

# Greasing the (Insurance) Skids

An Overview of Current Market Trends and Coverage Considerations in Today's Property & Casualty Market



# Contents

- About JKJ (and Me)
- State of the Market
- Market Deep Dive – Property
- Market Deep Dive – Automobile
- Strategies for Navigating Market
- Question & Answer

# About JKJ (and Me)



# Speaker Introduction

- Michael T. McGuire, CPCU, ARM
- Born and raised in Philadelphia area (GO BIRDS!)
- Temple University graduate with degree in Risk Management and Insurance, and Finance
- Vice President and Partner at JKJ
- Leader of Chemicals Practice at JKJ



# About Us

Johnson Kendall & Johnson (JKJ) is a distinguished, independent, employee-owned insurance brokerage and risk management firm, established in 1959. With over six decades of expertise, we proudly serve clients across North America, Europe, South America, and Asia, providing unparalleled service and innovative solutions on a global scale.

## Our Vision

JKJ strives to be a premier service-driven risk management platform, seamlessly integrating risk prevention and claims management to significantly reduce our clients' total cost of risk.

## Core Values

At JKJ, our core values include unwavering client-centric decision-making, fostering organic growth, embracing innovative practices, meticulous succession planning, and a steadfast commitment to independence.



## About Us...

---

- Private, independent, and employee-owned insurance brokerage and risk management consulting firm. Founded in 1959.
- Headquartered out of Newtown, PA (Philadelphia area) with clients throughout the US and across the globe.
- Possess in-house risk management resources
  - Safety and risk control
  - Claims management
  - Cyber risk management
- We are proudly the Founder of the 401k plan – and retain the first ever plan to this day!

## Certified Evergreen

### ***JKJ is Committed to remaining independent***

We became a member of the Tugboat Institute, which is an organization dedicated to supporting Evergreen Leaders.

We have completed their certification process and have been awarded a Certified Evergreen Designation. This is an acceptance and acknowledgement that we have the right plan and philosophy to remain independent.



# State of the Insurance Market





# State of the P&C Market

---



- 29 consecutive quarters of rising premiums (through 2024)
  - Hard market 7+ years!
- Average increase in premiums across all account sizes is 5.4%
- Four coverages saw a “softening” in premium
  - Workers Compensation
  - Cyber
  - D&O
  - EPLI

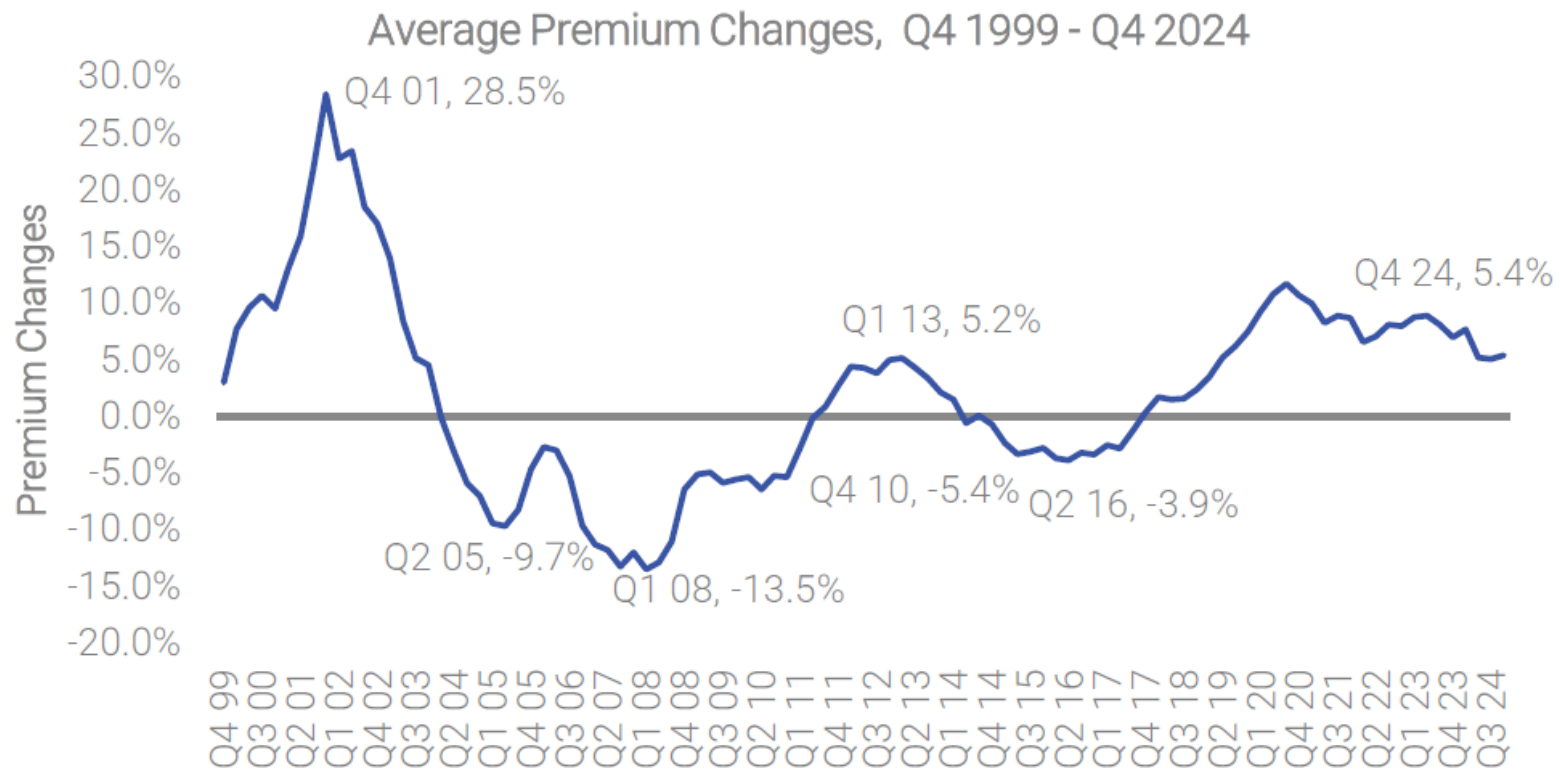
# State of the P&C Market

---



- Market has shifted from an industry-wide issue to a bifurcated one
  - Property continues to increase – 6.0% in Q4 2024
  - Auto remains stubbornly unprofitable
  - Umbrella pricing affected by increasing Auto pricing

# State of the P&C Market

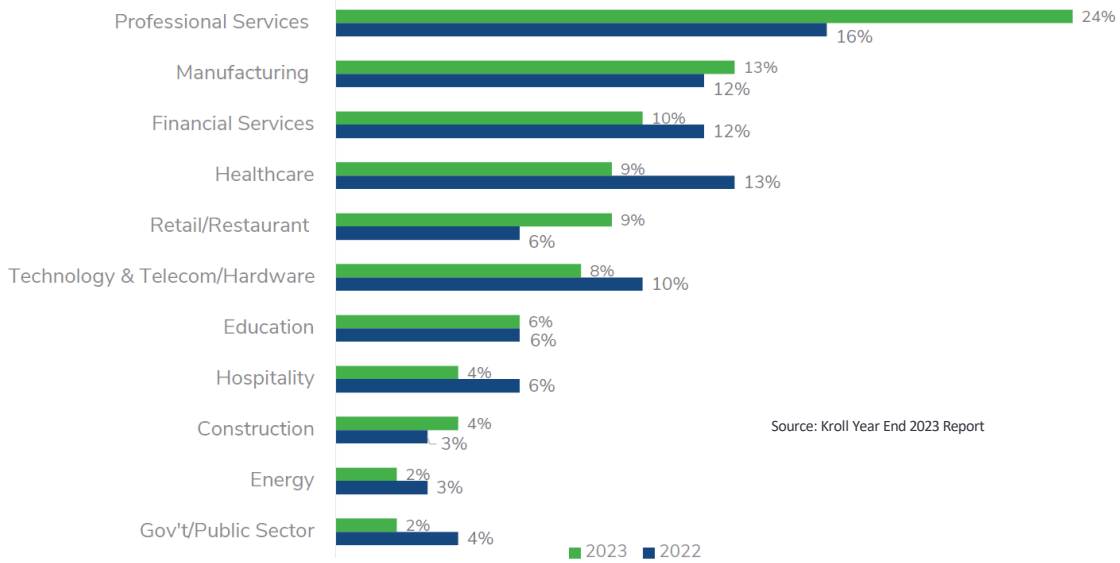


# Emerging Risks for Chemical Companies



- Third Party Litigation Funding
- PFAS
- Climate Change/Property Exposures
- Staffing issues, specifically with drivers
- Cyber Threats
  - Ransomware attacks
  - Business email compromise
  - Software vulnerabilities

## Incidents by Sector 2022-2023 Comparison



Source: Kroll Year End 2023 Report

# Market Deep Dive: Property



# “Building Blocks” of Property Market

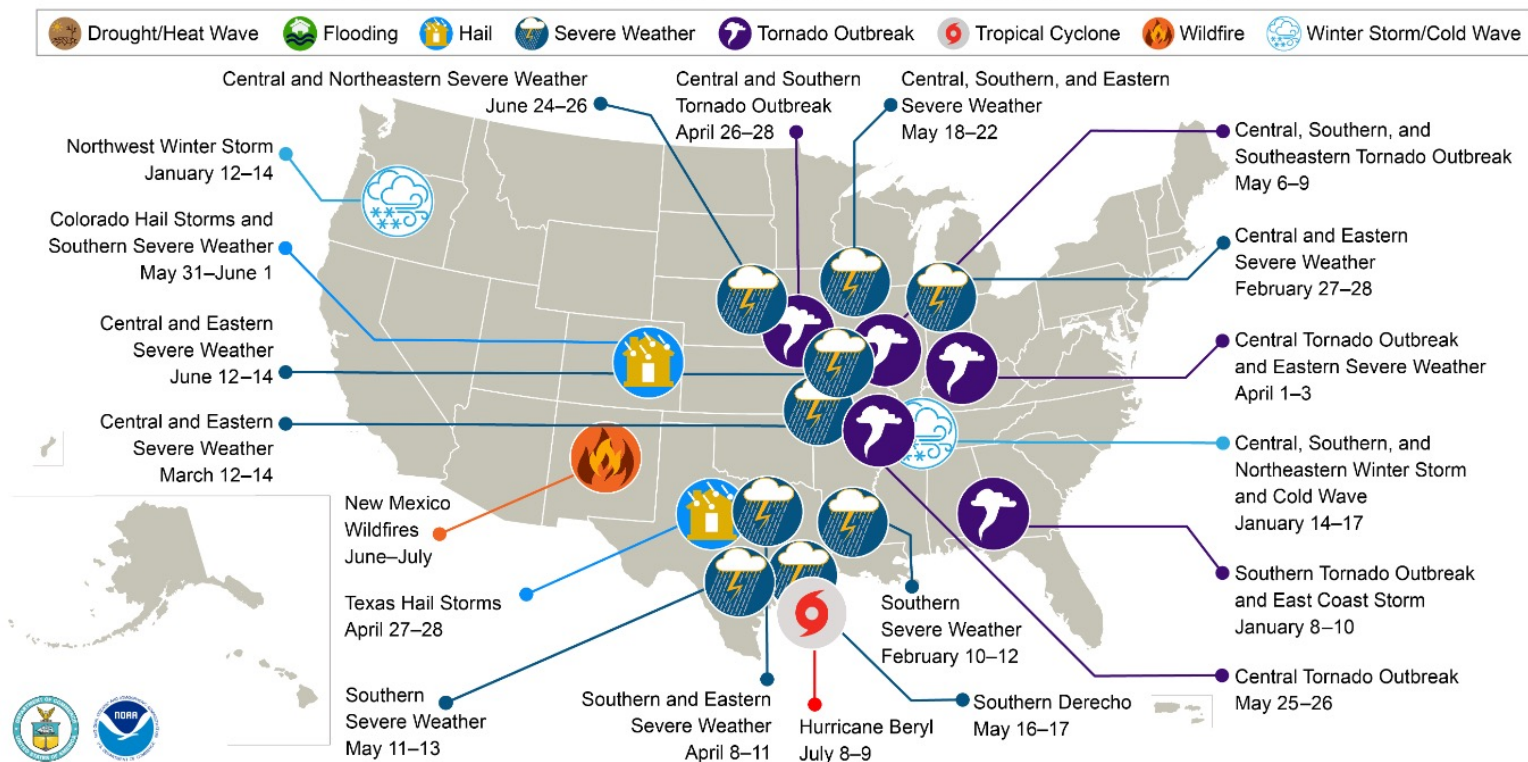
---



- Older buildings / insufficient sprinkler protections
- Difficulty in securing contractors
  - Increases the Business Interruption exposure
- Wages are up ~26% since 2020
  - Increases the rebuild cost
- Widespread catastrophic weather events
  - Strains the reinsurance market, causing price increases

# Weather Updates

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

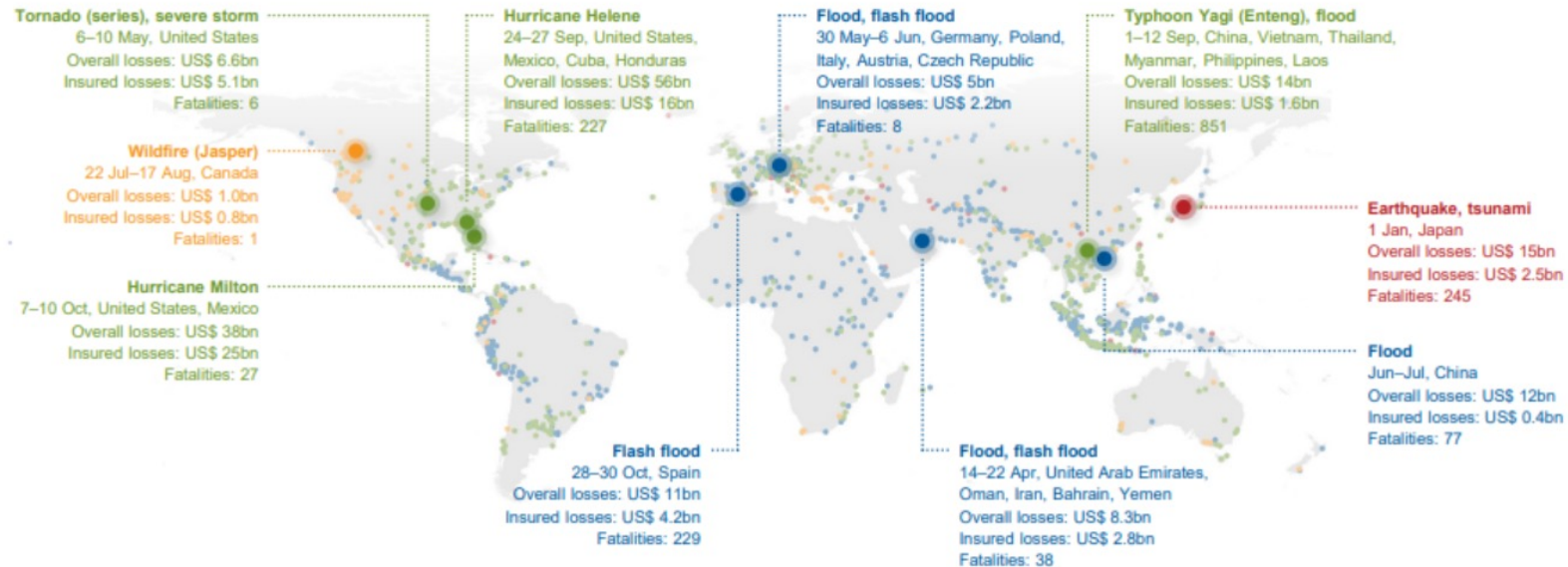


This map denotes the approximate location for each of the 20 separate billion-dollar weather and climate disasters that impacted the United States through August 2024.

# Weather Updates

## Nat cat loss events 2024

Natural catastrophes caused overall losses of US\$ 320bn worldwide



**Geophysical events**  
Earthquake, tsunami, volcanic activity

**Meteorological events**  
Tropical storm, extratropical storm, convective storm, local storm

**Hydrological events**  
Flood, mass movement

**Climatological events**  
Extreme temperature, wildfire

● Selected significant catastrophes  
● Small, medium and large loss events

Source: Munich Re, NatCatSERVICE, 2025



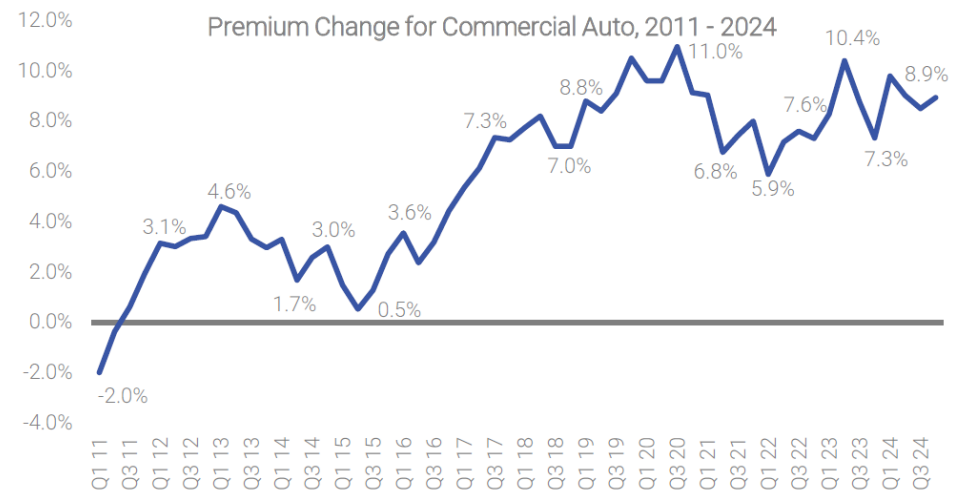
# Market Deep Dive: Automobile



# Automobile Market “Drivers”



- Top causes of Auto pricing change:
  - Bodily injury loss costs
  - Attorney involvement
  - Distractions and impairment
  - Inexperienced drivers
  - Vehicle repair and replacement costs
- Vehicle Repair Cost Comparison – Mirror
  - 2013 - \$300
  - 2024 - \$1350



## How Much Does It Cost? Part I



- 2023 Subaru Impreza
- Schenectady, NY
- Dented rear driver's side door
- \$6,500
- Needed to have driver-assistance tech recalibrated



## How Much Does It Cost? Part II



- 2014 Mercedes E550
- Littleton, CO
- Broken mirror and scrapes on doors
- \$8,500
- The mirror alone was \$3,000 due to parts it contains



# Strategies for Navigating Market



# #1 – Are You Profitable?

---



- “Sell” yourself to the insurance market
- Create a loss analysis from the past 5-10 years
  - Loss ratio – losses incurred vs. premium paid
  - Ideally keep this under 30%
- Develop a track record of partnership

## #2 – How Well Does Your Carrier Know You?

---



- Develop thorough and detailed information about your facilities
- Set up meetings with insurance company management, underwriters, and risk control
- Identify your commitment to safety and risk management
- Work with a broker who has expertise in your segment
- Create a relationship with your local authorities
  - Familiarity with your municipality's fire and police departments will go a long way

## #3 – What Is Your PFAS Exposure?

---



- Understand historical use of product, including formulations
- Dust off those supplier and customer agreements
- Articulate to the carrier and broker about upcoming/ongoing changes to formulations
- Get creative with addressing the exposure through insurance
  - Discuss with the carrier and broker whether there are opportunities to obtain some form of partial coverage



## #4 – How Do You Mitigate Loss?

---



- Understand requisite sprinkler protection for your operations
  - NFPA is the gold standard
- Develop and execute a risk transfer program with third parties
  - Hold harmless, insurance requirements, and additional insured verbiage
- Create or update your disaster recovery plan
- Take a good, hard look at your housekeeping

## #4 – How Do You Mitigate Loss?

---



- Develop and enforce a hot work program
- Know the proper storage and flammables
  - This includes mindfulness around plastic totes!!!
- Explore risk mitigation technologies and services with your carrier and/or broker
  - Drone surveys
  - Infrared tests
  - Weather alerts

# Question & Answer



# Thank You

