

State of the Market 2024

Why do my premiums keep going up and
what can I do about it?

WPPA – 2024 FINANCE & ADMINISTRATION
SEMINAR



Eric Swagerty – Member Relations Representative



Enduris

To provide financial protection, broad coverage, and risk management services responsive to members' needs.

Providing Reliability In A Risky World



The Risks We Face & The price to insure against risk

Global Risks Report 2024

Top 10 Risks



“Please estimate the likely impact (severity) of the following risks over a 2-year period”

2 years



Risk categories | Economic | Environmental | Geopolitical | Societal | Technological

Source: World Economic Forum Global Risks Perception Survey 2023-2024.

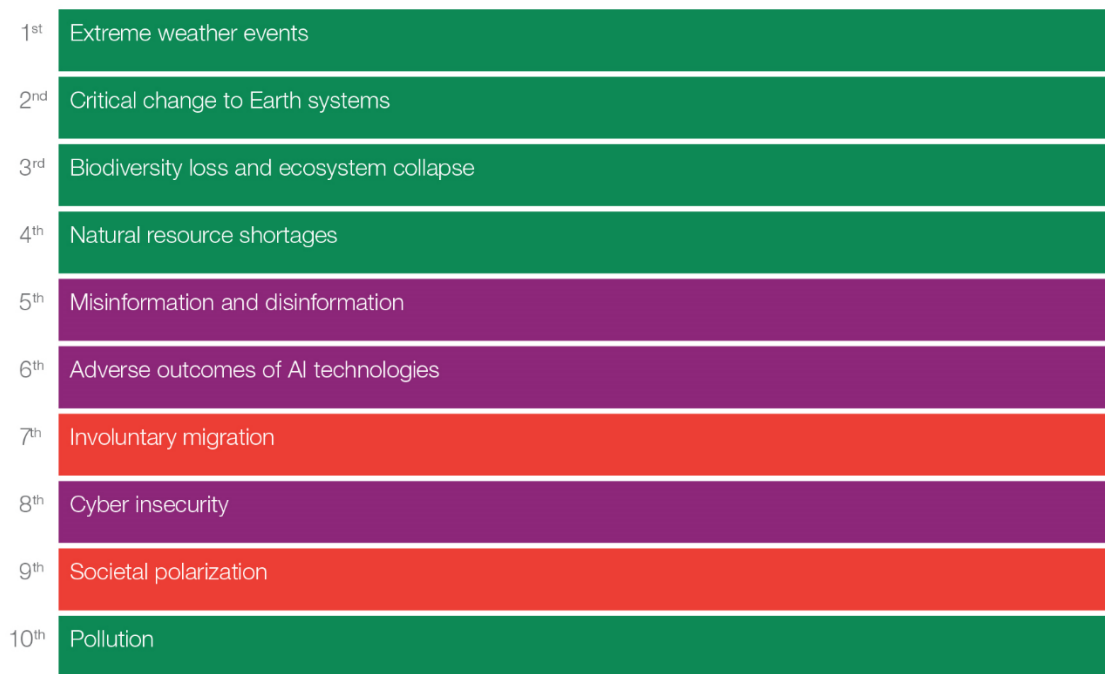
Global Risks Report 2024



Top 10 Risks

"Please estimate the likely impact (severity) of the following risks over a 10-year period"

10 years



Risk categories | Economic | Environmental | Geopolitical | Societal | Technological

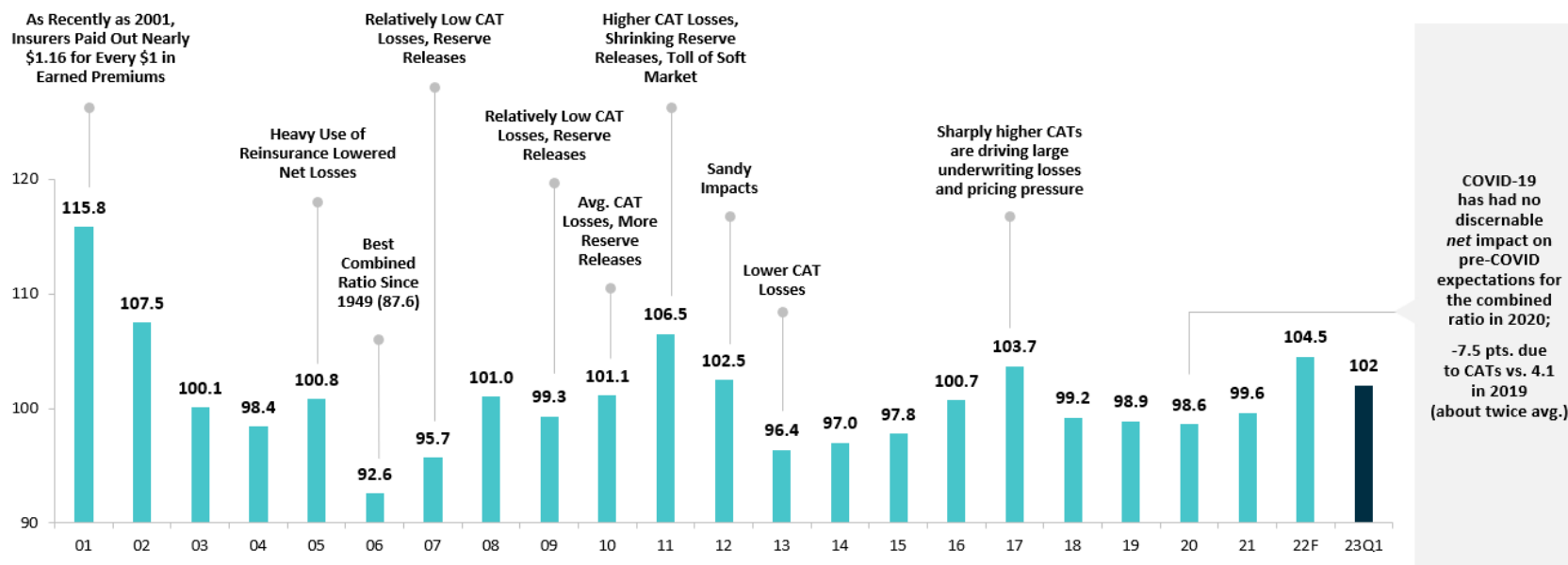
Source: World Economic Forum Global Risks Perception Survey 2023-2024.



Property and Casualty Insurance

"The past six years of a hard market, the longest in two generations, appears to be ending."
Alliant Renewal Outlook for Public Entity Property and Casualty Programs, June 2024

P/C Insurance Industry Combined Ratio, 2001–2023 Q1**

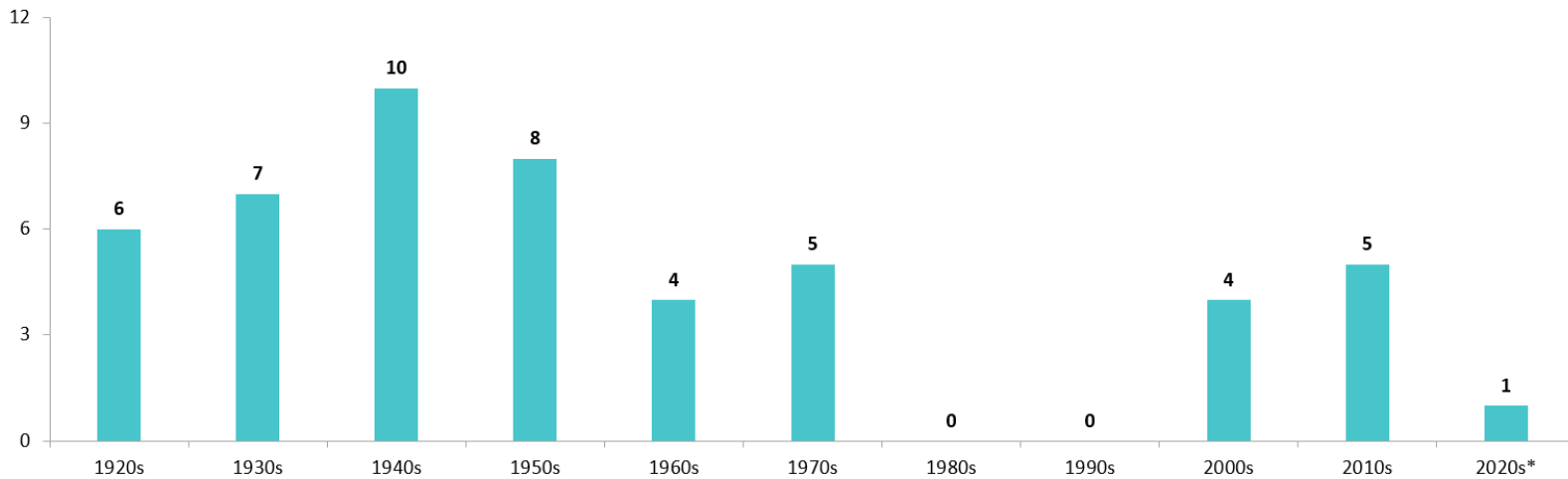


Pre-COVID 2020 Combined Ratio Est. 99.1 (A.M. Best)

Actual = 98

Number of Years with Underwriting Profits by Decade, 1920s–2020s

Number of Years with Underwriting Profits



Underwriting Profits Were Common Before the 1980s (40 of the 60 Years Before 1980 Had Combined Ratios Below 100) –But Then They Vanished. Not a Single Underwriting Profit Was Recorded in the 25 Years from 1979 Through 2003

* 2020 through 2022

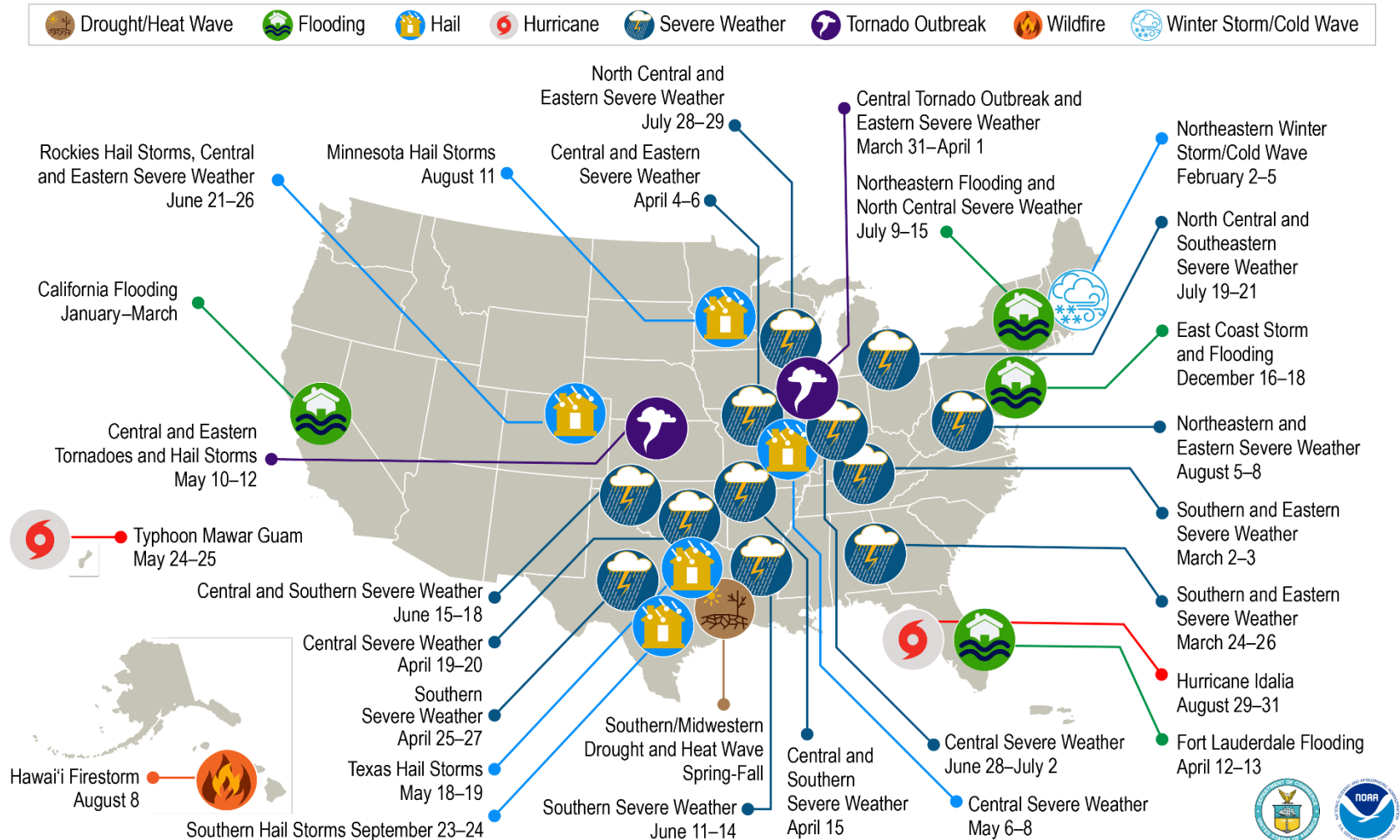
Note: Data for 1920–1934 based on stock companies only.

Sources: Insurance Information Institute research from A.M. Best Data.

10



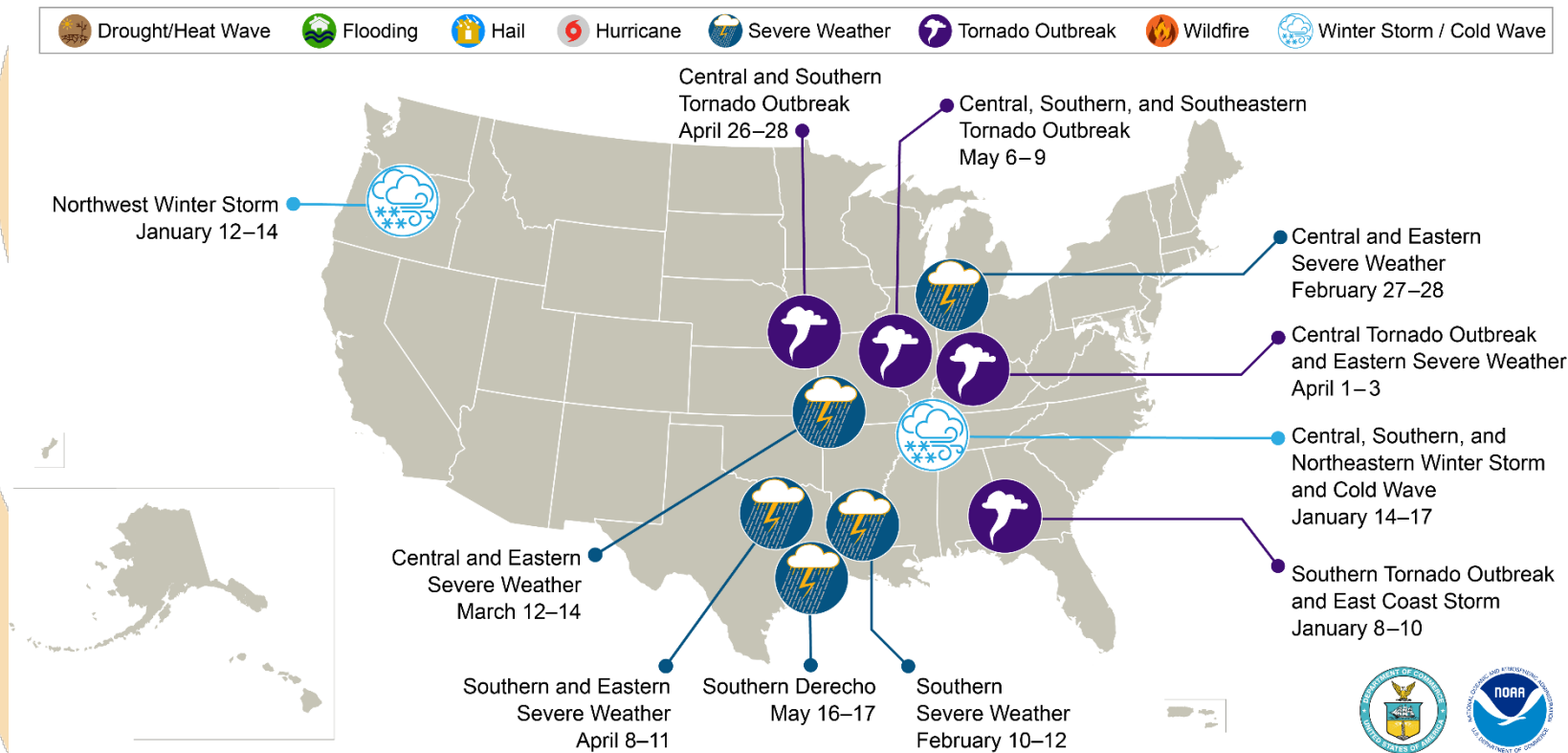
U.S. 2023 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the **28 separate billion-dollar weather and climate disasters** that impacted the United States in 2023.

As of May 2024

U.S. 2024 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 11 separate billion-dollar weather and climate disasters that impacted the United States through May 2024.

Winter Storm, Winds, Freeze, Flooding, Landslides January 5-29, 2024











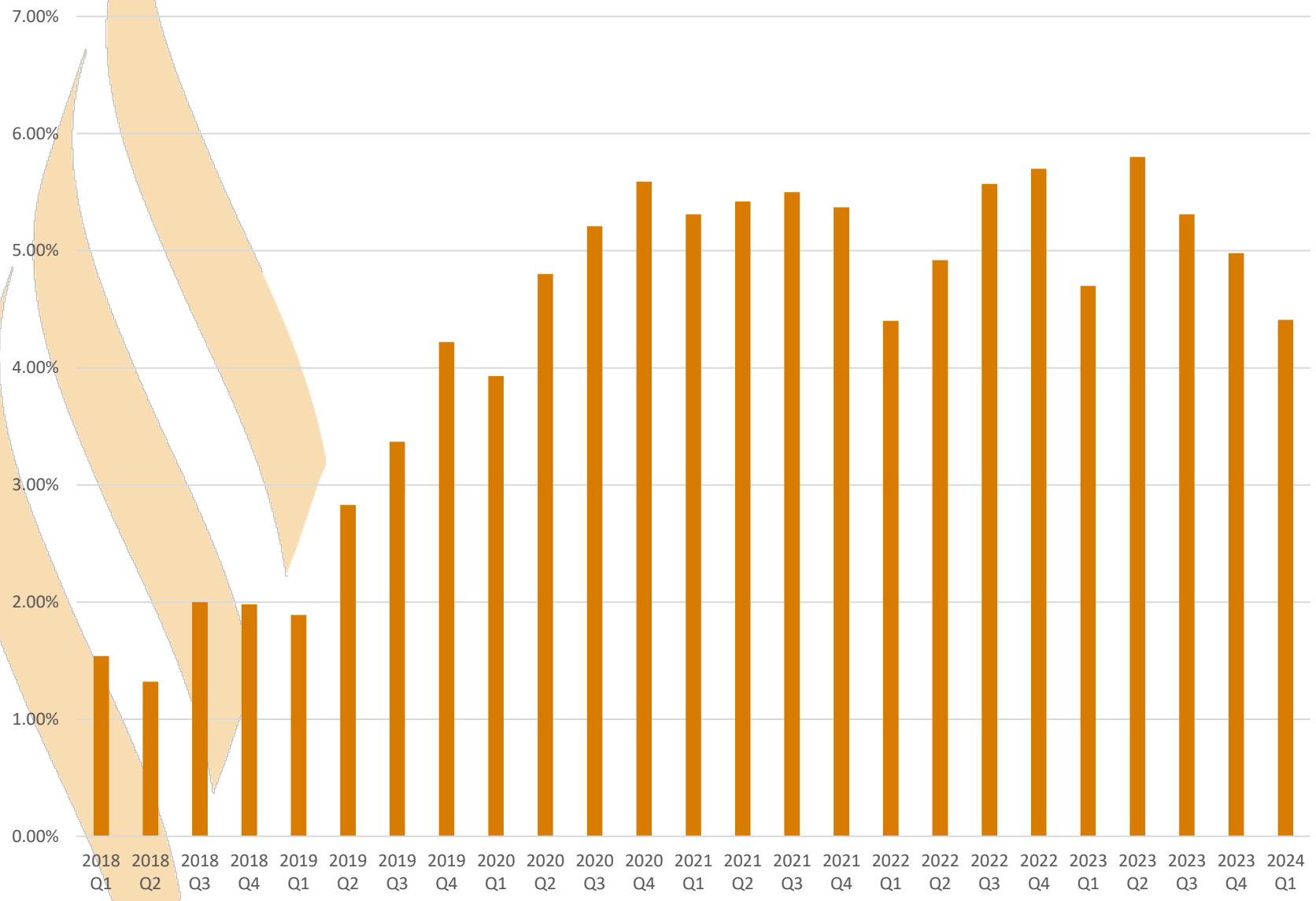
Property and Casualty

Be an attractive account.

- 1. Update property valuations with insurance**
- 2. Do all preventative maintenance: roof, water drainage,**
- 3. Install water intrusion alarms**
- 4. Inspect vacant property and take measures to prevent damage.**
- 5. Review the portfolio and remove derelict buildings.**

General Liability

GL Percent Increase by Quarter



"Liability marketing results vary substantially by client and geography.

Clients with losses or in challenging jurisdictions continue to see increases on renewal.

Preferred classes may see competition, while non-preferred accounts are struggling to complete placements on acceptable terms."

Renewal Outlook for Public Entity Property and Casualty Programs

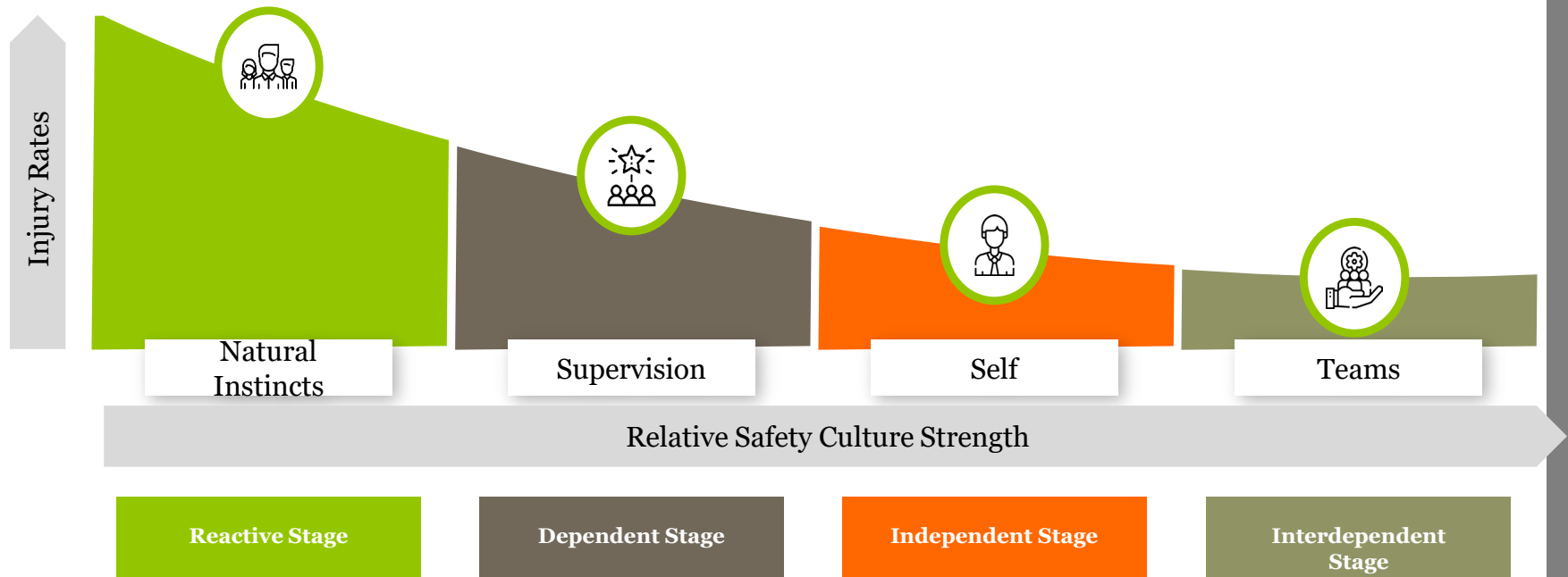
Published June 6, 2024

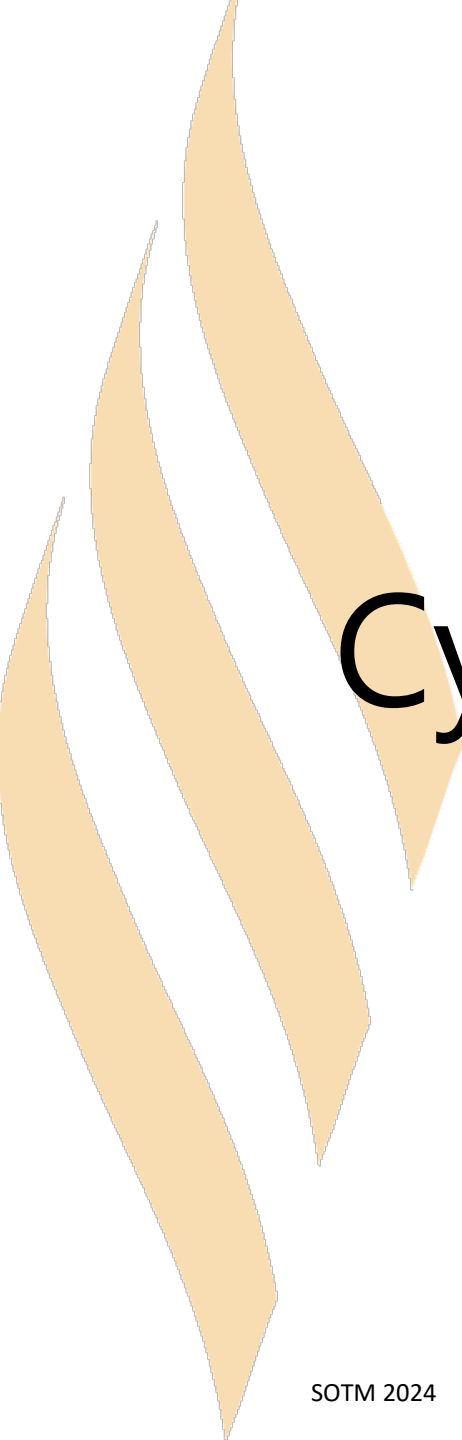


Liability Claims Prevention and Mitigation

- Inventory liability risk at your port (policy and activity/operations).
- Train staff to the underlying risk AND the policy
- Foster a culture of continuous improvement
- Tell your story to your legislators.
<https://app.leg.wa.gov/districtfinder>
- Be active in legislative advocacy groups.
 - Liability Reform Coalition,
 - Dana Bieber (dana@walrc.org)
 - <https://walrc.org/>

Bradley Curve

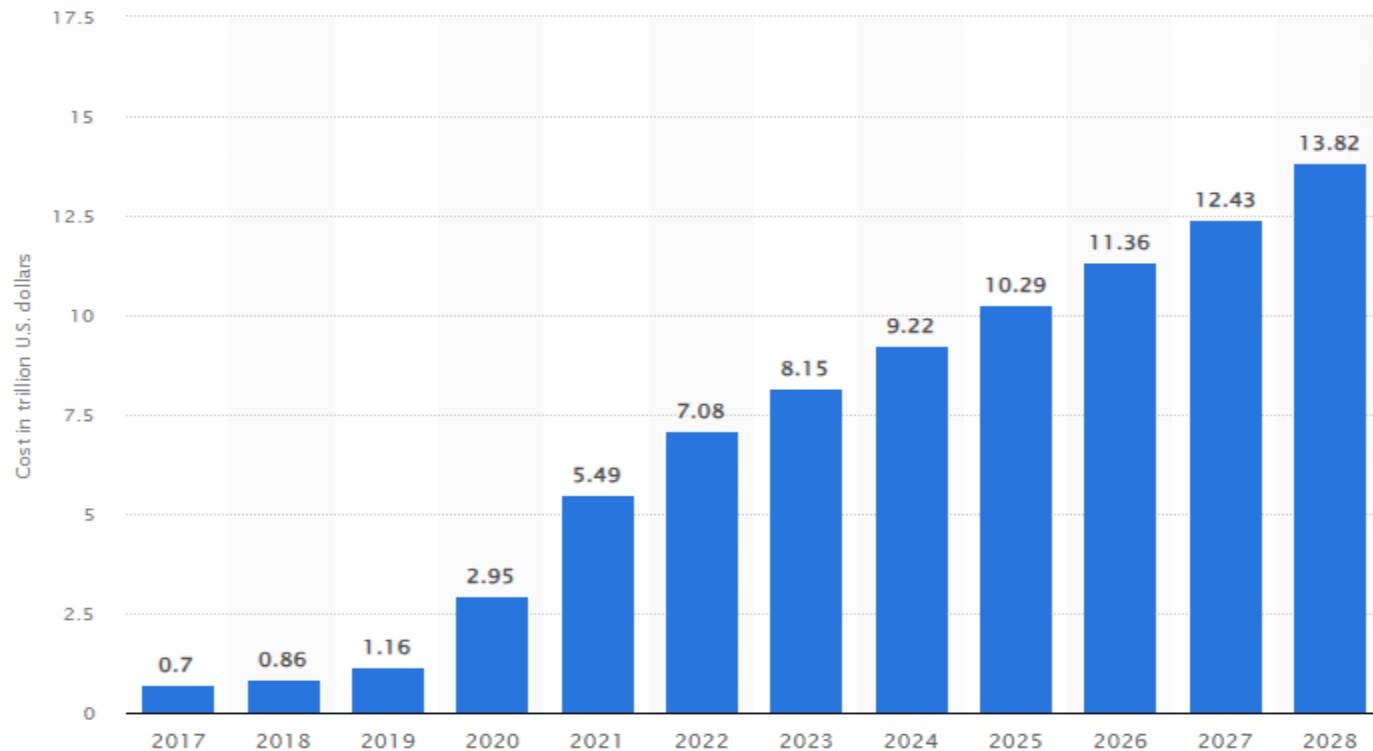




Cyber Coverage

Estimated cost of cybercrime worldwide 2017-2028

(in trillion U.S. dollars)



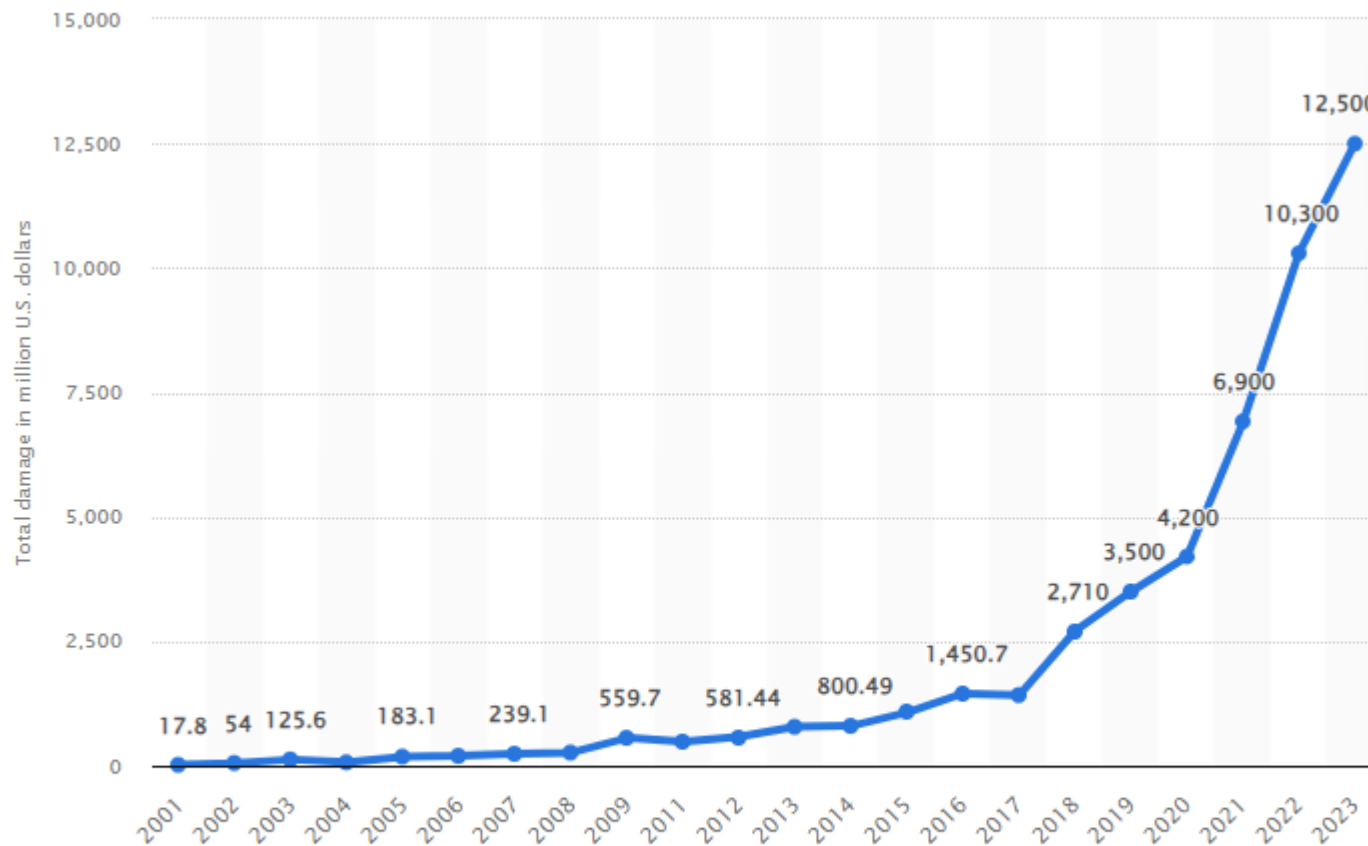
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<https://www.statista.com/statistics/494947/ransomware-attempts-per-year-worldwide/>

Annual amount of monetary damage caused by reported cybercrime in the United States from 2001 to 2023(in million U.S. dollars)



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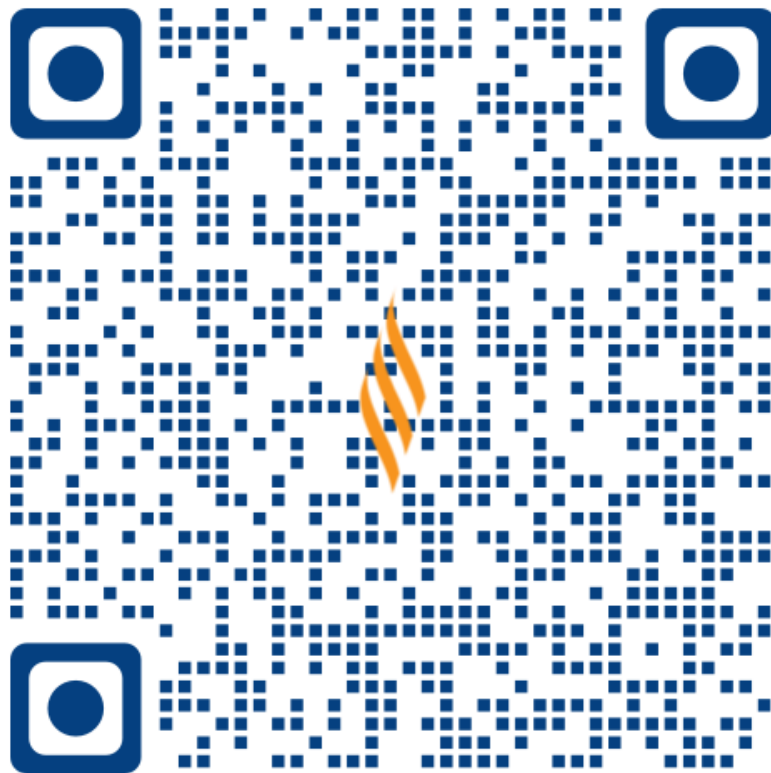
**THE U.S. REMAINS THE MOST
TARGETED COUNTRY IN THE WORLD
WITH 46% OF GLOBAL
CYBERATTACKS AIMED AT
AMERICANS.**



Cyber Crime Prevention

- Use a password vault
 - Set it to prevent duplication of passwords
- Require MFA
 - Authenticator application if possible
 - Yubikey
- Employee training and awareness like KnowBe4
- Create a culture of safety and prevention
- Encourage the sharing of information and suspicious emails
- Promote out of channel verifications

Schedule a Cyber Check-Up





Artificial Intelligence



“Believe nothing you
hear, and only one
half that you see.”

— Edgar Allan Poe

Source: W.C.P.

Artificial Intelligence:

- Be proactive in developing an entity policy on the use of AI: When, how and why to use
- Know that AI models hallucinate and must be fact checked.
- Know that AI models provide information out of context

“The burden remains on human users to verify the accuracy and contextual relevance of AI outputs.”

“How to build business resilience in an era of risk turbulence”

<https://www.weforum.org/agenda/2024/01/global-risks-2024-business-resilience-in-an-era-of-risk-turbulence/>



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"How to build business resilience in an era of risk turbulence"

<https://www.weforum.org/agenda/2024/01/global-risks-2024-business-resilience-in-an-era-of-risk-turbulence/>

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<https://www.ncei.noaa.gov/access/billions/>, DOI: 10.25921/stkw-7w73

2023: A historic year of U.S. billion-dollar weather and climate disasters

<https://www.climate.gov/news-features/blogs/beyond-data/2023-historic-year-us-billion-dollar-weather-and-climate-disasters>

Annual amount of monetary damage caused by reported cybercrime in the United States from 2001 to 2023(in million U.S. dollars)

<https://www.statista.com/statistics/267132/total-damage-caused-by-by-cybercrime-in-the-us/>

FBI Internet Crime Report 2023

https://www.ic3.gov/Media/PDF/AnnualReport/2023_IC3Report.pdf

Sonic Wall Cyber Crime Threat Report

<https://www.sonicwall.com/medialibrary/en/white-paper/2024-cyber-threat-report.pdf>

Dupont Bradley curve: <https://www.certaintysoftware.com/dupont-bradley-curve/>

The Gray Rhino: How to Recognize and Act on the Obvious Dangers We Ignore by Michele Wucker

<https://wucker.thegrayrhino.com/writing/the-gray-rhino/>