

MARIJUANA RIGHTS: Workers win discrimination suits over pot use - **PAGE 4**

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JANUARY 2020

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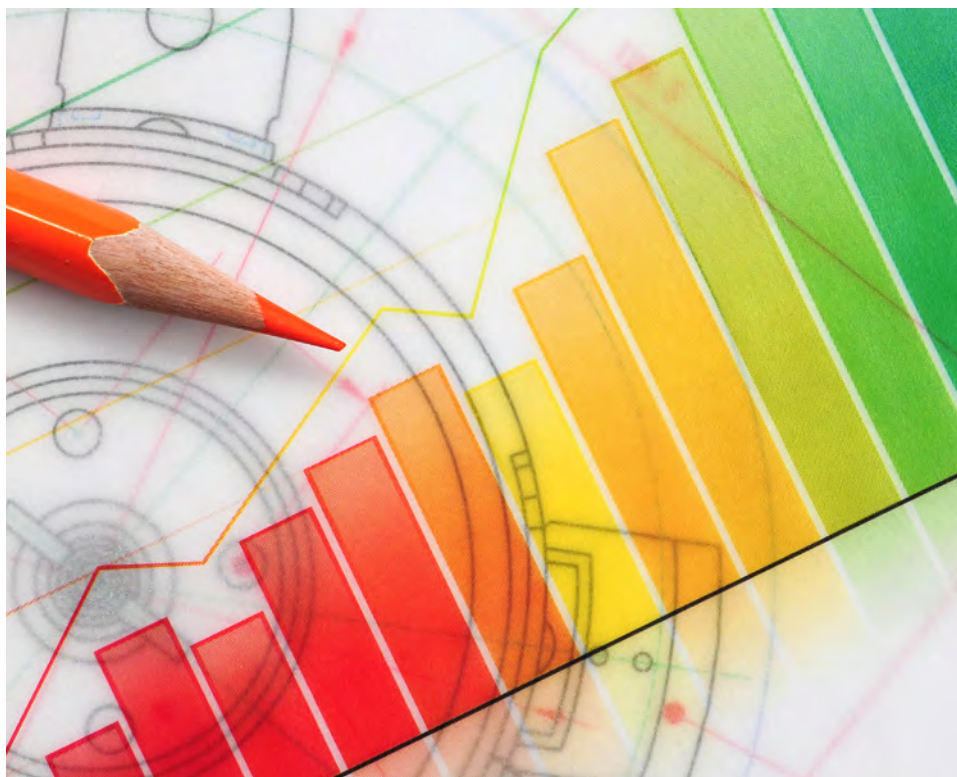
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DATA & RANKINGS

The annual data issue of *Business Insurance*, provides highlights from our proprietary research released over the past year and other rankings. Included are broker, captives, surplus lines and third-party administrator rankings, as well as rankings on specialty segments such as cyber risk and medical malpractice insurers. **PAGE 10**

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MARIJUANA

As states legalize the use of medical marijuana, workers and job applicants are scoring legal victories in cases where they allege that they were fired or not hired due to discrimination over their legal use of pot. **PAGE 4**

ILLEGAL IMMIGRATION

A low unemployment rate and polarized views on illegal immigration are fueling concerns by employers over how to treat undocumented workers who claim for workers compensation benefits after workplace injuries. **PAGE 5**

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Employment suits over medical pot use rise

BY JUDY GREENWALD

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A growing number of workers and job applicants are successfully suing businesses for discrimination after they terminate or fail to hire them because of medical marijuana use.

The trend is expected to accelerate with 33 states and the District of Columbia to date having legalized medical marijuana's use.

Recent cases include a November ruling by the Court of Common Pleas of Lackawanna County in Scranton, Pennsylvania, which became the first state or federal court in Pennsylvania to rule on the issue.

Complicating the situation for employers, meanwhile, is the fact that marijuana remains an illegal drug under federal law and various state laws create a patchwork of legislation for them to follow.

Experts recommend that employers engage in an interactive process with workers in states where medical marijuana has been legalized.

In the Pennsylvania case, the Court of Common Pleas held in *Pamela Palmiter v. Commonwealth Health Systems Inc. et al.* that although the state's Medical Marijuana Act, which became effective in 2016, does not explicitly permit a private right of action by an employee who is allegedly discriminated against because of medical marijuana use, it does so implicitly.

"It opens the door to other lawsuits" and will be influential both inside the state and elsewhere, said Daniel E. Cummins, a partner with Foley, Comerford & Cummins in Scranton that represents clients in civil litigation.

Observers point to comparable rulings in federal and state courts including in Arizona, Connecticut, Delaware, Massachusetts, New Jersey and Rhode Island.

Frederick T. Smith, a labor and employment attorney with Seyfarth Shaw LLP in Charlotte, North Carolina, said that of



the 33 states that have legalized medical marijuana use, 16 provide workspace protections, either through their statutes or through case law interpreting their statutes, with the remaining either silent or ambiguous on the issue.

The 16 states are Arkansas, Arizona, Connecticut, Delaware, Illinois, Maine, Minnesota, Nevada, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Rhode Island, West Virginia and Massachusetts.

Mr. Smith said that while courts initially tended to rule employees could not pursue discrimination charges in medical marijuana cases, "the tide started to turn in 2017, with decisions coming from courts in the Northeast that changed the risk analysis for the business community when it comes to applicants' and employees' use of marijuana."

"There's an increasing trend across all states to protect the medical use of marijuana and to treat it similarly to how prescription drugs are treated," said Matthew A. Hesketh, a member of Sherman & Howard LLC in Phoenix, whose practice focuses on contractual disputes, corporate

and business matters, administrative law and appellate litigation.

"If an employee would be entitled to use prescription drugs in compliance with the law, the trend is courts are willing to treat marijuana in the same way, assuming it has some recognized protection under state law," he said.

"There are two primary avenues for recognizing protection of medical marijuana," Mr. Hesketh said. "The first is through an antidiscrimination type of law, so generally, if medical marijuana can be viewed as a reasonable accommodation for someone's disability, some states are willing to recognize that under their own state laws (that are) analogous to the (Americans With Disabilities Act), that the medical use of marijuana is potentially a reasonable accommodation," although they cannot use it on the job site, he said.

The other source of protection is instances such as Arizona's, where the law protects employers from taking any adverse action against an employee who is a registered medical marijuana cardholder as long as he does not come to work impaired.

"There's going to be a movement" of litigation in this area, said Vance O. Knapp, a partner with Armstrong Teasdale LLP in Denver in management-side labor and employment law.

"The first step was to get it legalized," he said. Now that its proponents have been successful, the next movement will be to provide protection for employees.

If workers have a medical marijuana card "the really smartest move to make" is to engage with them in an interactive process "and see if they have an underlying disability which requires accommodation," said Amy Epstein Gluck, a partner with FisherBroyles LLP in Washington who advises business owners on compliance with anti-discrimination laws.

Mr. Smith said employers "should be

reexamining their policies and practices and their tolerance for risk" in the 16 states that provide discrimination protection.

"Many companies are developing reasonable accommodation processes in order to determine whether applicants' and employees' use of medical marijuana doesn't impact their ability to safely and effectively perform their jobs in the case of employees, and the jobs to which they are applying in the case of applicants," he said.

Linda B. Hollinshead, a partner with Duane Morris LLP in Philadelphia, who provides training and counseling to employers, said she recommends employers look at the situation from the perspective of two points in time: at the pre-hiring, post-conditional offer testing stage, and situations where the employee is already working at the company, where the issue most often arises post-accident and there is a reasonable suspicion of drug use.

In cases where the applicant has not yet been hired, employers should "carefully consider what kinds of positions they really want to be testing for," and distinguish between safety-sensitive and nonsafety-sensitive positions, she said.

"I have many clients who have decided to not test for marijuana," at least at the pre-hire stage, for nonsafety-sensitive positions, she added.

Employers who do conduct drug testing should work with their medical review officers and drug testing companies, and set up protocols that provide an expert's independent judgment on the issue if the candidate tests positive, she said.

The employer should then engage in an interactive process with the applicant to determine if they can safely perform in the position for which they are being considered.

In cases where someone is already working at the company, employers "have to distinguish between safety-sensitive and nonsafety-sensitive" positions, but in states where medical marijuana has been legalized, the employer should not make a decision a worker should not be employed simply because they use medical marijuana, she said.

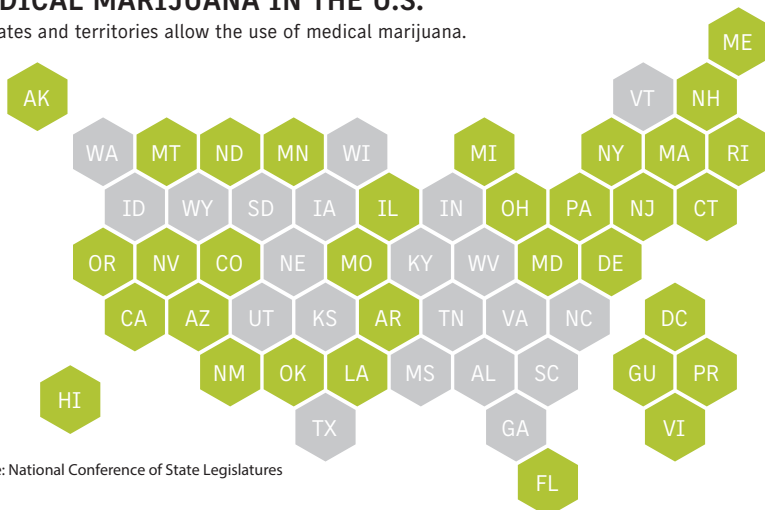
In addition, employers should stay on top of local laws.

"Obviously this is an area of law that's evolving rapidly," said Mr. Hesketh. It is a lot to keep track of, he added, with new court cases, legislation and proposed legislation "almost every single day," he said.

"The best advice I can give is to keep it on your radar" and be cognizant that "this is changing quickly. This isn't something where you can just rely on old policies or handbooks or what may have been OK" even a year ago.

MEDICAL MARIJUANA IN THE U.S.

33 states and territories allow the use of medical marijuana.



Source: National Conference of State Legislatures

Immigration debate fuels comp concerns

BY ANGELA CHILDERS

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The tight labor market combined with the ever-present immigration debate continue to spill into the workers compensation industry.

In December, the widely publicized deportation of an undocumented construction worker injured in November's collapse of the Hard Rock Hotel in New Orleans has advanced the issue, with protests and immigrant right proponents arguing alleging injustice.

And with new government data showing an increase in workplace fatalities among foreign-born workers, the debate over what benefits should be provided to injured illegal workers continues, experts say.

Case law and state statutes vary widely regarding what benefits may be afforded to an injured undocumented worker, and the laws "reflect the politics that are at a fever pitch right now with regards to this issue," said Gary Wickert, partner in the Hartford, Wisconsin, office of Matthiesen, Wickert & Lehrer SC, a national law firm focused on workers compensation subrogation.

On Dec. 17, the U.S. Bureau of Labor Statistics released its workplace fatality figures for 2018 that revealed that occupational deaths among Hispanic or Latino workers jumped 6% in 2018 from 2017, and noted that 67% of those who died were born outside of the U.S.

When undocumented workers are injured on the job, they must consider whether to pursue medical care and benefits at the risk of arrest and deportation, fueling arguments over what is fair treatment for an injured worker, according to experts.

While the 1986 Immigration Reform and Control Act made employing undocumented workers illegal, industries such as agriculture, hospitality and construction see undocumented workers as a large part of the workforce, said Frank Pennachio, principal at St. Petersburg, Florida-based Oceanus Partners, an insurance consulting firm.

While some believe that illegal immigrants should not be entitled to workers



comp benefits, arguing that because they are undocumented no valid employment contract exists between the worker and the employer, others point to the danger of allowing employers to take advantage of undocumented workers' status if they knowingly hire them because they know if an injury occurs they won't have to pay comp benefits, said Mr. Wickert.

The majority of states permit workers compensation for undocumented workers "even if they obtained the employ-

ment with false information," said Ryan Allen, partner in the White Plains, New York-office of Goldberg Segalla LLP.

But the specifics vary.

For example, in Colorado state statutes for workers compensation benefits expressly include undocumented foreign-born workers in the definition of workers entitled to collect work-related injury benefits. Delaware allows such workers to collect partial disability or diminished earning capacity dollars, which a 2014 Delaware Supreme

Court decision said "ensures fairness to undocumented workers under the law," according to research from Mr. Wickert's firm.

On the flip side, Wyoming is the only state that expressly states that injured workers seeking workers compensation must be "legally employed," and the state's high court has held that if an employee is unauthorized to work, he or she is not an employee entitled to workers compensation benefits.

In June, the Ohio House passed a budget for the state's monopolistic Bureau of Workers Compensation that contained language that would have required injured workers to check a box stating whether they were legal or illegal when filling out workers compensation forms, with the risk of forfeiting their right to benefits if they provided false information. However, the final budget was stripped down and did not include the language requiring the disclosure.

In the early 2000s, Florida passed a law that made applying for a workers compensation claim with false identification a crime.

"We shouldn't be looking at whether or not someone is documented or undocumented at the time of injury if we're not using E-Verify to validate their legal status," said Mr. Pennachio.

In situations where an employer knows the employee is illegal, Mr. Wickert said there are good arguments for why comp benefits should not be withheld.

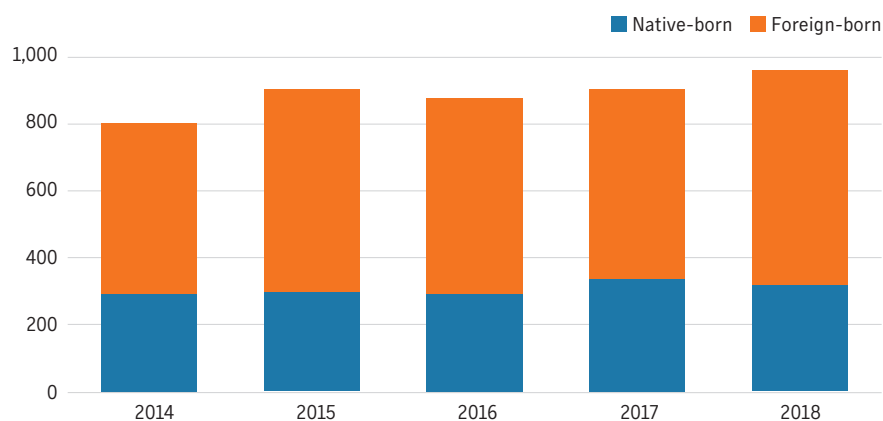
"By denying benefits, the employer shifts the cost of the situation it knowingly created onto the taxpayer," he said. "Workers comp laws were enacted to make sure that the cost of injuries created by an industry were placed on the industry rather than on society or on employees themselves."

"It's a challenging, problematic situation: arrest them instead of paying a workers comp claim," Mr. Pennachio said of the situation in Florida.

"I'd like to see the state legislatures bring more clarity to this and figure out what's the best way to assist undocumented injured workers, because arresting them just doesn't seem right," he said.

FATAL WORK INJURIES TO HISPANIC OR LATINO WORKERS

Foreign-born Hispanic or Latino workers suffer a disproportionate number of fatalities in the workplace and that number has been consistently higher than for native-born Hispanic or Latino workers.



Source: U.S. Bureau of Labor Statistics, 2019

EMPLOYMENT CRUNCH PUTS PRESSURE ON FIRMS TO VERIFY STATUS OF WORKERS

The low unemployment rate and challenge of filling roles have led to some proposals to expand visa programs for workers, but until that happens, employers need to take steps to ensure the legal status of their workforce, experts say.

In the construction industry, which the Pew Research Center says employs

a larger percentage of undocumented workers than many industries, more than 80% of construction firms face difficulty filling positions, according to a survey released Dec. 18 by Arlington, Virginia-based Associated General Contractors of America.

The association has lobbied Congress to pass a temporary visa program for

construction workers to protect their legal status while filling the industry's needs.

For now, employers can avoid the debate of how to handle claims from an injured undocumented worker by taking steps to confirm a worker's legal status at the start of employment and ensuring the information provided by an employee is accurate, said Ryan

Allen, partner in the White Plains, New York office of Goldberg Segalla LLP.

"As we know, a lot of times that information may be counterfeit," he said. Employers should use E-Verify or an ISO ClaimSearch, and can also use a background check or even social media to determine their work status, he advised.

Angela Childers

PTSD claims rise on heels of workplace violence

BY LOUISE ESOLA

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Post-traumatic stress disorder claims are rising in the workers compensation sector as workers report mental disorders after violent incidents in the workplace.

But as claims for PTSD and other claims that mention the disorder in addition to other injuries increase, diagnosis of the condition continues to evolve.

“There is not a lot of data on PTSD, but we are seeing it on the rise,” said Donna Bradshaw, Philadelphia-based vice president of independent medical evaluation services for Genex Services LLC, which manages comp claims for employers nationwide, and has seen a 20% uptick over the past two years for referrals for secondary, independent evaluations for psychiatric conditions attached to workers comp claims.

“(PTSD) became more difficult to prove” with California state reforms intended to raise the benchmark to claim PTSD, “but it did not go away,” said Jeff Adelson, a partner with the Newport Beach, California, firm Adelson McLean P.C., which represents employers.

And cumulative trauma claims that mostly deal with musculoskeletal injuries are increasingly seeing PTSD added, he said.

Comprehensive data is also scarce on how many PTSD claims are for isolated injuries and claimants, compared with incidents involving many workers, such as shootings. There are available recent anecdotal figures for at least one incident. In Virginia Beach, Virginia, a spokesperson confirmed in December that upwards of 450 workers filed PTSD workers comp claims following a May shooting at a municipal building where 12 people were killed.

Physicians and psychologists, meanwhile, warn that the condition can be diagnosed prematurely following an event or misdiagnosed.

It can be tough even for a specialist to distinguish between conditions, experts say. Some employees witnessing an event



can recover from the trauma without treatment, others may not meet the criteria for a PTSD diagnosis, but others may suffer from the condition — or another mental condition altogether.

“Right after a traumatic event, let’s say a mass shooting, in the next weeks it is common to have symptoms of PTSD and for most people, over time, those symptoms reduce until it’s gone,” said Sonya Norman, a San Diego-based psychologist and PTSD consultation program director for the White River Junction, Vermont-based National Center for PTSD.

“PTSD has become emblematic of trauma, but we shouldn’t lose the fact that there is depression or anxiety after an event, and substance abuse, which becomes very tricky.”

Spencer Eth, University of Miami

“PTSD is a sort of failure of that natural process,” she said, adding between 10% and 30% of people who witness a traumatic event will suffer from PTSD.

The mental condition is often accom-

panied by nightmares, stress and anxiety, among a long list of symptoms required for a diagnosis, and it can affect numerous people at one incident.

The University of Vermont addressed the issue in a study published in December in the medical journal *Depression and Anxiety*, reporting that 23% of people exposed to a tragedy may develop PTSD.

In Virginia Beach, “hundreds” of workers were present during the shooting, but some of their claims have been rejected, according to a city spokeswoman, who did not elaborate on which classification of workers filed claims — first responders or office workers.

And because the numbers aren’t clear and each case is different, it’s hard to assess whether such a large number of claimants is excessive, experts say.

Dr. Roger Pitman, a Cambridge, Massachusetts-based psychiatrist and professor of psychiatry at Harvard Medical School who worked with Vietnam veterans as a Department of Veterans Affairs clinician for 30 years, said in the instance of a traumatic event, PTSD is diagnosed using “specific criteria” in the American Psychiatric Association’s *Diagnostic and Statistical Manual of Mental Disorders*.

Commonly referred to as the DSM-5, to be diagnosed with PTSD a patient must have been exposed or witness to a

life-threatening event, along with a list of other symptoms that must be present, such as lack of function, irritability, aggression, difficulty sleeping or concentrating.

“Just being in the vicinity of a traumatic event does not qualify,” he said, adding that a person must experience symptoms for 30 days or more to be a PTSD patient, under the guidelines. “You have to look at each individual case.”

Medical experts say checking the validity of the claims is a delicate issue. PTSD is well-known and those exposed to trauma may assume they have it and it can be faked, according to experts.

“We have the internet now,” said Dr. Norman, who remains cautious in calling any claim of PTSD manufactured. “People Google their symptoms.”

“As a clinician, I feel like anywhere in life there are people exaggerating their symptoms and as a clinician it is not helpful to focus on that small percentage since there is so much stigma on mental health,” she said.

In addition, a person who experiences trauma may have other conditions that are not PTSD but still warrant treatment, said Spencer Eth, a psychiatrist in Miami who is affiliated with the Miami Veterans Affairs Healthcare System and works as a professor of psychiatry with the University of Miami.

“PTSD has become emblematic of trauma, but we shouldn’t lose the fact that there is depression or anxiety after an event, and substance abuse, which becomes very tricky,” he said. “(Those ailments) would warrant treatment and interfere with someone’s ability to work.”

PTSD is “treatable,” said Dr. Norman, but experts point to a mixed bag of solutions that include counseling and medication.

“The natural course of PTSD is progressive improvement over time,” said Dr. Pitman, adding that relapses triggered by another event can occur, but the condition remains “treatable.”

“We used to see it as a life sentence, but we’ve come a long way,” said Dr. Norman. “Most people respond to treatment.”

STATES CONSIDER PRESUMPTION BILLS FOR FIRST RESPONDERS WITH TRAUMA

The National Council for Compensation Insurance is tracking a series of pre-filed bills that aim to provide post-traumatic stress disorder benefits to first responders, an indication that what the Boca Raton, Florida-based agency described as a top trend in 2019 will continue into 2020.

As of December, five pieces of legislation

have been pre-filed in three states — South Carolina, Missouri and Florida — for the 2020 legislative season, according to updates posted on NCCI’s website.

The bills in general would provide workers compensation coverage under presumption for post-traumatic stress disorder.

Specifics vary, however, with some defining

emergency workers more broadly than police officers and firefighters.

For example, Missouri, in H.B. 1263 pre-filed Dec. 2, would add “air ambulance pilot” and “air ambulance registered professional nurse” to the list of qualifying professionals.

Florida, which passed its PTSD bill

for first responders in 2018, proposes adding correctional officers as qualifying professionals, according to a bill that was filed on Oct. 21 and sent to committee in November.

All the legislation would go into effect in 2020.

Louise Esola

REMEMBERING

Darrell Brown

industry
champion,
colleague
and friend

Every once in a while someone makes an indelible mark on your life. Darrell Brown was that kind of person. Smart, kind, funny... an empathetic and empowering leader, and truly dedicated to helping others, Darrell was a living example of Sedgwick's caring counts philosophy. His quick knowledge, sense of partnership and collaborative nature propelled him to success as Sedgwick's chief claims officer. But even more importantly, it was his caring heart that made him such an amazing person, colleague and friend.

Darrell worked tirelessly to advocate for those in need, guiding our path to do the right thing for injured workers. This lasting legacy is what he leaves behind. Sedgwick – and our industry – is better because of Darrell's influence. We send our sympathy to his family and many friends, and share our heartfelt thanks for the impact he made on us all.



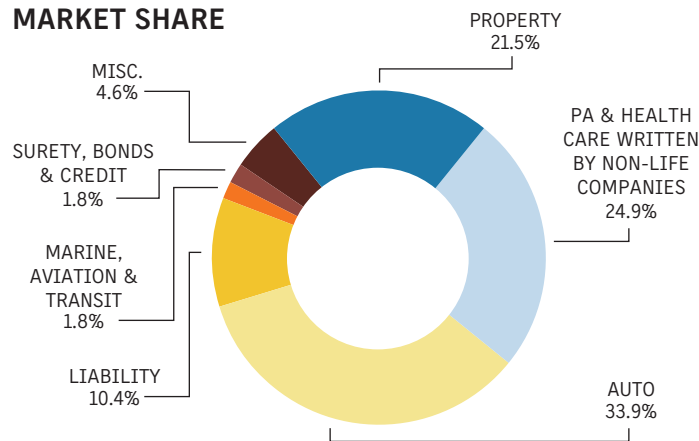
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GLOBAL
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RANKING

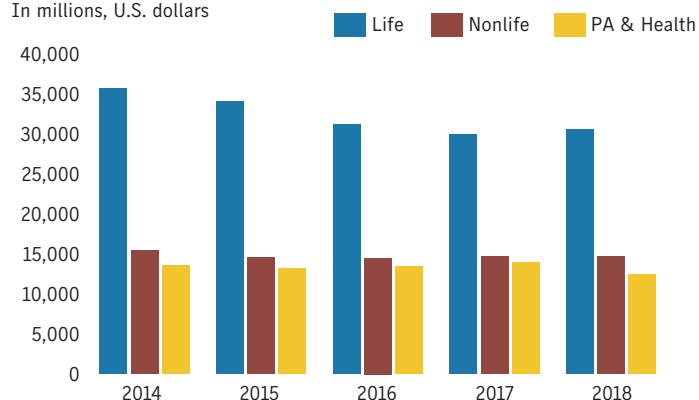
The Swiss market is highly saturated, with high insurance penetration, and continues to be very competitive. The favorable loss experience for the market in recent years continued in 2018. Property premiums have declined in recent years and in 2018 had still not reached the level seen in 2012. Personal lines property remains competitive and commercial and industrial risks have been constantly under pressure. Some market participants feel that there could be some firming in 2020. Although cover for elemental perils is compulsory, earthquake is not included in the range of natural hazards covered. While there have been discussions at a political level about extending coverage to encompass earthquake, it was decided not to. Stimulated by the discussions, however, and encouraged by brokers, private and corporate policyholders have increasingly bought earthquake insurance.

MARKET SHARE



MARKET GROWTH

In millions, U.S. dollars



Source: Axco Global Statistics/Industry Associations and Regulatory Bodies

COMPULSORY INSURANCE

Many lines of cover are compulsory, including:

- Auto third party liability.
- Fire and elemental perils for buildings, in most cantons
- Third party liability for clinical and non-clinical trials on humans
- Aviation liability
- Third party liability for cable cars, rail services and passenger transportation

NONADMITTED

Unauthorized insurers cannot carry on insurance activity in Switzerland with some exceptions. At the same time, since the supervisory law regulates insurers not policyholders, there is nothing in the law that prevents a Swiss national from concluding a contract with a non-admitted insurer with some exceptions. There is no freedom of services between the EU/EEA and Switzerland although Switzerland continues to adopt most EU law within its own structures.

INTERMEDIARIES

Independent intermediaries must register. Tied intermediaries may register but it is not compulsory. Insurance intermediaries are prohibited from carrying out services for unauthorized insurers. According to the Insurance Supervision Ordinance for insurers located abroad that do not have a branch in Switzerland, the following are exceptions to the prohibition on unauthorized insurance: risks situated abroad, war risks, marine cargo and aviation. Brokers are therefore permitted to mediate such contracts.

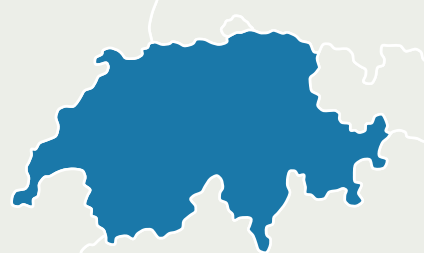
MARKET PRACTICE

General market practice in Switzerland is to follow the regulatory position and insure locally, using a fronting company if necessary.

MARKET DEVELOPMENTS

Updated November 2019

- In 2017, the Federal Council adopted proposals to amend the Insurance Contract Act (VVG). The proposals continued to be under discussion in 2019 and are not expected to come into effect until at least 2021. The most important change is the introduction of a distinction between consumer and large commercial risks for the first time. The insurer and policyholder may agree that certain provisions of the VVG will not apply to a contract covering commercial risks.
- The Insurance Supervision Act (VAG) is also being amended, to include provisions relating to the insurance industry that were originally under the proposed Financial Services Act (FinSA). The amended law is expected to come into effect sometime in 2020. The new VAG will introduce a provision requiring Swiss branches of foreign insurers which transact reinsurance to be subject to supervisory licensing. It will also require insurers and independent intermediaries to be subject to the insurance ombudsman and introduce a duty for brokers to inform policyholders about any commission they receive. It will also introduce a lighter regulatory regime for a new category for insurers that only work with professional policyholders and provisions allowing for the restructuring of insurers in case of insolvency.



AREA

15,940

square miles

POPULATION

8.6

million

MARKET CONCENTRATION

44%

market share of top five insurers

2019 GDP CHANGE (PROJECTED)

1.23%

Information provided by Axco Insurance Information Services.
www.axcoinfo.com



Insurers to pay bulk of Weinstein settlement

■ The bulk of a tentative \$47 million settlement of litigation against movie producer Harvey Weinstein, of which \$25 million will compensate his accusers, will be paid for by insurers, according to plaintiff attorneys in the case.

Coverage litigation against Mr. Weinstein was filed in New York state court last year by Chubb Ltd. units, a Zurich North America unit and Travelers Casualty and Surety Co.

The insurers were seeking rulings they were not obligated to indemnify Mr. Weinstein in connection with numerous sexual assault and harassment charges filed against him. The Zurich and Chubb cases were subsequently moved to U.S. District Court in New York.

Spokesmen for the insurers had no comment or could not be reached for comment. A spokesman for the New York Attorney General had no comment.

Elizabeth A. Fegan, founding partner of Fegan Scott LLC in Chicago, who is the lead attorney in the class action lawsuit, said in a statement, “It is important to recognize that while there is a great deal of attention focused on the proposed settlement, it is not a final settlement and it would be inappropriate for me, or for anyone involved in the litigation, to talk about specifics.”

Thomas Giuffra, a partner with Rheingold Giuffra, Ruffo & Plotkin LLP in New York, who represents one of the plaintiffs in the case, said he is opposed to the settlement and plans to pursue litigation in the matter.

Kickbacks case heads for trial on arbitration

■ A trial must be held on the issue of whether a dispute between Hub International Ltd. and a South Carolina school district over a “massive” multiyear kickback scheme is subject to arbitration, said the 4th U.S. Circuit Court of Appeals in Richmond, Virginia, in vacating a lower court’s order.

The basis of the litigation in *Berkeley County School District v. Hub International Ltd. et al.* is a “massive insurance contract steering and kickback fraud conspir-

acy that spanned the period from 2001 to 2016 and was perpetrated” by Hub International, Knauff Insurance Agency Inc., which Hub acquired in 2012, and the district’s former chief financial officer, Brantley Thomas, according to the ruling.

The operative complaint alleges that from 2005 to 2017, Mr. Thomas helped Hub and Knauff secure contracts to broker insurance policies for Moncks Corner, South Carolina-based Berkeley Schools and to conduct reviews of the schools’ existing insurance policies; in exchange, Hub and Knauff paid him kickbacks “in the form of cash, expensive trips, hotel rooms, dinners and spa services” for steering the contracts to them, said the ruling.

In January 2018, Mr. Thomas pleaded guilty to fraud and other charges.

Hub argued that, under its brokerage service agreements, any claims by the school district should be arbitrated. A lower court ruled against Hub’s move to compel arbitration, but the appeals court ruled that the issue of arbitration should be decided at trial.



Liberty Mutual must defend rapper in suit

■ A Liberty Mutual Insurance Group unit must defend a rapper charged with plagiarism in connection with his 2016 hit song, says a federal district court.

Plaintiff Joseph A. Cartagena, who is also known as Fat Joe, and his Miami-based company, Sneaker Addict Touring LLC, were sued for plagiarism in U.S. District Court in New York by Eric A. Elliott, who said Mr. Cartagena and others made changes to his unfinished song “All the Way Up,” according to the ruling in *Joseph A. Cartagena and Sneaker Addict Touring LLC v. Homeland Insurance Co. of New York*.

Mr. Elliott, who is also known as Fly Havana, contended that while Mr. Cartagena paid him \$5,000 and promised future compensation, he never received any further compensation or credit for his contribution to the song.

Mr. Elliott then filed suit against Mr. Cartagena and his company in U.S. District Court in New York in a separate case, seeking a declaration he is either the sole or joint owner of the song.

Liberty Mutual unit Homeland, which had issued a \$1 million claims-made

music professional liability policy to Mr. Cartagena and his company, denied coverage, and Mr. Cartagena filed suit.

The words in the Elliott complaint “fairly allege Piracy, plagiarism, and misappropriation of ideas or information,” which are covered under the policy, said the ruling.

Homeland also argues because Mr. Elliott was either an independent contractor or a joint venturer he falls under a policy exclusion.

But, “No allegation in the Elliott Complaint suggests that Elliott provided his contributions to the unfinished version of the song pursuant to an any agreement with Cartagena,” said the ruling, which held the insurer’s argument he was a joint venturer “also fails.”

Attorneys in the case had no comment or could not be reached.

Travelers loses in Ryan Ferguson case

■ Travelers Cos. Inc. units must pay \$5.3 million to a man who was wrongfully convicted of murder even though their coverage was not in effect at the time of his arrest and conviction, a Missouri state appeals court ruled.

The Missouri Court of Appeals in Kansas City, Missouri, held in *Ryan Ferguson v. St. Paul Fire and Marine Insurance Co. et al.* that the insurer was obligated to contribute to a settlement in the case because Mr. Ferguson sustained injuries as defined by the coverage during the almost ten years he was incarcerated.

In March 2004, Mr. Ferguson was arrested and charged with robbery and homicide for the 2001 death of a Columbia Daily Tribune sports editor, Kent Heitholt.

He was convicted in October 2005 and incarcerated until his conviction was vacated in November 2013, after a state appeals court held the prosecutor’s office had withheld evidence from defense attorneys and that Mr. Ferguson had not received a fair trial, according to a news report.

The state elected not to retry Mr. Ferguson, and he was discharged from custody.

After leaving prison, Mr. Ferguson filed a civil lawsuit against five Columbia, Missouri, police officers involved in his case and the city of Columbia, which resulted in an \$11 million settlement, according to the ruling.

Columbia and its officers were insured by law enforcement liability policies through St. Paul from Oct. 1, 2006, through Oct. 1, 2010, and a similar policy through Travelers Indemnity Co. from Oct. 1, 2010, through Oct. 1, 2011, the ruling states.

In 2018, a circuit court held the insurers should pay \$5.3 million toward the settlement, which reflected \$1 million for each of the five years Mr. Ferguson was incarcerated within the policy period, and \$854,000 in attorneys’ fees, less a \$500,00 self-insured retention.

DOCKET



GALLAGHER LOSES DISCOVERY EFFORT

The Illinois Supreme Court ruled against an Arthur J. Gallagher & Co. unit in the brokerage’s legal fight with charitable foundations that allege negligence in a D&O liability placement. The high court ruled that Gallagher is not entitled to access communications between the foundations and their attorneys relating to investments in a company that later filed for bankruptcy protection, resulting in a D&O claim that was denied. The case, *Robert R. McCormick Foundation et al. v. Arthur J. Gallagher Risk Management Services Inc.*, dates to the 2010 renewal of the Robert R. McCormick Foundation and the Cantigny Foundation’s D&O program.

CNA UNIT WINS A&E RULING

Massachusetts’ top court affirmed summary judgment in favor of a CNA Financial Corp. unit in a professional liability case in which its policyholder had refused a settlement. The ruling by the Supreme Judicial Court of Massachusetts also held in *Douglas M. Rowan and another vs. Continental Casualty Co.* that consent-to-settle clauses in professional liability policies do not violate state statute. In 2005, Mr. Rowan and Kristen A. Rowan hired Kanayo Lala to design structural members for their new home, but Mr. Lala underestimated the building loads and stresses in his calculations, and after construction, beams and joists began to crack, according to the ruling.

DISABILITY ENDS FOR MAN LIFTING SUITCASE

A worker injured in 2001 failed to show he should continue to receive disability payments after surveillance showing the man lifting a suitcase full of Jehovah’s Witness pamphlets. In *Jones v. Workers Compensation Appeals Board*, a three-judge panel of the Pennsylvania Commonwealth Court affirmed the Pennsylvania Workers Compensation Board’s decision to terminate the man’s disability benefits after it found Steven Jones’ condition had improved.

INSURANCE

BY THE NUMBERS

IN THIS SPECIAL data and rankings issue of *Business Insurance*, we bring you our proprietary rankings from the past year plus other industry data to present a numerical overview of the commercial insurance market from retail brokers to reinsurers and cyber insurers to captive managers.

For more information on rankings and research, visit www.BusinessInsurance.com and click on the “Research & Reports” tab.

TOP 100 U.S. BROKERS*

Ranked by 2018 brokerage revenue generated by U.S.-based clients

2019 rank	2018 rank	Company	2018 brokerage revenue	% increase (decrease)	2019 rank	2018 rank	Company	2018 brokerage revenue	% increase (decrease)
1	1	Marsh & McLennan Cos. Inc. ^{1,2}	\$7,524,000,000 ³	9.4% ³	51	56	Towne Insurance Agency LLC ¹	\$65,720,364	9.7%
2	2	Aon PLC ¹	\$4,654,393,100	5.5%	52	54	Houchens Insurance Group Inc.	\$62,187,516	2.5%
3	3	Willis Towers Watson PLC	\$3,954,110,000	3.7%	53	63	James A. Scott & Son Inc., dba Scott Insurance	\$61,589,000	13.3%
4	4	Arthur J. Gallagher & Co. ¹	\$3,574,550,000	14.1%	54	60	Parker, Smith & Feek Inc.	\$60,425,000	8.8%
5	5	BB&T Insurance Holdings Inc. ^{1,4}	\$2,016,267,000	5.1%	55	62	Graham Co.	\$58,740,136	5.2%**
6	6	Brown & Brown Inc. ^{1,5}	\$2,009,856,649	8.2%	56	58	Huntington Insurance Inc.	\$57,937,770	2.8%
7	8	Hub International Ltd. ¹	\$1,674,394,020	14.7%	57	61	Starkweather & Shepley Insurance Brokerage Inc. ¹	\$57,034,282	3.3%
8	7	USI Insurance Services LLC ¹	\$1,665,445,136	1.9%	58	59	LMC Insurance & Risk Management Inc. ¹	\$56,850,264	1.9%
9	10	Alliant Insurance Services Inc. ¹	\$1,346,159,749	19.8%	59	64	Sterling & Sterling LLC, dba SterlingRisk	\$54,039,111	1.9%
10	13	Acrisure LLC ¹	\$1,322,983,764	30.2%	60	65	Bowen, Mickette & Britt Inc.	\$51,786,324	4.7%
11	9	Lockton Cos. LLC ⁶	\$1,288,021,695	11.3%	61	67	Frost Insurance Agency Inc.	\$49,648,036	6.0%
12	12	AssuredPartners Inc. ^{1,7}	\$1,223,074,154	20.0%	62	68	Bolton & Co.	\$48,551,757	4.1%
13	11	NFP Corp.	\$1,196,160,000	16.3%	63	72	Shepherd Insurance LLC ¹	\$48,145,910	11.7%
14	14	BroadStreet Partners Inc.	\$604,575,000	26.4%	64	66	Moreton & Co.	\$46,838,000	(3.7%)
15	15	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants ^{1,8}	\$579,241,525	54.7%	65	69	Rose & Kiernan Inc.	\$46,752,000	8.1%**
16	17	Risk Strategies Co. Inc. ¹	\$366,508,421	42.2%	66	100	Acentria Insurance ¹	\$46,456,900	63.6%
17	24	Alera Group ¹	\$340,500,000	76.7%	67	75	Corporate Synergies Group LLC	\$46,319,815	2.1%**
18	25	Digital Insurance Inc., dba OneDigital Health and Benefits ¹	\$313,167,808	65.5%	68	70	Riggs, Counselman, Michaels & Downes Inc.	\$45,827,330	2.6%
19	18	Leavitt Group ¹	\$254,917,000	8.0%	69	71	M&O Agencies Inc., dba The Mahoney Group	\$45,093,691	4.3%
20	19	CBIZ Benefits & Insurance Services Inc. ¹	\$237,100,000	2.2%	70	79	Armfield, Harrison & Thomas Inc., dba AHT Insurance ¹	\$44,887,726	13.6%
21	20	Paychex Insurance Agency Inc. ⁹	\$231,400,000	2.3%	71	NR	Sunstar Insurance Group LLC ¹	\$43,000,000	35.6%
22	26	Holmes Murphy & Associates Inc. ¹	\$209,620,404	19.0%	72	73	Gowrie Group	\$42,669,000	5.1%**
23	23	Insurance Office of America Inc. ¹	\$206,234,662	5.2%	73	84	Ansary & Associates LLC ¹	\$42,355,023	18.6%
24	27	Higginbotham ¹	\$200,000,000	15.9%	74	78	Robertson Ryan & Associates Inc.	\$41,066,957	3.2%
25	28	Cottingham & Butler Inc. ¹	\$187,256,000	11.3%	75	NR	HMS Insurance Associates Inc.	\$41,037,272	4.4%
26	30	Cross Financial Corp., dba Cross Insurance ¹	\$167,000,000	6.4%	76	81	Charles L. Crane Agency Co.	\$40,947,000	8.8%
27	29	The IMA Financial Group Inc.	\$162,366,331	5.6%**	77	85	Sterling Seacrest Partners Inc.	\$39,430,552	12.4%**
28	39	The Hilb Group LLC ¹	\$141,726,418	24.6%	78	NR	First Insurance Group LLC	\$39,407,967	6.4%
29	35	Hylant Group Inc.	\$138,736,384	9.3%	79	80	Fisher Brown Bottrell Insurance Inc.	\$39,091,105	2.4%
30	34	Woodruff Sawyer & Co.	\$138,500,000	8.3%	80	82	James G. Parker Insurance Associates	\$37,575,000	0.8%
31	36	PayneWest Insurance Inc.	\$130,364,466	10.1%	81	83	The Loomis Co.	\$37,125,000	2.7%
32	37	BXS Insurance Inc.	\$118,986,043	1.6%	82	76	M&T Insurance Agency Inc.	\$36,258,361	12.5%**
33	31	AmeriTrust Group Inc. ¹	\$115,827,000	(22.7%)	83	86	SullivanCurtisMonroe Insurance Services LLC	\$35,787,000	2.4%
34	40	Prime Risk Partners Inc. ¹	\$114,958,650	6.1%	84	89	Christensen Group Inc.	\$34,125,566	6.3%
35	41	Assurance Agency Ltd.	\$114,825,000	9.5%	85	96	Rich & Cartmill Inc. ¹	\$33,551,322	11.0%
36	38	Heffernan Group ¹	\$102,527,412	(11.8%)	86	97	HNI Risk Services	\$33,392,496	10.5%
37	43	Insurica Inc. ¹	\$102,507,246	5.8%	87	101	Kapnick Insurance Group ¹	\$33,295,000	17.9%
38	42	Relation Insurance Inc.	\$98,800,000	1.9%	88	87	R&R Insurance Services Inc.	\$33,200,000	(1.5%)
39	46	Associated Benefits and Risk Consulting	\$92,642,930	11.6%	89	94	The Partners Group Ltd. ¹	\$33,091,931	6.9%
40	45	Eastern Insurance Group LLC ¹	\$92,139,308	10.3%	90	95	MJ Insurance Inc.	\$33,064,630	7.3%
41	44	Insurors Group LLC	\$90,852,000	7.0%	91	90	Cobbs Allen ¹	\$32,911,464	3.1%
42	47	Oswald Cos.	\$85,476,600	3.2%	92	91	Haylor, Freyer & Coon Inc. ¹⁰	\$32,816,520	4.4%
43	48	Propel Insurance	\$84,311,325	9.4%	93	93	PSA Insurance & Financial Services Inc. ¹	\$31,603,689	1.2%
44	57	Baldwin Risk Partners LLC	\$79,773,650	39.5%	94	92	People's United Insurance Agency Inc.	\$30,733,000	0.4%**
45	53	ABD Insurance & Financial Services Inc.	\$79,099,180	22.9%	95	98	Tompkins Insurance Agencies Inc. ¹	\$29,748,000	2.8%**
46	51	Lawley Service Inc. ¹	\$76,725,149	7.5%	96	NR	World Insurance Associates LLC ¹	\$29,542,180	59.3%
47	49	Horton Group Inc.	\$75,554,444	4.3%	97	99	Tricor Inc. ¹	\$29,071,000	(0.6%)
48	50	Marshall & Sterling Enterprises Inc. ¹	\$74,913,952	4.8%	98	103	Murray Securus ¹	\$28,660,000	4.1%
49	52	TrueNorth Cos. LLC ¹	\$74,300,000	12.1%	99	106	Insgroup Inc. ¹	\$28,020,000	14.8%
50	55	M3 Insurance Solutions Inc.	\$67,218,378	11.9%	100	105	The Buckner Co. Inc.	\$27,716,422	9.0%

*Companies that derive more than 49% of their gross revenues from personal lines are not ranked. **2017 restated. NR = Not ranked. ¹Reported U.S. acquisitions. ²Acquired John L. Wortham & Son LP, Aug. 2, 2018; Bouchard Insurance Inc., February 2019; Jardine Lloyd Thompson Group PLC, April 1, 2019; Lovitt & Touché Inc., April 2, 2019. ³Bl estimate of pro forma revenues to reflect acquisition of Jardine Lloyd Thompson Group PLC in April 2019. ⁴Acquired Regions Insurance Group Inc., July 1, 2018. ⁵Acquired The Hays Group Inc. et al., Nov. 16, 2018. ⁶Fiscal year ending April 30. ⁷Acquired Tolman & Wiker Insurance Services LLC, Feb. 1, 2019. ⁸Acquired Integro Insurance Brokers, Jan. 1, 2019. ⁹Fiscal year ending May 31. ¹⁰Fiscal year ending Aug 31.

Source: BI survey

DATA & RANKINGS

FASTEST GROWING BROKERS

Rank	Company	% increase
1	Reliance Partners Inc.	94.4%
2	Alera Group	76.7%
3	Digital Insurance Inc., dba OneDigital Health and Benefits	65.5%
4	Acentria Insurance	63.6%
5	World Insurance Associates LLC.	59.3%
6	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants	54.7%
7	Risk Strategies Co. Inc.	42.2%
8	Baldwin Risk Partners LLC	39.5%
9	Sunstar Insurance Group LLC	35.6%
10	Maximum Independent Brokerage LLC	35.1%

Source: BI survey



MOST PRODUCTIVE BROKERS

Rank	Company	Brokerage revenue per employee
1	Alliant Insurance Services Inc.	\$373,311
2	York International Agency LLC	\$365,007
3	The Graham Co.	\$330,001
4	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants	\$309,695
5	HMS Insurance Associates Inc.	\$299,542
6	Risk Strategies Co. Inc.	\$297,974
7	Foa & Son Corp.	\$293,182
8	Woodruff Sawyer & Co.	\$289,749
9	BB&T Insurance Holdings Inc.	\$278,490
10	ABD Insurance & Financial Services Inc.	\$273,700

Source: BI survey

LARGEST PRIVATELY OWNED BROKERS

Rank	Company	2018 brokerage revenue
1	Hub International Ltd.	\$2,146,659,000
2	Lockton Cos. LLC	\$1,705,989,000
3	USI Insurance Services LLC	\$1,665,445,136
4	Acrisure LLC	\$1,378,108,087
5	Alliant Insurance Services Inc.	\$1,346,159,749
6	NFP Corp.	\$1,246,000,000
7	AssuredPartners Inc.	\$1,231,448,000
8	BroadStreet Partners Inc.	\$604,575,000
9	Edgewood Partners Insurance Center, dba EPIC Insurance Brokers & Consultants	\$588,420,891
10	Risk Strategies Co. Inc.	\$366,508,421

Source: BI survey



WORLD'S LARGEST INSURANCE BROKERS

Rank	Company	2018 brokerage revenue
1	Marsh & McLennan Cos. Inc. ¹	\$16,839,000,000 ²
2	Aon PLC	\$10,717,000,000
3	Willis Towers Watson PLC	\$8,413,000,000
4	Arthur J. Gallagher & Co.	\$5,106,500,000
5	Hub International Ltd.	\$2,146,659,000
6	BB&T Insurance Holdings Inc. ³	\$2,016,267,000
7	Brown & Brown Inc. ⁴	\$2,009,856,649
8	Lockton Cos. LLC	\$1,705,989,000
9	USI Insurance Services LLC	\$1,665,445,136
10	Acrisure LLC	\$1,378,108,087

¹Acquired John L. Wortham & Son LP, Aug. 2, 2018; Bouchard Insurance Inc., February 2019; Jardine Lloyd Thompson Group PLC, April 1, 2019; Lovitt & Touché Inc., April 2, 2019. ²Pro forma to reflect acquisition of Jardine Lloyd Thompson Group PLC in April 2019. ³Acquired Regions Insurance Group Inc., July 1, 2018. ⁴Acquired The Hays Group Inc. et al., Nov. 16, 2018.
Source: BI survey



LARGEST U.S. INSURERS

Rank	Company	2018 direct premium written	Market share
1	State Farm	\$65,868,881,000	9.8%
2	Berkshire Hathaway Inc.	\$43,577,887,000	6.5%
3	Liberty Mutual Holding Co. Inc.	\$34,057,797,000	5.1%
4	Progressive Casualty Insurance Co.	\$33,754,923,000	5.0%
5	Allstate Corp.	\$33,251,176,000	4.9%
6	Travelers Cos. Inc.	\$26,147,365,000	3.9%
7	United Services Automobile Association Insurance Co.	\$21,977,530,000	3.3%
8	Chubb Ltd.	\$21,346,354,000	3.2%
9	Farmers Insurance Group of Companies	\$20,309,974,000	3.0%
10	Nationwide Mutual Insurance Co.	\$18,412,113,000	2.7%

Source: National Association of Insurance Commissioners

LARGEST U.S. COMMERCIAL RETAIL BROKERS

Rank	Company	2018 U.S. commercial retail brokerage revenue
1	Marsh & McLennan Cos. Inc. ¹	\$3,753,000,000 ¹
2	Aon PLC	\$2,020,000,000
3	Arthur J. Gallagher & Co.	\$1,374,645,000
4	Willis Towers Watson PLC	\$996,000,000
5	Alliant Insurance Services Inc.	\$951,713,823
6	USI Insurance Services LLC	\$877,380,672
7	Hub International Ltd.	\$835,400,000
8	Lockton Cos. LLC	\$760,484,000
9	Acrisure LLC	\$704,534,461
10	BB&T Insurance Holdings Inc.	\$625,082,000

¹BI estimate to reflect acquisition of Jardine Lloyd Thompson Group PLC, which was completed in April 2019.
Source: BI survey





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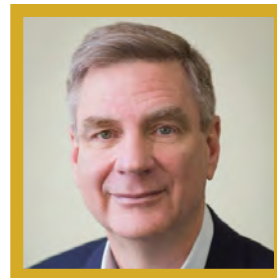


OPENING KEYNOTE:

Easiest Catch: Don't Be Another Fish in the Dark Net

Mark Lanterman

Chief Technology Officer, Computer Forensic Services



LUNCHEON KEYNOTE:

Leadership – Are You Ready to be a Winner?

C. Jeffrey Triplette

Retired Official, NFL
Founder & Principal,
Triplette Advisors LLC

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LARGEST WORKERS COMPENSATION INSURERS

Rank	Company	2018 direct written premium	Market share
1	Travelers Cos. Inc.	\$4,280,547,000	7.0%
2	Hartford Fire & Casualty Group	\$3,382,642,000	5.5%
3	Berkshire Hathaway Inc.	\$2,727,435,000	4.5%
4	Zurich Insurance Co.	\$2,687,437,000	4.4%
5	AmTrust Financial Services Inc.	\$2,635,106,000	4.3%
6	Liberty Mutual Holding Co. Inc.	\$2,473,711,000	4.0%
7	Chubb Ltd.	\$2,418,702,000	4.0%
8	State Insurance Fund	\$2,256,138,000	3.7%
9	Washington State Fund	\$2,096,622,000	3.4%
10	Blue Cross Blue Shield of Michigan	\$1,566,915,000	2.6%

Source: National Association of Insurance Commissioners



LARGEST BENEFITS BROKERS

Rank	Company	2018 employee benefits revenue
1	Marsh & McLennan Cos. Inc.	\$5,089,000,000 ¹
2	Willis Towers Watson PLC	\$4,196,000,000
3	Aon PLC	\$3,461,000,000
4	Arthur J. Gallagher & Co.	\$1,107,368,000
5	NFP Corp.	\$680,986,000
6	USI Insurance Services LLC	\$659,353,785
7	Hub International Ltd.	\$580,710,000
8	Lockton Cos. LLC	\$550,672,000
9	Alliant Insurance Services Inc.	\$362,510,887
10	Acrisure LLC	\$353,875,335

¹Pro forma to reflect acquisition of Jardine Lloyd Thompson Group PLC.
Source: BI survey

LARGEST MEDICAL PROFESSIONAL LIABILITY INSURERS

Rank	Company	2018 direct written premiums	Market share
1	Berkshire Hathaway Inc.	\$1,556,679,000	16.7%
2	The Doctors Co.	\$690,014,000	7.4%
3	CNA Financial Corp.	\$528,730,000	5.7%
4	ProAssurance Corp.	\$474,838,000	5.1%
5	Medical Professional Mutual Insurance Co.	\$446,227,000	4.8%
6	NORCAL Mutual Insurance Co.	\$341,515,000	3.7%
7	MCIC Vermont, a Reciprocal Risk Retention Group	\$339,917,000	3.6%
8	MagMutual Insurance Co.	\$286,705,000	3.1%
9	Hospitals Insurance Co. Inc.	\$219,061,000	2.3%
10	Physicians' Reciprocal Insurers	\$174,149,000	1.9%

Source: National Association of Insurance Commissioners



DATA & RANKINGS

WORLD'S LARGEST REINSURANCE BROKERS

Rank	Company	2018 gross revenue
1	Guy Carpenter & Co. LLC ¹	\$1,581,687,086 ²
2	Aon Reinsurance Solutions	\$1,546,000,000
3	Willis Re	\$901,781,000
4	TigerRisk Partners LLC	\$95,000,000 ³
5	UIB Holdings (UK) Ltd.	\$64,400,297

¹Acquired JLT Reinsurance in April 2019.

²BI estimate, pro forma to reflect acquisition of JLT Reinsurance in April 2019.

³BI estimate

Source: BI survey



WORLD'S LARGEST REINSURERS

Rank	Company	2018 gross reinsurance premium written
1	Swiss Re Ltd.	\$36,406,000,000
2	Munich Reinsurance Co.	\$35,814,000,000
3	Hannover Re SE ¹	\$21,951,000,000
4	Scor SE	\$17,466,000,000
5	Berkshire Hathaway Inc.	\$15,376,000,000
6	Lloyd's of London ²	\$14,064,000,000
7	China Reinsurance (Group) Corp.	\$11,564,000,000
8	Reinsurance Group of America Inc.	\$11,341,000,000
9	Great West Lifeco	\$7,737,000,000
10	Korean Reinsurance Co.	\$6,802,000,000

¹Net premium written data not reported; net premium earned substituted. ²Lloyd's premiums are reinsurance only. Premiums for certain groups in the rankings may include Lloyd's Syndicate premiums when applicable.
Source: A.M. Best Co. Inc.





LARGEST PROPERTY/CASUALTY WHOLESALERS

Rank	Company	2018 premium volume
1	AmWINS Group Inc.	\$12,271,694,703
2	CRC Insurance Services Inc.	\$8,445,646,469
3	Ryan Specialty Group LLC	\$7,102,000,000
4	All Risks Ltd.	\$1,960,000,000
5	Worldwide Facilities LLC	\$1,541,526,348
6	U.S. Risk Insurance Group LLC	\$902,800,000
7	Brown & Riding Insurance Services Inc.	\$849,261,175
8	JenCap Holdings LLC	\$796,617,000
9	ARC Excess & Surplus LLC	\$698,000,000
10	Program Brokerage Corp.	\$393,750,000

Source: BI survey

LARGEST MGAS/UNDERWRITING MANAGERS/LLOYD'S COVERHOLDERS

Rank	Company	2018 premium volume
1	Risk Placement Services Inc.	\$3,800,000,000
2	Burns & Wilcox Ltd.	\$1,825,000,000
3	Victor Insurance Holdings	\$1,500,000,000 ¹
4	AmRisc LLC	\$1,056,568,875
5	Johnson & Johnson Inc.	\$538,233,927
6	K&K Insurance Group Inc.	\$476,000,000
7	Appalachian Underwriters Inc.	\$473,280,000
8	Specialty Program Group LLC	\$352,510,112
9	Midlands Management Corp.	\$172,000,000
10	Russell Bond & Co. Inc.	\$57,041,000

¹From company website
Source: BI survey



LARGEST U.S.-BASED SURPLUS LINES INSURERS

Rank	Company	2018 nonadmitted premium	Rank	Company	2018 nonadmitted premium
1	Lexington Insurance Co.	\$2,421,566,241	6	Indian Harbor Insurance Co.	\$1,363,982,583
2	National Fire & Marine Insurance Co.	\$1,798,732,815	7	Market Corp.	\$1,358,953,723
3	Nationwide Excess and Surplus	\$1,785,740,559 ¹	8	Liberty Mutual Holding Co. Inc.	\$1,250,093,000
4	AEGIS (Associated Electric & Gas Insurance Services Inc.)	\$1,567,145,000	9	Steadfast Insurance Co.	\$700,762,579
5	Chubb Ltd.	\$1,475,259,550	10	Axis Surplus Insurance Co.	\$684,321,359

¹ BI estimate
Source: BI survey

DATA & RANKINGS



LARGEST CYBER SECURITY INSURERS* (STAND-ALONE POLICIES)

Rank	Company	2018 direct written premium	Market share
1	Axa Insurance Group	\$255,874,528	23.0%
2	American International Group Inc.	\$232,312,591	20.9%
3	Travelers Cos. Inc.	\$112,920,719	10.1%
4	Beazley Insurance Co. Inc.	\$100,860,728	9.1%
5	Zurich Insurance Co.	\$43,315,425	3.9%
6	BCS Insurance Co.	\$39,534,843	3.5%
7	Fairfax Financial Holdings Ltd.	\$38,145,472	3.4%
8	Tokio Marine Holdings Inc.	\$34,858,640	3.1%
9	Liberty Mutual Holding Co. Inc.	\$33,427,580	3.0%
10	CNA Financial Corp.	\$25,032,362	2.2%

*Not including surplus lines
Source: National Association of Insurance Commissioners

LARGEST CYBER SECURITY INSURERS* (PACKAGE POLICIES)

Rank	Company	2018 direct written premium	Market share
1	Chubb Ltd.	\$320,729,113	35.7%
2	CNA Financial Corp.	\$58,324,863	6.5%
3	Axis Capital Holdings Ltd.	\$56,408,989	6.3%
4	Hartford Fire & Casualty Group	\$39,704,460	4.4%
5	Sompo Holdings Inc.	\$34,054,366	3.8%
6	Travelers Cos. Inc.	\$33,309,900	3.7%
7	Liberty Mutual Holding Co. Inc.	\$33,067,460	3.7%
8	BCS Insurance Co.	\$29,969,858	3.3%
9	Argo Group Inc.	\$20,593,376	2.3%
10	Berkshire Hathaway Inc.	\$18,564,643	2.1%

*Not including surplus lines
Source: National Association of Insurance Commissioners

LARGEST THIRD-PARTY ADMINISTRATORS

Rank	Company	2018 gross revenue
1	Sedgwick Claims Management Services Inc. ¹	\$2,747,553,408
2	Crawford & Co./Broadspire	\$1,122,979,000
3	UMR Inc.	\$965,000,000
4	Gallagher Bassett Services Inc. ²	\$950,783,602
5	York Risk Services Group Inc.	\$800,000,000
6	CorVel Corp.	\$588,000,000
7	Meritain Health	\$508,500,000
8	ESIS Inc.	\$448,400,000
9	Helmsman Management Services LLC	\$316,657,773
10	HealthScope Benefits	\$240,098,835

¹Bought Cunningham Lindsey Group Ltd. in April 2018; ²Bought WCD Group in July 2018
Source: BI survey



LARGEST D&O INSURERS

Rank	Company	2018 direct written premium	Market share
1	American International Group Inc.	\$868,000,000	13.2%
2	Chubb Ltd.	\$766,500,000	11.6%
3	Axa SA	\$708,200,000	10.7%
4	Tokio Marine Holdings Inc.	\$596,700,000	9.1%
5	CNA Financial Corp.	\$452,800,000	6.9%
6	Travelers Cos. Inc.	\$318,100,000	4.8%
7	American Financial Group Inc.	\$272,300,000	4.1%
8	Zurich Insurance Group Ltd.	\$210,700,000	3.2%
9	Berkshire Hathaway Inc.	\$209,400,000	3.2%
10	Sompo Holdings Inc.	\$179,400,000	2.7%

Source: S&P Global Market Intelligence, based on National Association of Insurance Commissioners statutory P/C statement filings, compiled Jan. 9, 2019.

SHARE OF CAPTIVES WORLDWIDE

ASIA-PACIFIC

2.8%

CANADA

0.3%

EUROPE

11.2%

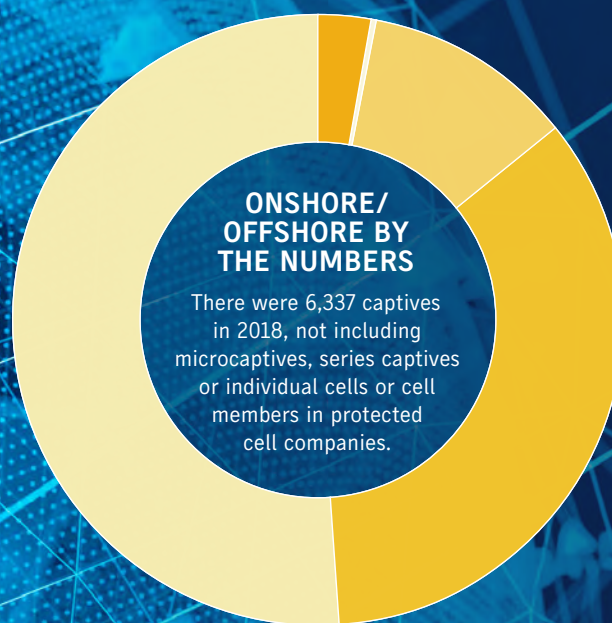
NORTH AMERICAN OFFSHORE

34.8%

UNITED STATES

50.9%

Source: BI survey



LARGEST CAPTIVE MANAGERS¹

Rank	Company	2018 total captives
1	Marsh Captive Solutions	1,270
2	Aon Captive & Insurance Management	919
3	Artex Risk Solutions Inc.	739
4	Willis Towers Watson PLC, Global Captive Practice	420
5	Strategic Risk Solutions Inc.	331
6	JLT Insurance Management	169
7	Quest Management Services Ltd. ²	140
8	Risk Services LLC	110
9	USA Risk Group Inc. ³	107
10	Atlas Insurance Management	83

¹Captives electing to operate under Section 831(b) of the U.S. Tax Code are not included.

²Bought the onshore assets of USA Risk Group Inc. in November 2018.

³Sold its onshore assets to Quest Management Services Ltd. in November 2018.

Source: BI survey



COUNTING CAPTIVES

Rank	Domicile	Total number of captives at end of 2018
1	Bermuda	711
2	Cayman Islands	674
3	Vermont	580
4	Utah	443
5	Delaware	421
6	Barbados	276
7	North Carolina	240 ¹
8	Hawaii	231
9	Guernsey	206
10	Luxembourg	198

¹BI estimate
Source: BI survey

Chubb unveils fidelity bond for financial firms

■ Chubb Ltd. launched a financial institution fidelity bond for asset managers.

Risks covered by the bond often stem from employee fraud, computer hacking and impersonation of executives, clients and counterparties, Chubb said in a statement.

The insurer said the bond is designed to respond to the changing risks associated with advancements in technology used by advisers to manage assets.

The coverage limit is \$25 million and includes financial loss resulting from unauthorized access to computer systems by hackers, including the use of malware and viruses; unauthorized access to a policyholder's network, including mobile applications and customer web portals; the transfer of policyholder or customer capital through fraudulent instructions over the internet, email or telephone; and impersonation of an employee or a known vendor that causes funds to be fraudulently transferred by an authorized employee.

NCCI launches resource for comp court cases

■ The National Council on Compensation Insurance Inc. launched an online navigational tool to better understand court cases that may have an effect on the treatment of injured workers and workers compensation costs.

Court Case Insights provides information and interpretations of court cases reported by NCCI's legal team, the Boca Raton, Florida-based ratings agency said in a statement.

Court Case Insights allows users to view cases and data in a countrywide or state-specific view, sort cases to view those involving constitutional vs. non-constitutional challenges, review cases by trending topics, such as exclusive remedy and marijuana gain insight into the type and number of cases reported on by topic—on a state and national basis, the statement said.

NCCI began publishing Court Case Update in January 2018, and since then, has reported on almost 100 cases, according to the statement.

Insurtech offers cyber, professional lines cover

■ Celerity Pro, an insurtech professional liability and cyber risk underwriter backed by a Munich Reinsurance Co. unit, has officially launched, with cyber liability and miscellaneous professional liability products designed for small to midsize businesses, the New York-based



Lloyd's launches cover for private space market

■ Lloyd's of London launched a \$25 million insurance facility for the private spaceflight market.

Backed by 18 syndicates and led by syndicates managed by Brit Ltd. and Hiscox Ltd., Lift Space is designed to cover satellites weighing less than 660 pounds, Lloyd's said in a statement.

The facility will offer coverage from prelaunch through in-orbit operations, the statement said.

According to Lloyd's, the so-called new space market, which includes lower cost spaceflights backed by wealthy individuals and startups, is valued at \$300 billion and could increase to \$1 trillion by 2040.

firm said.

The stand-alone cyber liability product includes a loss prevention solution designed to measure, monitor and help businesses deal with exposure and risk, according to the statement issued by Celerity Pro.

The miscellaneous professional liability product, which caters to a broad spectrum of industry classes, provides insurance protection against escalating legal fees and indemnity payments, according to the statement.

Celerity Pro can offer up to \$5 million in limits on both products, according to a spokeswoman.

CNA to offer coverage via Bold Penguin

■ Bold Penguin Inc. said it is integrating CNA Financial Corp. into its commercial insurance platform.

The Bold Penguin platform allows agents and brokers to quote and bind commercial insurance. CNA will offer workers compensation and business owners policy coverages on the platform, the tech company said in a statement.

"Efficiency is key in quoting small commercial," said Ilya Bodner, founder and CEO of Columbus, Ohio-based Bold Penguin.

Other insurers on the platform include Liberty Mutual Insurance Co. and Hiscox Ltd.

SterlingRisk offers A&E liability program

■ SterlingRisk Insurance Co. introduced Sterling A&E, an architects and engineers professional liability insurance program.

The introduction follows the Woodbury, New York-based broker's acquisition from Aon PLC's Affinity Insurance Services of renewal rights for accounts in the Aon A&E Advantage professional liability insurance program.

Beazley PLC will serve as Sterling A&E's insurer, according to a statement.

The transaction occurred in August, said Jeff Grigsby, formerly of Aon, whom Sterling Risk has named program manager.

Mr. Grigsby said SterlingRisk offers up to \$5 million for the program, which is aimed at small and medium-sized firms.

Mr. Grigsby is based in Fredericksburg, Virginia. SterlingRisk has also named Mt. Airy, Maryland-based Kristen Barry, also formerly of Aon, as the program's senior underwriter.

Axa XL to offer cyber cover to Microsoft customers

■ Axa XL, a unit of Axa SA, has set up a cyber insurance collaboration with New York-based on-demand insurance cloud platform provider Slice Labs Inc. and Microsoft Corp.

Qualifying customers of Microsoft 365 Business, Office 365 Business Premium and Office 365 Business will have discounted access to Slice on-demand, cloud-based cyber insurance provided by Axa XL, the insurer said in a statement.

The discount will be offered to customers who represent a lower insurance risk based on a security posture assessment that will be provided by Microsoft, according to the statement.

DEALS & MOVES

Hub sets up regional platform with SilverStone buy

Hub International Ltd. acquired Omaha, Nebraska-based SilverStone Group, which will form the base of a new regional platform covering the Great Plains.

Terms of deal were not disclosed.

SilverStone has additional offices in Council Bluffs, Iowa, and Sioux Falls, South Dakota. It handles commercial property/casualty insurance, employee benefits and personal lines coverage and has more than 4,600 employer clients and 3,700 individual clients, Chicago-based Hub said in a statement.

Brown & Brown buys specialty MGA

Brown & Brown Inc. agreed to buy Canadian managing general agent Special Risk Insurance Managers Ltd.

Terms were not disclosed.

The Langley, British Columbia-based MGA will operate as part of Brown & Brown National programs, the brokerage said in a statement.

The MGA has six offices across Canada and offers sports and entertainment insurance, marine and aviation insurance, forestry business coverage and other specialty commercial insurance coverages, according to its website.

AssuredPartners buys Florida agency

AssuredPartners Inc. bought commercial insurance agency Mack, Mack & Waltz Insurance Group Inc.

Terms of the deal were not disclosed.

Deerfield Beach, Florida-based Mack, Mack & Waltz has about \$5.2 million in annual revenue and 22 staff, Lake Mary, Florida-based AssuredPartners said in statement.

It will continue to be led by Paul Mack, Greg Waltz and Todd Woonton.

Mitchell/Genex acquires managed care services firm

Mitchell/Genex acquired Kansas, Missouri-based CompAlliance LLC, which specializes in workers compensation services such as case management, utilization review and 24-hour nurse triage.

Terms of the deal were not disclosed.

Mitchell/Genex, a San Diego-based technology solutions, medical cost containment and disability management firm, said in a statement the transaction will expand the range of services it offers to clients.



UP CLOSE

Jason Mezyk

NEW JOB TITLE: Chicago-based senior director, Revantage Corporate Solutions

PREVIOUS POSITION: Chicago-based vice president of risk management, GLP

OUTLOOK FOR THE INDUSTRY: The insurance market will continue to harden through 2020 across virtually all lines of insurance. Brokers and underwriters are being asked to do more than ever as submission volumes increase and insurers exit or cut back their available capacity. Global warming is real!

GOALS FOR YOUR NEW POSITION: My goal is to provide value to the company and various teams we support. Revantage provides risk management support for the company's global real estate holdings. With over \$150 billion in real estate holdings, Revantage has exposure to virtually every asset class in nearly all geographies. This, coupled with their growth and transaction volume, presents a unique opportunity.

CHALLENGES FACING THE INDUSTRY: Risk and insurance for the real estate industry is primarily focused on property exposures. The 2017 catastrophe season resulted in some of the largest losses seen in years. Insurers are being forced to think about coverage and sublimit differently. Understanding the details and challenges of these claims will better position insureds for making purchasing decisions and negotiating policy forms and endorsements.

FIRST EXPERIENCE: My first years in insurance were focused on high-net-worth personal lines clients. I enjoyed learning insurance and supporting my client's multiple homes, art and jewelry collections.

ADVICE FOR A NEWCOMER: Meet as many people as you can early in your career. Learn about the various concentrations of our industry and identify the areas where you feel you will both enjoy and excel most.

DREAM JOB: Working as a sunset cruise boat driver or as a bartender on a beach somewhere would be nice.

LOOKING FORWARD TO: The challenge of supporting our risk team to improve the performance of our real estate portfolios in a fast-paced environment unlike any other.

COLLEGE MAJOR: Finance

HOBBIES: Golf, fishing or anything outside with my wife and three kids.

ON A SATURDAY AFTERNOON: A walk or bike ride as a family or spending time with my children.

"The 2017 catastrophe season resulted in some of the largest losses seen in years. Insurers are being forced to think about coverage and sublimit differently."



Hartford Financial Services Group Inc. named **Sean Genden** head of international insurance. Prior to joining The Hartford, Mr. Genden was international business

insurance segment lead for Travelers Cos. Inc. He is based in London.



American International Group Inc. named **Peter Zaffino** to the additional role of president of the insurer. Mr. Zaffino, who joined AIG in 2017, will retain his existing titles of global chief

operating officer and CEO of general insurance. The title of president of AIG was previously held by Brian Duperreault, who remains the insurer's CEO.



Liberty Mutual Insurance Group appointed **Francis Hyatt** to be the organization's first chief sustainability officer. Based in Boston, Mr. Hyatt was most recently executive vice

president of enterprise talent practices.



Bermuda-based insurer and reinsurer Lancashire Holdings Ltd. named **Natalie Kershaw** group chief financial officer, effective March 1, 2020. Ms. Kershaw, who will also join the

Lancashire board, is currently the group's chief accounting officer and has been with Lancashire since December 2009.



Argo Group International Holdings Ltd. named **Jeff Grange** executive vice president for U.S. operations. Mr. Grange was previously president of specialty and commercial

insurance and global head of trade credit and surety business at New York-based QBE North America, a division of Sydney-based QBE Insurance Group Ltd.



Chubb Bermuda appointed **Michael J. Warwicker** senior vice president, head of excess liability, leading strategic business planning for product, service and distribution for the

division. Most recently, Mr. Warwicker was head of managing general agent operations for BGC Partners Inc. in London.

SEE MORE ONLINE

Visit www.businessinsurance.com/ComingsandGoings for a full list of this month's personnel moves and promotions. Check our website daily for additional postings and sign up for the weekly email. *Business Insurance* would like to report on senior-level changes at commercial insurance companies and service providers. Please send news and photos of recently promoted, hired or appointed senior-level executives to editorial@businessinsurance.com.

BUSINESS INSURANCE®



2020 CANNABIS & HEMP CONFERENCE WEST

SAVE THE DATE

APRIL 2-3 | THE WESTIN ST. FRANCIS, SAN FRANCISCO, CA

ABOUT CANNABIS & HEMP

In just a few years, cannabis trading has moved from an underground market to a booming legal business. With the insurance industry and the cannabis sector grappling with complex coverage and liability issues in this rapidly expanding sector, *Business Insurance* is hosting their second Cannabis & Hemp Conference. Set in San Francisco, the agenda will be centered on cannabis insurance and risk management for anyone interested in the cannabis and cannabinoid market. Educational sessions will be presented on three tracks: Risk Management, Insurance and General. Attendees will have the option to attend an off-site tour of an operating facility. The full agenda will be announced soon.

Experts from a wide range of companies – insurers, brokers, cannabis distributors and producers, attorneys and others – will gather in San Francisco in April to discuss the special issues affecting cannabis insurance and risk management, talk about solutions and provide thought leadership on this emerging issue.

Be part of the conversation.

2020 ADVISORY BOARD MEMBERS

Thank you to our advisory board for helping us put together a stellar agenda.

TERESA BARTLETT, SVP, Senior Medical Officer,
Sedgwick Claims Management Services, Inc.

CHRIS BOWDEN, Cannabis Practice Group Team Leader,
Crouse & Associates Insurance Brokers

STACEY JACKSON, General Counsel, Golden Bear Insurance Company

JUSTIN MCCARTHY, Membership Director,
California Cannabis Industry Association

PATRICK MCMANAMON, CEO, Cannasure Insurance Services

GERRIT NAGARWALLA, Claims Manager, Canopious

MARK PEW, Senior VP, Product Development & Marketing,
Preferred Medical

EDUARDO PROVENCIO, General Counsel, Mary's Medicinals

CHARLES V. PYFROM, Senior Vice President - Commercial Programs,
CannGen Insurance Services/Next Wave

LINDSAY ROBINSON, Executive Director,
California Cannabis Industry Association

DEAN ROCCO, Attorney at Law, Wilson Elser Moskowitz Edelman & Dicker LLP

IAN STEWART, Attorney at Law, Wilson Elser Moskowitz Edelman & Dicker LLP

RYAN SULLIVAN, Corporate Counsel, BIC Corporation

WHO SHOULD ATTEND?

Risk Managers
Fronting Carriers

Agents
Brokers

Consultants
Cannabis Operators

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