

# FTA – LITIGATION ABUSE SUMMIT

January 21, 2021

## WHAT TRUCK INSURERS THINK OF FLORIDA



# SEEN THIS PLAY BEFORE – AND WON

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## WHAT CHALLENGE AM I DESCRIBING?

- Claims of all sizes are getting bigger
- There are more very large claims
- Formerly favorable jurisdictions start to suck
- Focus of plaintiff counsel has shifted (ignore the facts)
- Medical costs are skyrocketing
- Insurance industry continuously loses money over time
- Result - Capacity crunch
- Excess market hit particularly hard

# MACRO ISSUES ON RATE

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## THE INSURANCE CARRIER DILEMMA IN FLORIDA

- Pricing Integrity Lost
- Shit Flows Down Hill (Reinsurers – Primary Insurers)
- Insurance Carrier Loss Portfolio Erosion
- 7/1 and 1/1 Treaty Renewals
- Larger underwriting backdrop

# INSURANCE COMPANY PERCEPTION OF FLORIDA

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## SURVEY QUESTIONS

Do you view Florida as a state that you wish to grow your insurance writings in?

- No – we evaluate opportunities there very selectively
- No – protecting the book, loss costs are set well in excess of other states
- No – limiting the percentage of miles a motor carrier runs in FL
- No – no reason to commit resources to an unfavorable environment
- No – we have steadily reduced capacity in that state, no plan to change course
- No – it is one of the few states we avoid
- No – in fact, we have had a multi-year strategy to reduce capacity there

# INSURANCE COMPANY PERCEPTION OF FLORIDA

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## SURVEY QUESTIONS

On a scale of 1-10 how does your company view Florida from a favorability standpoint? (10 being most favorable) If 6 or less, what are a couple of key reasons why?

- 4 – Litigation environment, comparative fault standard, medical financing
- 3 – Legal and regulatory environment
- 4 – 3<sup>rd</sup> party bad fair claims are problematic; time limit demands
- 3 – Legal and legislative environment
- 2 or 3 at best – need \$20-\$25k per unit to make any money on small fleets
- Are you serious? Florida's not even on our radar right now

# INSURANCE COMPANY PERCEPTION OF FLORIDA

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## SURVEY QUESTIONS

What are a couple of key things that Florida could do to viewed more favorably by your company?

- Tort Reform
- Medical financing reform
- Change the pure comparative negligence to a comparative fault system
- Establish a threshold of injury/damages to pursue 3<sup>rd</sup> party tort claims
- Put in place an aggressive PR campaign around the importance of trucking to the Florida economy and Jobs
- Fight back against the trial bar

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## FL MCS - SOME OBSERVATIONS

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# STATISTICAL ANALYSIS

## FOCUS ON MOTOR CARRIERS WITH AN ACTIVE INSURANCE FILING

Total number of DOT #s	65,460
Total number of MC #s	25,737
Total number showing current insurance	13,551
Total number of drivers	780,417
Total number of CDL drivers	467,538

For Those fleets that have insurance the following is true:

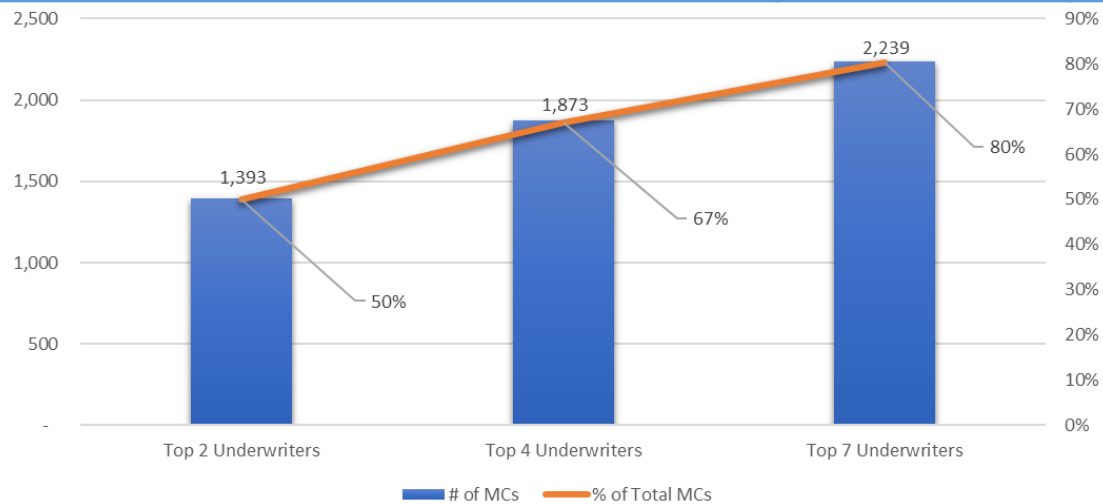
Total number of MCs less than 1 year business	2,791
Total number of MCs less than 3 years in business	5,630
Total number of MCs 3 or more years in business	7,921
Total number of MCs 3 or more years in business and 10+ power units	837



# LESS THAN 1 YIB ANALYSIS

## Top 5 Underwriters & Account Statistics

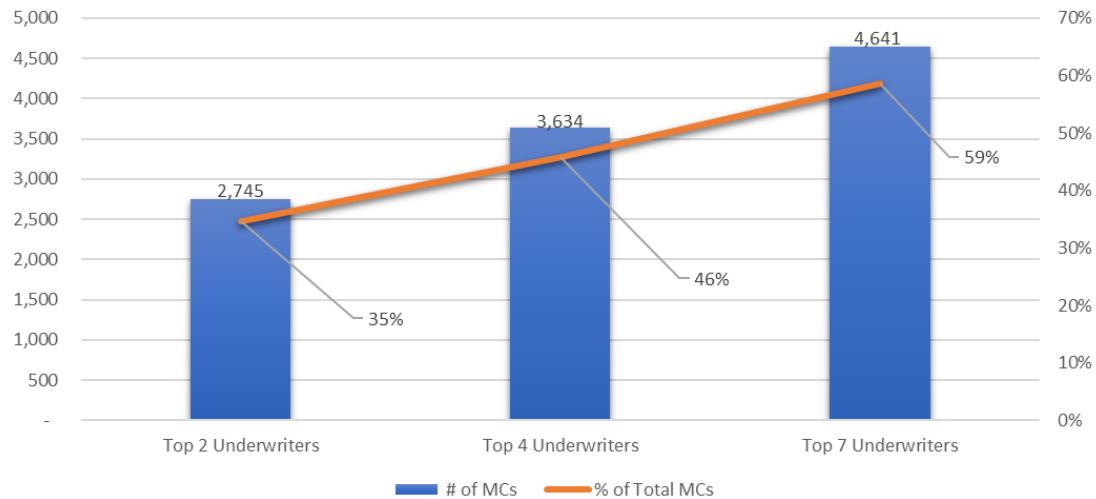
<b>Progressive Express Insurance Company</b>	1046	37%
<b>Trisura Specialty Insurance Company</b>	347	12%
<b>Wesco Insurance Company</b>	252	9%
<b>Brooklyn Specialty Insurance Company</b>	228	8%
<b>Prime Property &amp; Casualty Insurance Inc</b>	145	5%



# 3 OR MORE YIB ANALYSIS

## Top 5 Underwriters & Account Statistics

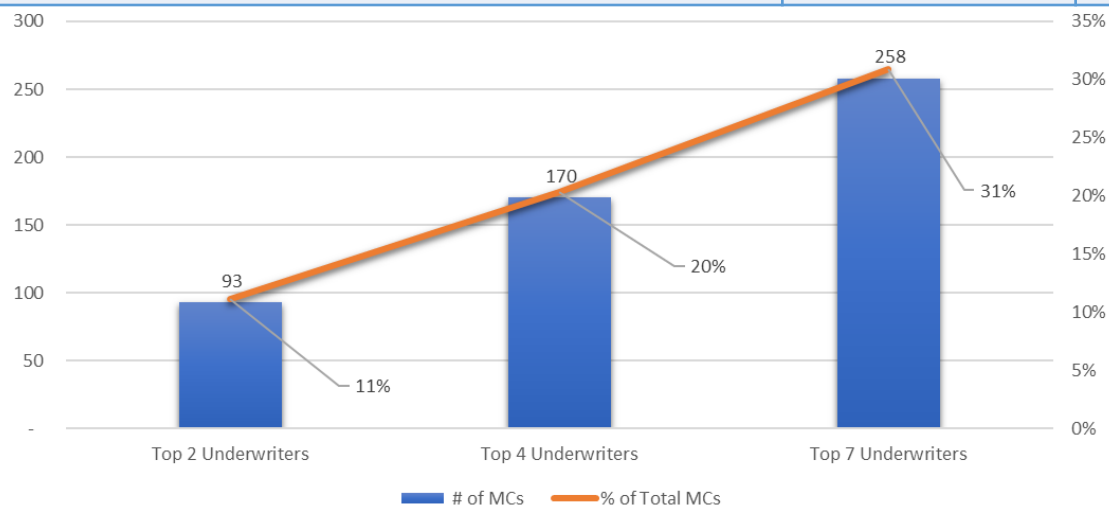
<b>Progressive Express Insurance Company</b>	2090	26%
<b>Northland Insurance Company</b>	655	8%
<b>Occidental Fire And Casualty Co. Of N.C.</b>	450	6%
<b>Lancer Insurance Company</b>	439	6%
<b>Sentry Select Insurance Company</b>	347	4%



# 3 OR MORE YIB WITH 10+ TRUCKS ANALYSIS

## Top 5 Underwriters & Account Statistics

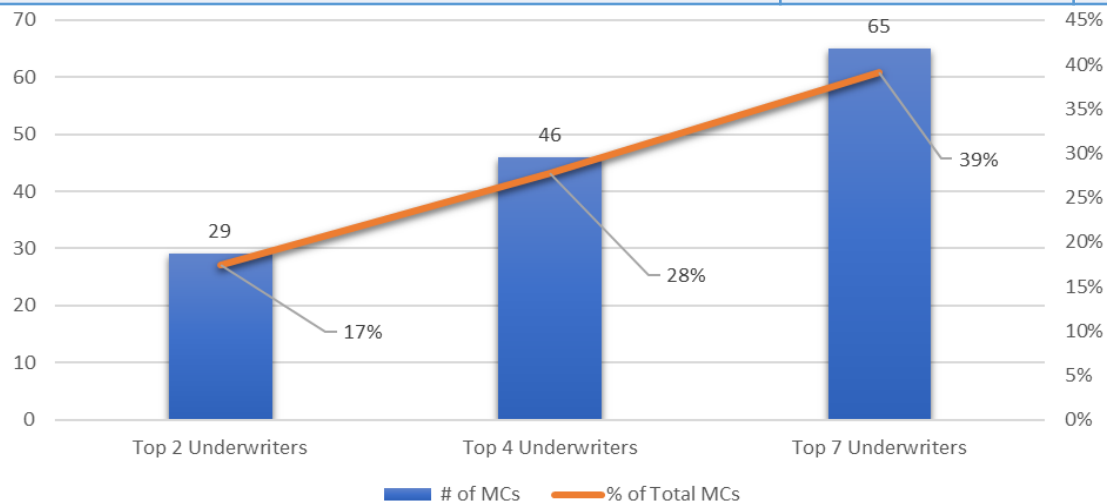
Clear Blue Insurance Company	47	6%
Northland Insurance Company	46	6%
Sentry Select Insurance Company	40	5%
Trisura Specialty Insurance Company	37	4%
State National Specialty Insco / National Specialty	35	4%



# 3 OR MORE YIB WITH 75+ TRUCKS ANALYSIS

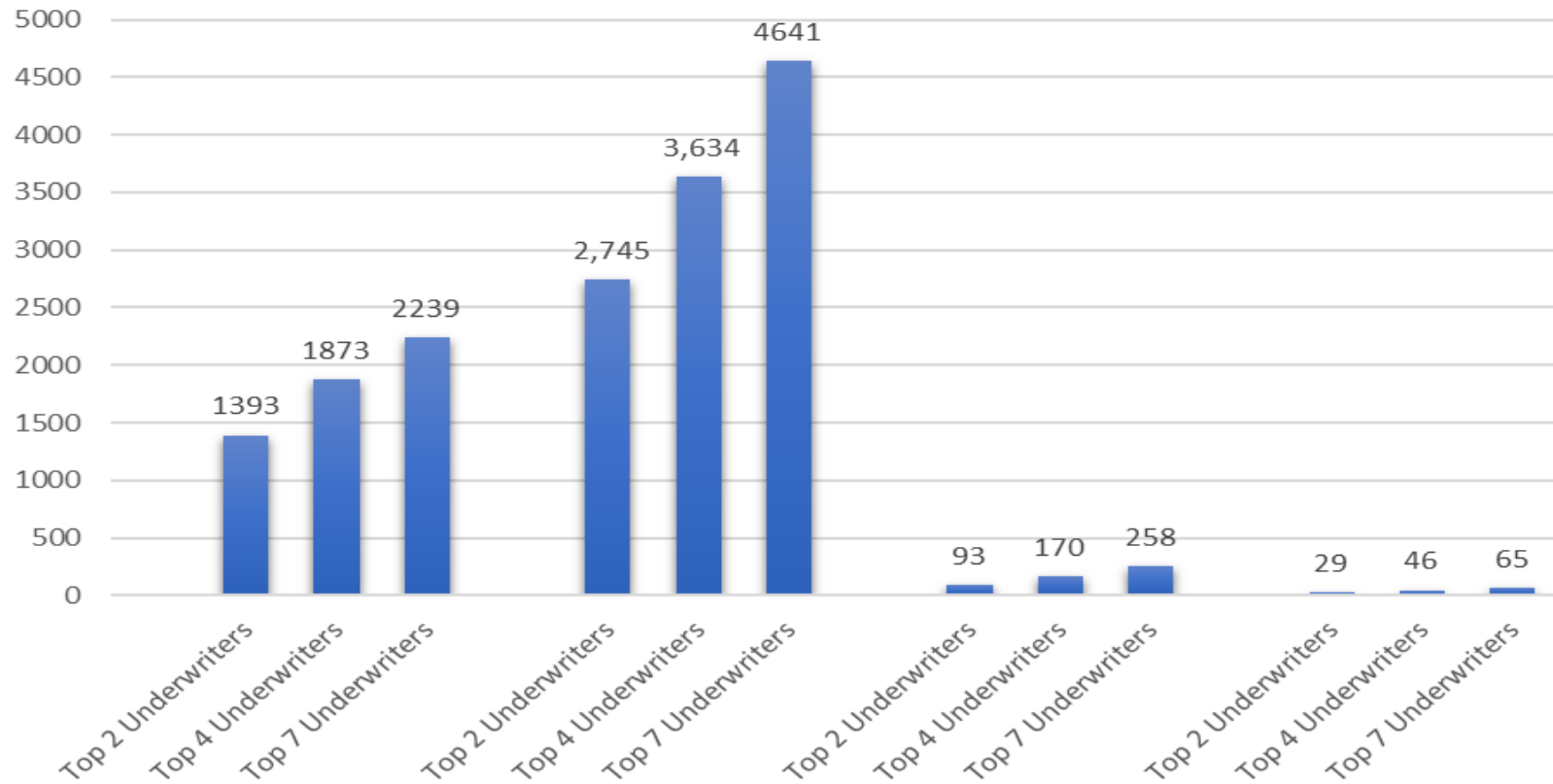
## Top 5 Underwriters & Account Statistics

<b>AIG - National Union Fire Ins. Co. Of Pittsburgh Pa</b>	18	11%
<b>Zurich American Insurance Company</b>	11	7%
<b>Ace American Insurance Company</b>	10	6%
<b>Hudson Insurance Company</b>	7	4%
<b>Protective Insurance Company</b>	7	4%



# COMPARISON OF TOP 2, 4, & 7 UNDERWRITERS

## NUMBER OF TOTAL MOTOR CARRIERS INSURED BY GROUPING



**Less than 1 YIB**  
2,791 Total MCs

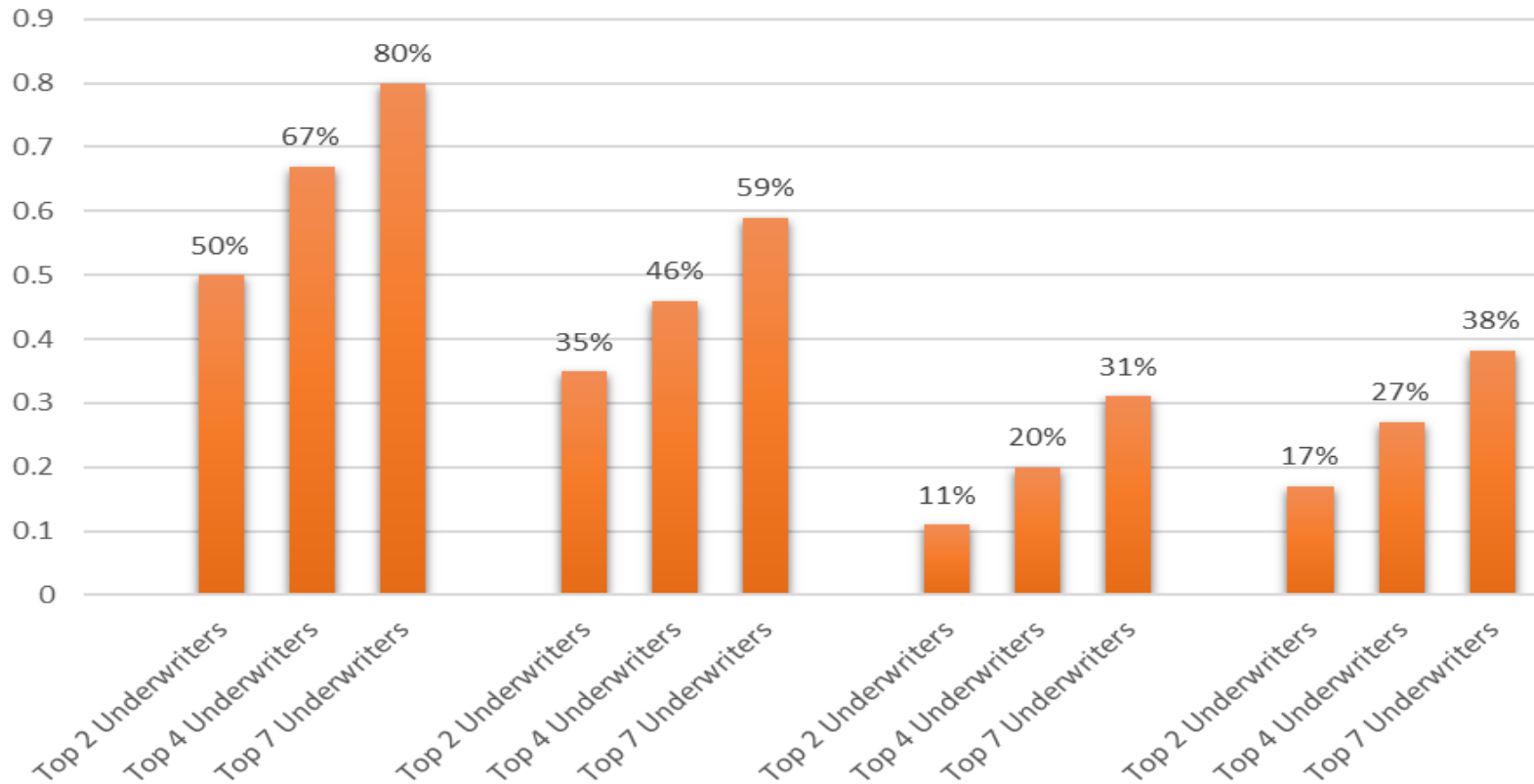
**> or = 3 YIB**  
7,920 Total MCs

**> or = 3 YIB with 10+ Trucks**  
836 Total MCs

**> or = 3 YIB with 75+ Truck**  
166 Total MCs

# COMPARISON OF TOP 2, 4, & 7 UNDERWRITERS

## PERCENTAGE OF TOTAL MOTOR CARRIERS INSURED BY GROUPING



**Less than 1 YIB**  
2,791 Total MCs

**> or = 3 YIB**  
7,920 Total MCs

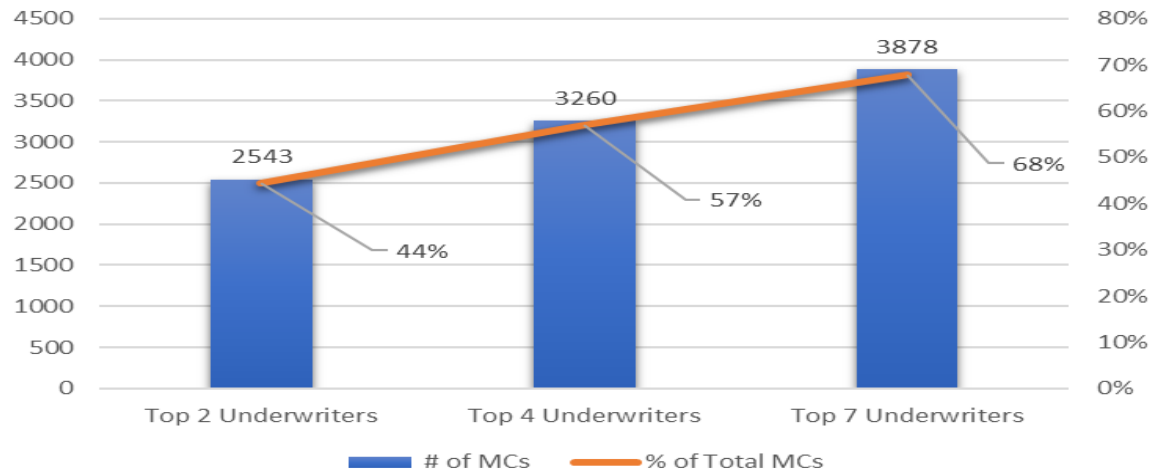
**> or = 3 YIB with 10+ Trucks**  
836 Total MCs

**> or = 3 YIB with 75+ Truck**  
166 Total MCs

# IOWA LANDSCAPE

## Top 5 Underwriters & Account Statistics

<b>Great West Casualty Co.</b>	1427	25%
<b>Progressive Preferred / Northern Insurance Company</b>	1116	20%
<b>Auto Owners Insurance Company</b>	368	6%
<b>Acuity, A Mutual Insurance Company</b>	349	6%
<b>Grinnell Mutual Reinsurance Co.</b>	247	4%



# LEADING FL TRUCK INSURERS - NOT IN FAVORABLE STATES

## TOO COMPETITIVE, CAN'T CHARGE ENOUGH, NOT NEEDED

• AMGUARD INSURANCE COMPANY	(59 - .4%)
• ARTISAN & TRUCKERS CASUALTY COMPANY	(48 - .4%)
• BROOKLYN SPECIALTY INSURANCE COMPANY RRG, INC	(413 - 3%)
• CLEAR BLUE INSURANCE COMPANY	(181 - 1.3%)
• CONTINENTAL DIVIDE INSURANCE COMPANY	(118 - .9%)
• LANCER INSURANCE COMPANY	(585 - 4.3%)
• KNIGHT SPECIALTY INSURANCE COMPANY	(337 - 2.5%)
• Multiple RRGs	(1,470 - 10.8%)
• OCCIDENTAL FIRE AND CASUALTY CO. OF N.C.	(458 - 3.4%)
• PRIME PROPERTY & CASUALTY INSURANCE INC	(452 - 3.3%)
• TRISURA SPECIALTY INSURANCE COMPANY	(895 - 6.6%)
• UNITED FINANCIAL CASUALTY COMPANY	(89 - .7%)
• Totals	(5,105 - 38%)



# MISSING CAPACITY FROM FLORIDA?

## MAJOR TRUCK INSURERS IN OTHER MORE FAVORABLE STATES

- ACUITY, A MUTUAL INSURANCE COMPANY
- CONTINENTAL WESTERN INSURANCE CO.
- EMPLOYERS MUTUAL CASUALTY CO.
- FARM BUREAU PROPERTY & CASUALTY INSURANCE CO
- FEDERATED MUTUAL INSURANCE CO.
- GREAT WEST CASUALTY CO. (FL 2.1% IA 25% National ~25%)
- GRINNELL MUTUAL REINSURANCE CO.
- INTEGRITY PROPERTY & CASUALTY INSURANCE CO
- MIDWEST FAMILY MUTUAL INSURANCE COMPANY
- NATIONWIDE MUTUAL INSURANCE COMP
- NORTHLAND INSURANCE COMPANY
- SECURA INSURANCE, A MUTUAL CO.
- SENTRY SELECT INSURANCE COMPANY
- THE CINCINNATI INSURANCE CO.
- UNITED FIRE & CASUALTY CO.
- WEST BEND MUTUAL INSURANCE CO.

# A MAJOR REINSURER CONVERSATION

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## VIEW FROM THE TOP

“It’s about time they addressed the issue, because until they do there is little we can do for them”

# REINSURANCE PANEL

## BENEFITING THE TRUCK PAC

YOU'RE INVITED

# ENGAGE

### Reinsurance: Trucking's Silent Partner, Pulling Back the Curtain

**Panelists:**



**Dan Cook**  
Principal & Practice Leader, TrueNorth



**Charlie Shamieh**  
Chairman, GenRe



**Rob Bredahl**  
President, Tiger Risk



**Jeremy Johnson**  
CEO, Protective Insurance Company

A private opportunity for trucking company executives to hear how their insurance carriers utilize reinsurance to manage financial performance, provide capacity and provide stability to the transportation industry. Gain insight into the state of the reinsurance market and hear directly from reinsurance executives what to expect in 2021 and beyond. Top insurance industry executives will engage in an exclusive conversation with ATA Truck PAC supporters.

JOIN US FOR

# JOIN US

The first 75 registrants will receive two complimentary Riedel wine glasses from TrueNorth!

**February 24, 2021 • 5 p.m. EST**

**Cost: \$250** made payable to Truck PAC

*If you are not a member of Truck PAC, but would like to participate, please contact ATA's Kathleen Gamble at [kgamble@trucking.org](mailto:kgamble@trucking.org).*

Visit: [Trucking.org/TruckPAC\\_ReinsuranceWebinar](https://Trucking.org/TruckPAC_ReinsuranceWebinar) ▶ To Register



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# ABOUT YOUR PRESENTER

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## **J. DANIEL COOK, CPCU, CRM, CIC, ARM, AMIM, AAI, TRS | Principal & Practice Leader**

National Transportation Practice, M&A Support and Alternative Risk Finance

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Cell (616) 690-5856 | [dcook@truenorthcompanies.com](mailto:dcook@truenorthcompanies.com)

### **Responsibilities:**

Dan is a principal and the National Primary Transportation Practice Leader at TrueNorth Companies. He also leads a boutique M&A Diligence Practice and the Alternative Risk Finance Practice. His responsibilities include but are not limited to helping clients develop risk financing strategies related to driving down their cost of risk on a long term, yet sustainable basis, which are aligned with competing operational objectives. Dan leads the national primary transportation practice, while also leading diverse national accounts project teams. Dan's drive comes from the innovate and build aspects of our business; championing the development of industry leading processes such as the 5Cs of Risk Financing™ approach.

### **Industry Involvement:**

Dan is a frequent speaker on topics ranging from Strategic Risk Financing and Captives to M&A Diligence and industry Best Practices. He currently services in committee, task force and leadership positions with ATA, NAFC and NTTCC. Including as current Chairman of the NAFC M&A Task Force and also Chairman of the ATA Tort Reform Advisory Committee. He is passionate about litigation related matters and leveling the playing field for motor carriers when it comes to tort reform.

### **Experience:**

Dan joined the TrueNorth team in 2013. Prior to that Dan was the Vice President – National Accounts of Marsh & McLennan Agency Company. Before returning his family to the Mid-west he held ownership and executive positions with an insurance company, multiple insurance agencies and a national broker. Dan has over 30 years experience in the insurance industry, leading large account service teams in VA, TX, MI, MN, and GA. Dan's journey brings a wealth of perspective from which to assist clients in the development of a broad range of risk financing alternatives. His current areas of interest include further development of the 5Cs of Risk Financing™ approach, which integrates risk financing with operational objectives; providing organizations a strategic path to manage cost.