company converted from a mutual to a stock insurance company and became a wholly owned subsidiary of Encova Holdings Inc., a 100% owned subsidiary of Encova Mutual Holding Co. Inc., as part of a reorganization to a mutual holding company structure on Jan. 1, 2021.

### State Action

**Gulfstream Property and Casualty Insurance Co. (AMB# 010124)**, Sarasota, Fla. This company was placed into insolvent liquidation on July 28, 2021.

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# AM Best Panel: Global Reinsurance Industry Strong Despite Growing Risks

Balancing the industry's solid financial position is a higher incidence of secondary perils that by definition are less well understood and are more difficult to price and to model.

**R**einsurance companies are maintaining pricing and underwriting discipline despite new risks embodied not so much by the COVID-19 pandemic, but by the Texas freeze in the winter and the summer floods in Europe, a panel of reinsurance experts said.

That discipline, along with a healthy supply of capital, deployed in increasingly efficient ways, leads AM Best to maintain a stable outlook on the industry, said AM Best Senior Director of Global Reinsurance Ratings Carlos Wong-Fupuy.

He joined the global reinsurance panel with Juan Andrade, president and chief executive officer of Everest Re Group, and Kathleen Reardon, who joined Hiscox in January 2021 as chief executive officer of Hiscox Re and insurance-linked securities. Stefan Holzberger, AM Best chief rating officer, moderated the discussion.

The panel discussion followed the August publication of a Best's Market Segment Report, *Global Reinsurance Outlook Remains Stable in a More Uncertain World*.

Traditional capital and ILS provide a capacity of around \$520 billion worldwide, Wong-Fupuy said. The availability of traditional capital has grown in the past two years after being flat, he said.

"The market remains very well capitalized," he said.

That continues a strong outlook seen at the beginning of 2021.

And, so far, companies have remained disciplined in the midst of that abundant capital, panelists said.

Balancing the industry's solid financial position is a higher incidence of secondary perils that by definition are less well understood and are more difficult to price and to model, Wong-Fupuy said. Another consideration is a persistent trend of social inflation, which he said is hitting U.S. casualty lines.

"The good news in this environment of higher uncertainty is that, that has driven pressures on better underwriting discipline, improving pricing trends," he said. "We see new capital entering the market. Fortunately, that discipline is being maintained, the impact of new entrants is still limited."

The risk and exposure the reinsurance industry faces grows every year, said Reardon.

"The other side of the coin is, from a reinsurance perspective, this is the best market in almost a decade," she said. "Terms and conditions, rates are attractive to the investors coming in. It's a healthy

balance. The ILS investors that are supporting us are educated. They know the industry much better than they did a decade ago. It's become a pretty transparent, healthy relationship. Those that have a good track record and execute on their strategy will continue to attract more capital."

Regarding COVID-19, panelists generally approached it as a matter that so far has been handled effectively. Reardon, for example, said at the Hiscox group level last year, the COVID-19 net estimate for losses was \$475 million. "That has remained stable," she said, "which is great news."

Panelists agreed social inflation is a reality that reinsurers will have to accept for the future, especially as millennials increasingly seek social justice through courts. Reardon said Hiscox works through trade groups to try to strike a balance with legislatures, but if it finds an industry class that can't overcome the social inflation obstacle, it will avoid that class during the underwriting process.

Andrade, however, said Everest Re is more bullish on property/casualty lines affected by social inflation. The pricing environment, he said, is supporting the underlying growth in P/C lines.

Wong-Fupuy said companies still need to take a "proprietary" view of risk, which presents opportunities.

"I think that companies are trying to get closer to the data, closer to the risk, and there is a significant opportunity in terms of trying to mine data, which is available either through, say, different business models where reinsurers work closer with MGAs or insurtechs," he said. "The other thing as well to bear in mind is that companies have different risk appetites. They may want to adjust their views of risk within different ranges—at the same time, take advantage of some opportunities that they don't think available for the rest of the market."

—Timothy Darragh



**Carlos Wong-Fupuy**

# AM Best: Sept. 11 Attacks Changed the World's Perception of Risk

More also has been put on the insurers through the Terrorism Risk Insurance Program. Every time it's been renewed, more exposures have been put back to the insurers, said AM Best's Christopher Graham.

**T**he U.S. government backstop for terrorism risk has bolstered business insurers' capacity and enabled growth in commerce over the past 20 years. Thomas Mount, senior director, and Christopher Graham, senior industry analyst, both of AM Best, discuss the *Best's Special Report TRIA Has Generally Been Credit-Positive for Insurers*. Following is an edited transcript of the interview.

**If the Terrorism Risk Insurance Program had not been put in place, what might the insurance market have looked like in the years following?**

**Graham:** It wasn't in place for 2002, and I think that gives us a good guide as to what might have happened, although if you ask 50 people, you might get 50 different answers on this.

We had a lot of companies put terroristic exclusions in, and they probably would have stayed in place.

This stemmed from the reinsurers excluding it, and the primary insurers didn't want to bear the full risk, so they put exclusions in their policies, and the regulators approved it, because everyone knew that, without it, many insurers would leave the marketplace.

Workers' comp is the one line that continued to cover terrorism, because it was statutory. The insurers didn't have any way around that. We saw the advent of workers' comp catastrophe covers come from that.

Would there have been a continued crunch, like we saw in 2002, on the residual markets for workers' comp? That's quite possible. Primary insurers at the time were more worried about their aggregate exposures to a terroristic event, not so much any one risk that they were looking at.

They were pulling out of markets just on aggregate exposure. I think you would have seen more of that.

Where it went from there, could other capital markets have gotten involved? That would be one possible event that might have happened.



Thomas Mount

**Do you think the backstop has evolved enough to address today's world?**

**Graham:** Yes, has it evolved enough? Well, they've kept the cap at \$100 billion. That's been unchanged, and when you consider \$100 billion in 2001 and 2002 versus today, you've probably lost half of that value on inflation. More has also been put on the insurers through TRIP. Every time it's been renewed, more exposures have been put back to the insurers.

**How did Sept. 11 impact AM Best's rating process?**

**Mount:** The terrorist attack had a huge impact on AM Best's rating process. Never before had a single event affected so many different lines of business, and coverages all at one time. It was a wake-up call to insurers that they had to do a better job of factoring this aggregate information from

all lines of businesses and coverages at each individual location they provided coverage. Right after the attack, AM Best did what they normally do after any catastrophic event. They started calling the rating unit and asking, "What do you think your estimated losses are?" Then we sent out a survey asking questions about how do you capture that information?

How are you going to aggregate and manage that risk and those exposures? A couple years after that, we met with terrorism modeling firms, and insurers. We designed a supplemental rating questionnaire, a set of questions that were designed to say, "Well, what would your losses be if you had a five- or six-ton truck bomb go off at one of your largest aggregate-exposed locations?" We asked for that information gross and then net of reinsurance and net of TRIP. Then we wrote a criteria to use that information. It was a stress test, saying suppose you have that five- or six-ton truck bomb go off at your largest exposed location, and there's no TRIP. What will your losses be? What would be the impact on your capital adequacy? That stress test since it focuses on what happens if there's a loss and no TRIP to back that up, it gains greater importance every time TRIP comes up for renewal.

— John Weber



# Prudential Plc Completes Jackson National Demerger, Set to Sell Down Stake in Coming Year

The development means Jackson Financial Inc., a U.S. retirement services provider, is now an independent company.

**P**rudential plc said it completed a planned spinoff of Jackson Financial Inc., and it plans to sell off much of its stake in the new company over the coming year. The development means Jackson, a U.S. retirement services provider, is now an independent company scheduled to begin “regular way” trading of Class A common stock on Sept. 20 on the New York Stock Exchange under the ticker symbol JXN.

Laura Prieskorn, chief executive officer of Jackson, called the spinoff a key milestone. “As a leader in the U.S. retail annuity market, we are entering this new chapter on solid financial footing, with a focused strategy to drive growth and create value for our customers, associates and shareholders as a public company,” she said in a statement.

Prudential will retain an initial holding of 19.9%

voting interest and a 19.7% economic interest in Jackson following the demerger. Prudential said it intends to sell down this initial holding within 12 months and expects to own less than 10% of Jackson’s total combined voting power. Prudential’s initial retained holding won’t retain any special governance powers and will not retain any seats on the board of Jackson.

Mike Wells, group chief executive of Prudential, said the company’s units are focused exclusively on providing life and health insurance and asset management in Asia and Africa following the demerger.

“Our businesses in Asia have leadership positions in their chosen segments, and we now operate in eight markets in Africa,” he said in the statement.

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—Terrence Dopp



## Find Out What Insurance Industry Events Are On the Horizon

*Best’s Calendar* is a complimentary online resource that provides important information on insurance industry meetings, webinars and conferences. Easily find any event by name, organization, date, description or venue using our advanced search features.

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# Live Entertainment Returns but With Some Big Insurance Changes Due to COVID-19

Insurers are having to adapt to changes created by COVID-19, including the addition of communicable disease limitations to policies.

by Lori Chordas

Last year, the live entertainment world came to a screeching halt as COVID-19 forced the cancellation of thousands of concerts, festivals and trade shows and dimmed the lights on everything from Broadway to regional theaters. The pandemic also created some big changes for insurers providing coverage to that market, including ushering in the need for communicable disease limitations and making insureds' COVID protocols a new part of the underwriting process.

Over the past 19 months, insurers in the live entertainment market have been hit by some fairly large losses, particularly in event cancellation coverage, even though the losses pale in comparison to those in other areas of the entertainment industry.

Scott Carroll, executive vice president and program director at commercial insurance broker Take1 Insurance, said the losses were large enough to reduce capacity, increase premiums and force some carriers to retrench in certain entertainment segments such as festivals.

Now that's forcing some policyholders to reevaluate where they will place those risks, with some looking to captives or self-insurance as an option, said Sarah Cronin, a partner at Venable LLP's entertainment and insurance practice in Los Angeles and a member of the Media Law Resource Center's insurance group.

Since the start of the pandemic, carriers insuring live events have been busy altering policy language and adding communicable disease exclusions. Prior to COVID-19, communicable disease-related losses were available in some event cancellation policies, but Carroll said that's no longer the case.



New and rising risks created by the pandemic also are driving some changes for underwriters who, Carroll said, are now asking more questions than ever before when evaluating and pricing those potential exposures. He said many of those answers lie in insureds' very detailed COVID protocols that they've created in recent months.

Among some of the safety measures event organizers have included in those protocols are mask and/or vaccination mandates, assigned entry times and the limitations of event capacity.

In recent months, many live events have

returned to the stage, while others continue online or have moved to a more hybrid model. Carroll expects the latter could increase the need for professional liability and cyber-type policies to cover errors and omissions or other losses caused if something goes awry during the live streaming of those

events.

Still, as the reopening of live events creates the long-awaited sigh of relief that event organizers and owners have been waiting for, they now face yet another crossroad. Surging case rates from the delta variant and lagging vaccine adoption are sounding the alarm bells for insurers and their insureds. "We're not yet sure how that will fare for those in the live entertainment industry," Venable's Cronin said, "but we are now seeing some event organizers weighing their decisions about additional cancellations, and delta is also giving people pause for what the next variant could hold."

Barring big changes created by the newest variant, Carroll said the live entertainment industry, which generates around \$1 trillion in annual revenue, is well poised for growth as events "return with a vengeance." But while that's expected to drive a spike in insurance sales, Carroll said some insureds may be reluctant to commit to the same exposures they had pre-COVID.

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