



Main Street

INDUSTRY NEWS

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Did you know?

Did you know that PIA's company council, The PIA Partnership, has conducted nationwide research about the insurance buying preferences of small business owners?

The research is encouraging because it found that small business owners strongly prefer independent insurance agents as they make choices in today's online world.

However, the results also serve as a wake-up call that agents must take steps to continue to demonstrate their value and also be more engaged online.

PIA and the companies belonging to ***The PIA Partnership*** have created a public website that helps agents understand PIA's findings.

PIA members also have access to a private website containing a series of strategies and tools to help them stay ahead of online competition in commercial lines.

To access the newest PIA Partnership project, ***Small Business Insurance & The Internet – The Voice of the Commercial Lines Customer.***

If you are not a PIA member and want to access all of the tools available through this program, contact us for a membership application or visit us online at ***www.pianational.org/header-utility-items/join/Join-PIA***.



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Main Street INDUSTRY NEWS

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SPECIAL REPORT

LEGAL SYSTEM ABUSE

The U.S. legal system is being abused. That abuse is causing insurance rates to rise and the rising rates are — along with inflation — causing consumers issues in areas like doing business, or owning a home, or driving an auto.

The American Property Casualty Insurance Association (APCIA) issued a report last week getting much more specific about that abuse. Third-party litigation funding, lots of frivolous lawsuits and aggressive advertising by individual attorneys and large legal firms, are driving up costs throughout the U.S. economy.

For example, in 2023 plaintiff lawyers spent \$2.4 billion on over 26 million legal service ads. That's a 5% increase over 2022. It gets worse from there. In 2023 investments in litigation funding hit \$15.2 billion. Investors are looking to make money from the lawsuits of others.

The APCIA report says that's straining the U.S. legal system and is driving up costs for businesses and consumers.

The biggest concern is third-party litigation. Not bound by the same rules as regular lenders, these litigators often get interest rates as high as 200%. The APCIA says this cost the U.S. economy and consumers \$443 billion last year. The "lawsuit tax" — as it is loosely referred to — adds an estimated \$3,600 per year to each household in the country.

Worse, the size of the jury awards from nuclear verdicts is a huge concern. The APCIA says in 2023 there was a 319% rise in those verdicts because of legal strategies employed by lawyers involved in cases. Insurers offering



commercial and personal umbrella coverage are now seeing bigger awards and claims more frequently.

All of this is adding to the higher cost of liability insurance.

Over 100 large corporations in all sectors of the U.S. economy are pushing for changes. Among them are Amazon, Google, Cisco, Meta, Comcast, Exxon, Zurich, Ford and Pfizer.

Along those lines, California Republican Rep. Darrell Issa has introduced a bill in the U.S. House of Representatives requiring disclosure of litigation funding in lawsuits. The bill will require all named parties in a civil action to name who will receive payment. All parties will also be given a copy of any third-party agreement.

"Our legislation targets serious and continuing abuses in our litigation system and achieves a standard of transparency that people deserve and our standard of law requires," Issa said. "We believe that if a third-party investor is financing a lawsuit in federal court, it should be disclosed rather than hidden from the world and left absent from the facts of a case. When we achieve a lasting measure of awareness by all parties, it will advance fair and equal treatment by the justice system and deter bad actors from exploiting our courts."

Source: [Insurance Business America](#), [Reuters](#), and [Bloomberg Law](#)



MERGERS & ACQUISITIONS UP THROUGH QUARTER 3 OF 2024

MarshBerry said in the first three quarters of 2024 there have been 490 mergers and acquisitions. That's up from 454 in the same three quarters a year ago. Private capital-backed buyers had 358 of them — or 73.1%.

That compares to 59.3% of capital-backed buyers in 2019.

Independent agencies did 83 of the 490 deals. That's 17% of the M&A pie and is up from 15.6% in 2023.

MarshBerry says the number of banks involved in mergers and acquisitions continues to drop. So far this year there have been four. In 2022 there were 18.

Specialty brokerage deals averaged 18% from 2018 to 2023. So far this year there have been 82 of them. That's 12.7% — down 5.7% from last year.

BroadStreet Partners had the most deals at 51. That's 10.4% of the total. Inzone Insurance Services had 38 deals or 7.8% and Hub International did 33. That's 6.7%.

Source: [Business Insurance](#)

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NATIONWIDE

A HELPFUL WARNING TO YOUR SMALL BUSINESS CLIENTS

Nationwide just completed a survey of small businesses and cyberattacks. What it found is recovery costs far exceeding what a small business owner believes a final cost will tally.

Most — 65% — think the cost of a cyber attack will be about \$5,000 or less. And 20% of those businesses think they'll have everything fixed and recovered within a month. A frightening 60% of those surveyed think the non-cyber insurance they carry will take care of the costs of recovery from a ransomware attack, a breach or other types of attacks.

Sadly, just 42% of those surveyed have cyber insurance.

Nationwide's claims data says these small businesses will be in for a big surprise if they get attacked. The average cost of an attack is \$18,000 to \$21,000 and recovery from that attack can run 75 days or more.

More from the survey:

- 26% said they've been targeted by scams driven by AI
- Those attacks used email and/or voice and video impersonations of senior-level employees
- 52% of those owners say they have been fooled by deepfake images or videos in the past year
- 90% of those surveyed want more support to protect them from these very sophisticated attacks



Don Snizaski runs a cyber protection company, Life and Safety Consultants. He said in many ways small businesses are more vulnerable than big companies with bigger budgets and more security staff.

However, he said, overall, small businesses are less likely to fall for a cyber attack.

"Smaller companies are also agile and able to respond to potential threats almost immediately by communicating directly with their employees and taking any necessary corrective action," Snizaski said. "Another reason we are less likely to be attacked is that we are small and the 'juice isn't worth the squeeze' so to speak."

That good news is fortified by Nationwide's survey.

- 69% of small business owners worry about an attack on their business
- However, 65% say they're prepared to prevent an attack
- 71% of small business owners do cybersecurity training with their employees at least once a year
- 36% say they send phishing test emails to their employees every couple of months to keep them prepared

Source: [PropertyCasualty360.com](https://www.propertycasualty360.com)

INSURANCE SPENDING

HITTING \$3.8 TRILLION IN 2024



We are buying more insurance these days than in the past. The market analytics company, Stocklytics.com has analyzed data and found insurance spending has gone up by 44% since 2017.

That has added \$1.2 trillion to what we spend on commercial, personal lines, health, life and other insurance products and that spending is expected to hit \$3.8 trillion by the end of 2024.

Projections from another data firm, Statista says insurance purchasing in the U.S. will hit \$4.5 trillion by

2029. That's a jump of 20% over this year's high.

Consumers in the United States purchase more insurance than people in other countries. That includes China, Japan, Germany and the United Kingdom. Don't expect that gap to narrow anytime soon.

Consumers in the U.S. are expected to spend about \$650 billion more than other countries by 2029.

Stocklytics says one reason we spend more on insurance than other countries is

because of more privatized insurers. This is especially true about health insurance. Many other nations have public rather than private healthcare.

We're also a bit wealthier than most other countries and that drives demand.

Breaking it down, the average spent on insurance in the U.S. is expected to hit \$12,800 per person by 2029. Europeans spend about six times less. In Asia that figure is 27 times.

Source: [Insurance Business America](#)



Every year Interbrand publishes a ranking of the world's best, and most valuable, brands. The insurer, Allianz has moved into the top-30 most valuable brands. It was number 31 last year.

This year Allianz is ranked 29th.

Allianz has been the best and most valuable insurance brand for six years. It employs 157,000 workers and insures over 125 million people. Alliance is valued at \$23.5 billion. That's up from \$20.85 billion in 2023.

Part of the strength of the brand is its reputation for treating its employees very, very well. In the 2024 Fortune 100 Best Companies to Work for in Europe list, Allianz is ranked 7th.

Serge Raffard is the managing director of Allianz UK's personal lines business. He said Allianz is thrilled with the accolades afforded it by these two lists.

"This has been an exciting year for us with the introduction of the Allianz brand to the UK personal lines market, and all the positive buzz and profile around the renamed Allianz Stadium

at Twickenham," Raffard said. "Launching home and motor insurance for UK consumers is a big step in our long-term strategy and I'm proud this has contributed to the growth in Allianz's global brand value."

The only other insurer in the 2023 Best Global Brands list is France's AXA. It is ranked 48th.

Top-10 Brand in the World

1. Apple
2. Microsoft
3. Amazon
4. Google
5. Samsung
6. Toyota
7. Coca Cola
8. Mercedes- Benz
9. McDonald's
10. BMW

The entire list here: Find all the brands here: <https://interbrand.com/best-global-brands/>

Source: [Insurance Business America](#)



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ARE YOUR HOMEOWNERS INSURED PROPERLY INSURED?

The insurance comparison firm, Compare the Market did a survey of homeowners and found 30.2% of those surveyed do not have personal property coverage. None of their personal items are insured. Another 29.4% said just some of their property is properly insured.

Some don't have homeowners insurance at all.

Compare the Market's executive general manager of general insurance, Adrian Taylor said their survey found that just 33% of Americans have all of the valuable items in their home covered by insurance.

"It's promising to see a significant portion of Americans having a home and/or contents insurance policy, but it's not the majority," Taylor said.

Those participating in the survey listed their most valuable items:

- Family photo albums — 14.1%
- Personal documents — 13.9%
- Cars — 13.1%
- Cash — 10%
- Electronic items — 9.9%

The survey also looked at the biggest concerns of the homeowners:

- Damage from fire — 24.6%
- Theft or burglary — 18.2%
- Flood damage or water damage — 15.1%
- Storm damage — 11.6%

Source: [PropertyCasualty360.com](https://www.propertycasualty360.com)

OVER 250,000 PROPERTIES HAVE REPEAT NFIP CLAIMS

The National Resources Defense Council (NRDC) took a look at repeat claims to the National Flood Insurance Program (NFIP). The numbers are shocking. Repeat claims have hit 250,000. That's a quarter of a million and four states — Louisiana, Texas, Florida and New York — account for over half of the 250,000 repeat claims.

The cost to the taxpayers who pay for most of the NFIP's claims expenses? Millions.

NRDC senior policy analyst, Anna Weber said more homes are now being damaged by flooding due to climate change. She says those costs are combined with development in areas that ought not to be developed and out-of-date infrastructures.

"Stronger hurricanes, more intense rainstorms and rising seas are all enacting a toll on people's lives," Weber said. "We need changes at all levels of government to make communities safer."

Source: [Insurance Journal](#)

EXCESS & SPECIALTY INSURERS



Excess and specialty (E&S) insurance lines premiums rose for the fifth year in a row. E&S premiums in the U.S. totaled \$86.47 billion in 2023 compared to \$75.51 billion in 2022.

The 2023 figures — according to S&P Global — hit double-digit percentage increases as they did in 2021 and 2022. The 2023 percentage of increase is 14.5% compared to 2022's percentage of 20.1% and the 32.3% we saw in 2021. So the growth is slowing a bit.

S&P Global's report also notes that E&S premiums are now 9.2% of the total direct written premiums in the U.S. That's up from 8.8% in 2022.

- 52.5% of the premiums in 2023 were for medical professional liability, product liability and other coverages specific to liability

- 31.7% of the 2023 premiums were for specialty property lines like commercial multi-peril, fire and homeowners
- 5.4% were for various commercial auto coverages

TOP-10 WRITING E&S INSURANCE

1. BERKSHIRE HATHAWAY

Direct written premiums 2023: \$8.39 billion

2. AIG

Direct written premiums 2023: \$4.96 billion

3. FAIRFAX FINANCIAL HOLDINGS

Direct written premiums 2023: \$4.04 billion

4. MARKEL

Direct written premiums 2023: \$3.68 billion

5. W. R. BERKLEY

Direct written premiums 2023: \$3.61 billion

6. CHUBB

Direct written premiums 2023: \$3.18 billion

7. NATIONWIDE

Direct written premiums 2023: \$2.84 billion

8. STARR INSURANCE COMPANIES

Direct written premiums 2023: \$2.71 billion

9. LIBERTY MUTUAL

Direct written premiums 2023: \$2.31 billion

10. AXA

Direct written premiums 2023: \$1.96 billion

Source: [ProperlyCasualty360.com](https://www.properlycasualty360.com)



PROGRESSIVE TO DROP NON-PRIMARY DWELLING HOMEOWNERS

Progressive Home is going to discontinue its DP-3 (dwelling fire) line of business. Non-renewals will go out starting this month. If you aren't sure, the DP-3 lines cover vacation homes, rental properties and what the company calls, seasonal properties. These lines of insurance aren't a huge part of Progressive's premium income and only make up 3.6% of property policies.

In the future, Progressive said it is going to focus more on owner-occupied homes and business policies that can be bundled.

In the meantime, Progressive is also going to start increasing deductibles for wind and hail damages. It will also mandate a roofing materials payment schedule endorsement and make sure its agents are in the loop on underwriting quality expectations.

"The move is a continuation of various actions Progressive Home has already taken in several states as part of the company's ongoing, strategic efforts to ensure the long-term stability of its property business for the benefit of both customers and independent agents," the company said in a news release. "Progressive Home remains committed to the Homeowners insurance market and will continue to offer Homeowners, Renters, Condo, Flood and Umbrella policies."

Source: [PropertyCasualty360.com](https://www.propertycasualty360.com) and [Insurance Business America](https://www.insurancebusinessamerica.com)



SAFECO PURCHASES MAIN STREET AMERICA'S PERSONAL LINES

Safeco is going to take over Main Street America's personal lines business. It is the second time that the Liberty Mutual subsidiary has stepped in to rescue a personal lines book of business from a struggling insurer.

The renewal book of business for Main Street America includes auto, home, renters and condo insurance as well as umbrella, landlord, motorcycle, RV, and watercraft policies.

Luke Bills is Liberty Mutual's president of independent agent distribution for Liberty

Mutual. He said once things kick into gear, it will put Safeco into 22 states.

"This represents one of the largest book transfer opportunities for Safeco and our agents and reinforces our position as a leading personal lines carrier for independent agents," Bills said. "This partnership will amplify our growth potential in several states and pave the way to expand our network of agency relationships."

Main Street America said it is now going to focus more on commercial lines for small businesses. The company also writes farm and ranch business, fidelity and surety bond products.

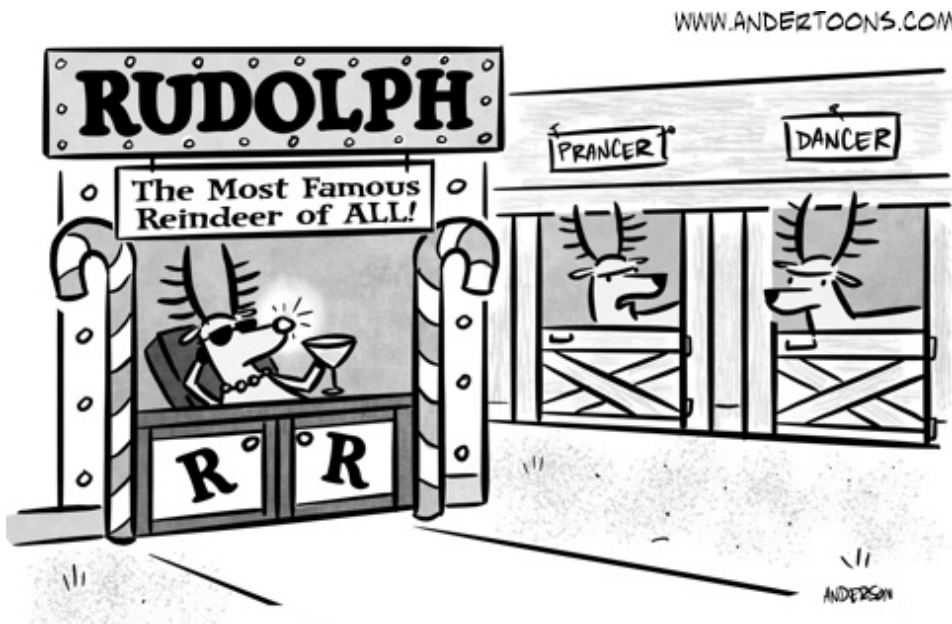
In September, Safeco entered into a book transfer agreement with Columbia Insurance Group and took over its personal auto and umbrella lines in eight states.

Source: [Insurance Journal](#)

Events Calendar 2024

For information and to register [click here](#) or call (402) 392-1611.

Date	Class/Webinar	Where	When
December 3, 2024	An Hour with Nicole: Why Personal Lines Deductibles Always Confuse Insureds	NE/IA	Live Webinar: 10 - 11 AM
December 3, 2024	Inflation and Personal Lines: Helping Insureds Understand Why It Matters and What to Do	NE/IA	Live Webinar: 12 - 3 PM
December 5, 2024	Homeowners Deep-Dive: What You Need to Know About the Most Recent Forms	NE/IA	Live Webinar: 8 - 11 AM
December 5, 2024	Social Security and Medicare: Your Questions Answered	NE/IA	Live Webinar: 12 - 3 PM
December 9, 2024	How It's Built, How It's Used, Will It Survive: Elements of Property Underwriting	NE/IA	Live Webinar: 12 - 3 PM
December 10, 2024	PIA Annual Holiday Party	NE/IA	Lincoln, NE
December 10, 2024	Mastering Business Income: Tools & Tips to Keep Insureds Flush	NE/IA	Live Webinar: 12 - 3 PM
December 11, 2024	An Hour with Dave: What Everyone Must Know About Flood	NE/IA	Live Webinar: 1 - 2 PM
December 12, 2024	Ethical Dilemmas in Insurance and the Responsibilities of Agents	NE/IA	Live Webinar: 8 - 11 AM
December 12, 2024	Stinkin Rich, Insurance Poor: P&C Coverage Challenges for High-Net-Worth Individuals	NE/IA	Live Webinar: 12 - 3 PM
December 17, 2024	CISR: Insuring Personal Residential Property	All States	Live Webinar: 8 - 4 PM



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December 10, 2024
5:00 PM - 8:00 PM



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Questions? Call us at 402-392-1611!



THE CHANGING FACE OF AMERICAN BUSINESS



Stores planning on being closed by year's end:

- Dollar Tree and Family Dollar — 620
- 99 Cents Only Store — 371
- CVS — 315
- 7-Eleven — 272
- Rite Aid — 165
- Express — 105
- Walgreens — 77
- Macy's — 51
- The Body Shop — 51
- Soft Surroundings — 43
- Sleep Number — 40
- Burlington Stores — 39

The main reason for the huge number of closures — the experts say — competition online.

Source: [MSN](#) and [Daily Mail](#)

In the first quarter of 2024 a record 2,600 stores closed in the U.S. Some of those were big box stores like Walmart and Macy's, and staples like 7-Eleven and Walgreens. Discount stores haven't fare much better with companies like Family Dollar and Dollar Tree are closing stores in bunches as did pharmacies CVS and RiteAid.

If you take the first quarter statistics and push them to December 31st things look really bleak. We are likely see the closure of 7,800 stores in 2024.

If this holds true, that's a 40% rise over 2023.

On the other side of the coin, in the first quarter of 2024 store openings totaled 3,560. That's down from the 3,824 planned. Looking at percentages, closures are 2.5% higher than a year ago in the first quarter.

Store openings are down 9.5%.



Utica National
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BEST PRACTICES WHEN HANDLING APPLICATIONS

An insurance application is one of the most important documents that an agency will handle. This document can play a key role should a problem develop with a client's coverage. Agencies should have procedures in place to ensure uniform handling of applications, which can help avoid action against the agency when a problem arises.

What can you do?

- **Request the application from the client with sufficient time** to evaluate and market the risk.
- **Do not delay submitting the application to the carrier(s).**
- **Use the application the carrier will require for binding, whenever possible.** While ACORD forms or other applications may be used for an estimate, this leaves the possibility that terms and conditions may change once the binding application is received.
- **Get a currently completed application first if you are remarketing a renewal.** Using a previous year's application can lead to problems as the data may not be an accurate reflection of the current state of the risk.
- **Have the client complete the application, when possible,** to avoid accusations that the information on the application is not what was provided to the agent. If you must complete the application for the client:
 - ❖ Ask all questions exactly as stated on the application.
 - ❖ Have the client review the application prior to any coverage being bound and have them confirm, in writing, that the information is accurate.
 - ❖ Address any incomplete information. Never guess or use default answers for common questions.
- **Always secure a signature from the client on the application.** When requesting the signature, instruct the client to review the application for accuracy prior to signing. *Never sign an application on behalf of the client.*



LOOKING FOR TOP TALENT? WHY SOON-TO- BE RETIREES MAY BE YOUR BEST HIRES

The retirement planning platform, Retirable issued an interesting survey about retirees. A lot of the soon to be retirees — 64% — are going to spend their retirement years the way they're spending them now.

Working.

Just 8% say they'll do a lot of traveling. Another 13% say they'll split their time between their current dwelling and their second home. But 50% say they will likely be working at least part time.

A lot of soon to be retirees are hoping against hope that they've saved enough and invested wisely enough to actually retire. Sadly, 63% of them don't think they've done that and don't think they'll be able to maintain their current lifestyle.

Protect your clients with PIA's cyber insurance PROGRAM

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- Special PIA enhancements and social engineering coverage
- Reduced rates



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Retirable CEO Tyler End says 67% of those responding to the survey never did meet with a financial advisor to help them with a plan to make their savings and investments last. So at retirement time, they're kind of desperate.

"One of the most important elements of a sound financial plan is having the basics of long-term investment and income strategies set up," End said. "By accounting for a retiree's needs, goals and dreams throughout retirement, a financial adviser can effectively bucket assets into a range of low-risk to high-potential investments, and as life changes, the plan can be adjusted alongside to fit the needs of the individual and their family."

A staggering 93% of those who haven't retired are wanting their employers to offer some sort of financial planning advice. But even if an employer offers those services, just 31% of employees actually use that benefit to come up with some kind of long-term plan for their retirement years.

"[Employers should] provide greater access to financial planning tools and resources outside of cookie-cutter 401(k) programs that lack the education and clarity that many employees need," End added. "Hosting a webinar or info-session around this is a great place to start."

Source: [Employee Benefit News](#)

401(k) & Retirement

TOP 10 TIPS

1

Don't accept default savings rate.

Consider saving more than 3%. Source: U.S. News

2

Get a 401(k) match.

Take advantage of matching contributions. Source: U.S. News

3

Stay at a company until you are "fully vested"

in the plan. Source: U.S. News

4

Maximize your tax break.

Check [irs.gov](https://www.irs.gov) for updates. Source: U.S. News

5

Diversify with a Roth 401(k).

This can add flexibility for those close to retirement. Source: U.S. News

6

Don't cash out early.

Those who cash out early face a hefty penalty! Source: U.S. News

7

Start saving early and aggressively.

The biggest threat to your retirement is inaction.

Source: Personal Capital (Daily Capital Blog)

8

Minimize fees.

Stay educated on plan options to minimize fees. Source: U.S. News

9

Diversify your assets.

Pick a mix of stock and bond funds fitting your risk tolerance.

Source: U.S. News

10

Have a realistic understanding of when you want to retire.

Clearly defined goals help determine how much you should have saved. Source: Personal Capital (Daily Capital Blog)

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