

VACCINE MANDATES: Employers consider compulsory COVID-19 shots - PAGE 4

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COVER STORY

Business Insurance profiles the winners of its 2021 Break Out Awards, which honor potential future leaders in the U.S. insurance industry. The 40 honorees from across the country represent some of the most promising individuals working in insurance and risk management. **PAGE 14**

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SPECIAL REPORT: PANDEMIC RISK MANAGEMENT

In response to high-profile event cancellations due to the pandemic, contingency insurers have cut capacity and raised rates. Meanwhile, the hard-hit restaurant sector has adopted new ways of doing business, creating new exposures. **PAGE 27**

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Employers and insurers increasingly are realizing that physical injuries often include a mental component that can lead to prolonged claims and higher costs; early intervention and treatment are key. **PAGE 31**

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More employers are considering mandating COVID-19 vaccinations for returning workers. **PAGE 4**

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Non-fungible tokens pose unique risk management questions for art dealers. **PAGE 6**

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Uruguay's state insurance company dominates the nonlife market, requiring innovation from competitors that want to boost their market share. **PAGE 11**



VIEW FROM THE TOP

MITCH BLASER

Mitch Blaser founded private equity-backed Mosaic Insurance Holdings Inc. in Bermuda in February to focus on specialty risks. His long career has included nearly 30 years at Marsh & McLennan Cos. Inc. Mr. Blaser, who also worked at Swiss Re Ltd. and Ironshore Inc., discusses the strategy behind Mosaic. **PAGE 13**



OFF BEAT

Some doctors are having a cow over the USDA's latest recommended daily allowance of dairy products. **PAGE 42**



Employers lean toward mandatory shots

BY ANGELA CHILDERS

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The demand for COVID-19 vaccines has declined, and with only about 40% of the U.S. population fully inoculated as of late last month, employers are taking another look at whether to mandate workers get vaccinated.

But such mandates can leave employers on the hook for lost workdays and injuries stemming from vaccine reactions and create additional communications, tracking and recording challenges.

As of late May, 49% of 18- to 65-year-old individuals in the U.S. were fully vaccinated — far less than the 70% needed to achieve herd immunity, according to the U.S. Centers for Disease Control and Prevention.

“A lot of employers thought, as soon as (vaccines) became available, that people were going to jump in and get them,” said Michele Tucker, Sacramento, California-based vice president of enterprise operations at third-party administrator CorVel Corp. “They’re feeling somewhat compelled to move toward mandatory requirement of the vaccine.”

After first leaving the decision up to employees and offering an incentive, the Houston Methodist hospital system recently said it would require its 26,000 employees to be vaccinated for COVID-19 or be subject to suspension and/or termination. The Medical University of South Carolina implemented a similar mandate.

“I have spoken to countless hospital leaders across the country who plan to mandate COVID-19 vaccination soon,” said Dr. Marc Boom, Houston Methodist’s president and CEO, in an email to all employees dated April 23 that was forwarded by a spokeswoman to *Business Insurance*. Dr. Boom also said he expects nearby Memorial Hermann Health System and Baylor College of Medicine to issue their own coronavirus vaccination mandates. A former registered nurse at Houston Methodist recently went public with her decision to leave her job rather than get the vaccine.

“For us to optimize patient safety, we must have higher vaccination rates across MUSC Health,” a spokeswoman for MUSC said in an email. “Large numbers of patients are not coming to health care facilities because of our care team members’ lower



vaccination rates. ... After much deliberation, MUSC Health has decided to make it an expectation that all care team members be vaccinated against COVID-19.”

Many employers had been wary of forcing vaccinations, given the potential for side effects and that the U.S. Food and Drug Administration has approved the vaccines only on an emergency use basis.

However, some countries are implementing vaccination mandates for health care workers. On April 1, Italy approved an emergency decree that all health professionals must be vaccinated for the coronavirus. Those who refused had the option to be transferred to non-patient-facing duties or be suspended without pay for up to a year, according to the *British Medical Journal*.

“Health care and front-line employers have been “a little bit more aggressive” with their vaccine efforts, finding “much more of a need for mandating or strongly encouraging” vaccinations, said Adam Kemper, Fort Lauderdale, Florida-based partner with law firm Kelley Kronenberg P.A.

Ms. Tucker, who works with a number of hospital systems and medical centers in the U.S., has seen several more clients move toward mandatory vaccines recently after fewer employees than anticipated opted to be vaccinated.

She has also seen a few vaccine-related workers comp claims in the past month as a result of the mandates, but they’re “very small, not expensive

and not significant,” she said. “If there is a significant reaction, it’s likely to be work-related. It’s certainly not worse than a COVID claim at this point.”

Employers who opted for a mandatory vaccine policy previously needed to worry about recording any serious adverse reactions on their Occupational Safety and Health Administration logs. However, the agency switched gears in late May, declaring on its questions and answers section that it “does not wish to disincentivize employers’ vaccination efforts” and would not enforce recording requirements related to worker side effects from COVID-19 vaccinations through May 2022.

The change, “might encourage an employer to go mandatory because that’s one less downside they would have to worry about,” said Brent Clark, partner in the Chicago office of Seyfarth Shaw LLP. “But I tend to think it wasn’t recordability that is causing hesitancy (in mandating vaccines). It more is a function of the employer’s desire to give the employees choice.”

Regardless of whether an employer mandates or merely encourages vaccinations, it’s crucial to communicate with employees, said Kathryn Bakich, Washington-based senior vice president and national director of health care compliance at employee benefits consultancy Segal Co.

“Having a very clear and understandable set of policies and explaining those up front is really important,” she said.

PROTECTION PROTOCOLS

Nine out of 10 employers in the U.S. and United Kingdom plan to require or strongly encourage workers to be vaccinated for COVID-19, according to a survey conducted in March by Arizona State University’s College of Health Solutions and funded by The Rockefeller Foundation.

Researchers polled nearly 1,400 employers — 71% of which were U.S.-based, with the remaining 24% based in the U.K. — reporting that:

90%

will require or encourage COVID-19 vaccination.

59%

will incentivize employees to be vaccinated.

60%

will require proof of vaccination from employees.

84%

would allow COVID-19 vaccinations to be administered to their employees at their facility if supplies were available.

Source: The Rockefeller Foundation

COMPULSORY VACCINE POLICIES RAISE WORKER CONFIDENTIALITY CONCERNS

Employers that mandate COVID-19 vaccinations for their workforce need to be prepared to verify inoculation, keep track of boosters and ensure they’re complying with relevant privacy laws, experts say.

“(Companies) have to decide how to protect the confidentiality of the information” they’re collecting, consider what kind of proof of vaccination they will require and how they will maintain confidentiality, said Kathryn Bakich, Washington-based senior vice

president and national director of health care compliance at employee benefits consultancy Segal Co. “We’re getting a lot of questions about what has to be kept confidential, who can see it, who cannot see it ... You don’t want it in a personnel file.”

Simply recording a “yes” or “no” for vaccination status is not protected, according to the U.S. Centers for Disease Control and Prevention. But if employers ask follow-up questions or include reasons for vaccine declinations, such

as a disability or sincerely held religious belief, that could violate federal law, according to the Equal Employment Opportunity Commission.

While employers tend to push these types of tasks to human resources, Ms. Bakich said it’s much better to create a secure intake to track vaccinations — such as a secure online portal — or have everyone email one single person who is trained in confidentiality procedures.

They also need to be sure they’re tracking not only the initial one- or two-dose

inoculation, but also boosters, said Michele Tucker, Sacramento, California-based vice president of enterprise operations at third-party administrator CorVel Corp.

“Shot records are going to be important,” she said. “If (employers) make it mandatory, they’re going to have to monitor the boosters. It’s probably going to have to be an ongoing vaccination program with new strains coming out — like getting the flu shot every year, but a little different.”

Angela Childers

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Digital artwork creates new risks

BY MATTHEW LERNER

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The sale of digital artwork represented by non-fungible tokens — essentially a point on a digital ledger or blockchain that confirms ownership of an original — is gaining traction in the art world, attracting the attention of regulators and posing unique risk management questions for auction houses, dealers and others involved in the transactions.

In March, Christie’s auction house sold the digital artwork “Everydays: The First 5000 Days,” by Mike Winkelmann, who goes by the name Beeple, for an eye-popping \$69 million. The sale heightened the profile of the emerging art format.

Other NFT art includes videos and recordings. The assets are often bought and sold using the cryptocurrency ether on the Ethereum blockchain.

Uncertainties concerning the commercial exposures created by such digital art sales are rapidly becoming the subject of discussions in the insurance industry.

“I’ve been having discussions with one of our clients on NFTs and what that entails,” said David Ktshozyan, a Los Angeles-based senior associate with law firm Clyde & Co.

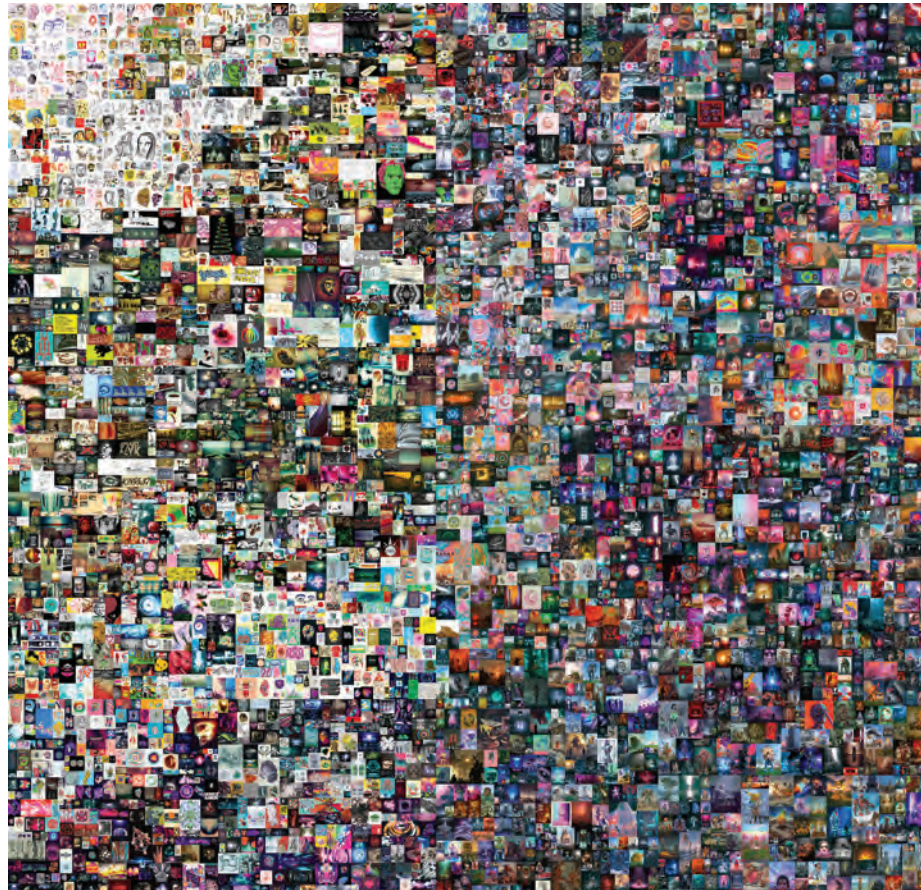
“One of the things that really spurred interest in it was the \$69 million sale in March at Christie’s,” said Mr. Ktshozyan, who represents insurers.

Traditional art and auction houses face very different risks than are present with digital art, he said.

“Typically, in a traditional art setting, one is worried about physical damage to a physical piece of art,” in transit, at auction, possibly from mishandling, Mr. Ktshozyan said.

With NFTs “you don’t have those same concerns and you don’t have those same risks because everything is on the internet,” he said.

Jennifer Schipf, global chief underwriting officer of fine art and specie in New York for Axa XL, a unit of Axa SA, said she has had



Christie's/Beeple

The digital work “Everydays: The First 5000 Days,” by Beeple, sold for \$69 million at Christie’s.

“a handful” of inquiries from customers seeking to insure digital assets, including NFTs and bitcoin collections.

Ms. Schipf said the specie segment of Axa XL’s business includes cryptocurrencies and a bit of cold storage involving bitcoin, “things that are not art-related but are more like valuable commodities.” Coverage for NFTs may ultimately involve some sort of hybrid product with cyber, fine art and potentially other components, she said.

Fine art insurance policies are designed to cover physical loss or damage only. If a work of art, such as an NFT, has no physical form, it cannot suffer such damage, said Joe Dunn,

president and CEO, Huntington T. Block Insurance Agency Inc., a Washington-based fine art unit of Aon PLC. It could be “a bit of a stretch to come up with a hypothetical claim scenario to which a traditional fine art insurance policy would favorably respond,” he said.

For example, if a collector lost the encryption key or the password to a hard drive containing the NFT artwork, the digital file would still exist and the loss would therefore be financial and not physical, Mr. Dunn said.

There may, however, be significant risk management concerns for those involved in the sale of NFTs.

“The first place you’re going to look, but not the only place, is your errors and omissions insurance — is there anything from a coverage exclusion standpoint that would preclude coverage?” said Paul King, senior vice president, executive and professional risk solutions national advisor, for USI Insurance Services Inc., based in Dallas.

“I think there’s certainly an E&O component to it,” but policyholders should confirm if their existing policy language is broad enough or doesn’t directly or indirectly exclude advising on the sale of digital assets, said Jackie Quintal, who heads up Marsh LLC’s U.S. digital asset group in New York.

REGULATORS EYE TOKENS AS ASSETS

The regulatory status of non-fungible tokens, which is being considered by the U.S. Securities and Exchange Commission, could have implications for insurance coverage related to the tokens.

In an April 12 letter to the SEC, Arkonis Capital LLC, a broker-dealer that says it is “very familiar with blockchain technology and digital assets,” said the SEC “needs to provide regulatory clarity with respect to the regulation of a new form of digital assets — non-fungible tokens.” Arkonis said, “We believe in certain instances NFTs may be securities.”

Should NFTs be viewed as financial instruments, “that will have big implications” for their regulation, said Paul King, senior vice president, executive and professional risk solutions national advisor, for USI Insurance Services Inc. in Dallas.

Uncertainty about the classification of NFTs “opens questions about regulation and what potential risk transfer some may need to contemplate,” said Jackie

Quintal, who heads up Marsh LLC’s U.S.

digital asset group in New York.

Ms. Quintal cited the anti-money laundering concerns of regulators

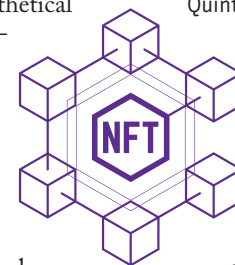
as also potentially

relevant to NFT sales, depending on the ultimate classification and regulation of NFTs.

Such regulation and scrutiny could also potentially create a directors and officers liability exposure, Mr. King said, potentially touching on lines such as Foreign Corrupt Practices Act coverage

The discussion of NFT regulation, even extending to money laundering, is “pretty wide ranging, but that intersection is a real thing,” Mr. King said.

Matthew Lerner



RECENT NFT SALES: SKYROCKETING PRICES

Asset	Date of sale	Adjusted price (USD)
Everydays: The First 5000 Days	March 11, 2021	\$69.3M
Cryptopunk #7804	March 10, 2021	\$7.6M
Beeple’s CROSSROAD	Feb. 25, 2021	\$6.6M
1st tweet of Twitter CEO Jack Dorsey	March 22, 2021	\$2.9M
Cryptopunk #6965	Feb. 19, 2021	\$1.6M

Source: News reports

Pandemic fuels rise in attacks on health staff

BY ANGELA CHILDERS

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Violence against health care workers has been on the rise in recent years, and the COVID-19 pandemic has made the risks even worse for doctors, nurses and support staff.

Lawmakers at the federal level and in more than a dozen states have introduced legislation to mandate that health care employers implement violence prevention programs, and experts say resources and training are crucial to help mitigate the problem.

Violence against health care providers is the third-leading cause of serious workplace injuries in the health care industry, generating at least \$540 million a year in workers compensation costs, according to Liberty Mutual Holding Co. Inc.'s 2020 Workplace Safety Index.

"COVID-19 certainly has both exacerbated existing sources of violence and opened up new areas of confrontation between health care providers, patient families and the general public," said Jeff Duncan, Boston-based senior vice president and chief underwriting officer of the health care practice at Liberty Mutual.

Violent incidents against health care workers have been rising and extending beyond the emergency room and hospital to non-acute settings, such as physician offices, said Pamela Popp, Denver-based executive vice president and chief risk officer of GB Healthcare, a division of Gallagher Bassett Services Inc.

"We're seeing an increase (in violence) across all of the health care settings, and although it's a little challenging to make a correlation right now, it does appear that the pandemic has made it worse," she said.

People are fearful and "have a feeling of a lack of control" due to the coronavirus, and as a result are more likely to enter health care facilities in an agitated state, Ms. Popp said. This can cause what should be a calm conversation to escalate quickly to shoving or other types of violence, she said.

Mr. Duncan said the industry lacks "broad, consistently followed" violence pre-



vention standards. "The best way to reduce the probability and severity (of violence) against health care workers is thoughtful planning and mitigation techniques, facility design and robust reporting," he said.

"COVID-19 certainly has both exacerbated existing sources of violence and opened up new areas of confrontation between health care providers, patient families and the general public."

Jeff Duncan, Liberty Mutual

In February, federal lawmakers introduced H.B. 1195, which would require health care employers across the country to create a comprehensive program and processes to prevent violence against health care workers. Thirteen states have also introduced legislation that would create minimum standards for health care workplace violence prevention plans and training.

While guidelines for preventing violence in health care settings have "been around

in different iterations for a long time," the Occupational Health and Safety Administration does not have a specific standard related to violent incidents in health care facilities, said Lisa Stand, senior policy advisor for policy and government affairs at the Silver Spring, Maryland-based American Nurses Association.

"OSHA has demonstrated that even though there is no standard, they will use the general duty clause" to cite health care employers that fail to take steps to protect workers, said James Sullivan, Washington-based co-chair of the OSHA and workplace safety practice at Cozen O'Connor P.C. and former chairman of the Occupational Safety and Health Review Commission. "There is a real issue with assaults on nurses. ... It's a recognized problem, and that's why you see the laundry list of unions and other employee organizations pushing for (H.B. 1195)."

Most large hospital systems have a violence prevention program, but it's not always effectively communicated to supervisors, and training can be overlooked, said Renata Elias, Dallas-based senior vice president in the consulting solutions practice of Marsh Advisory, a unit of Marsh LLC. "It's great to have a plan or program in place, but it's no good if you don't train and exercise," she said.

And while basics like surveillance cameras, security guards and panic buttons are prevalent, only some health care employers provide training in de-escalation tactics and violence intervention and have a code system for violent incidents similar to those used for clinical emergencies, Mr. Duncan said.

Hospitals should conduct training at a minimum every year, including active shooter drills, and senior leadership should do tabletop exercises and review their violence prevention plans annually, Ms. Elias said.

If an incident does occur, the employer should use it as an opportunity to reevaluate its violence prevention program, she said. "If you had a workplace violence situation, you want to, after the incident, make sure you bring all those key players together and talk about what went well, what could we improve in the response," she said.

Ms. Popp said simple, "almost maintenance-type" fixes should not be overlooked, such as ensuring all exterior doors are secured at all times, lights that burn out are replaced immediately, security cameras are working, and safeguards are put in place if staff feels unsafe in certain areas of the premises.

If neglected, "those are the things that allow violence to escalate sometimes without being identified" and should be addressed before adding more preventive measures, such as metal detectors, physical barriers and other security upgrades, she said.

PROPOSED LEGISLATION

Thirteen states have introduced legislation this year that would require some type of prevention plan, committee or program to protect health care workers from workplace violence:



TRAINING, ANONYMOUS REPORTING SYSTEMS CAN HELP CURB WORKPLACE VIOLENCE

Health care facilities can have robust violence prevention plans, but if employees fear being reprimanded for calling security or are afraid they might be overreacting, the measures are less likely to be effective, experts say.

Procedures must be in place for recording incidents and near-misses, and staff need to feel comfortable making a report and know how to do so, said Renata Elias, Dallas-based senior vice president in the consulting solutions practice of Marsh

Advisory, a unit of Marsh LLC.

"The big concern from people is they want to be anonymous ... and feel like they can make a phone call (to a hotline) when they see something," she said. "Having that open dialogue to let employees know there is a safe place to speak out is important."

Health care staff can "almost get immune" to violent incidents, particularly verbal abuse, because of how common they are in the health care setting, said

Njoki Wamiti, senior vice president of Ironshore Insurance, a Liberty Mutual company. "They may think this is normal, so there is no need to report it."

Employers need to train workers on situational awareness — being aware that if a situation makes them uncomfortable it's time to ask for help, said Pamela Popp, Denver-based executive vice president and chief risk officer of GB Healthcare, a division of Gallagher Bassett Services Inc.

It's equally important to follow up and

show how the report and the solution helped improve security for all, she said.

"People are fearful of reporting because they don't know what happens to the information once it's shared," Ms. Popp said. "As soon as you can, show them that action is taken and that it's a positive thing that they are reporting. Near-misses are the same type of thing. We have to get them to trust that we're going to use the information to make things better."

Angela Childers

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Over the past several months, the coronavirus pandemic has adversely impacted nursing homes, with more than 260,000 confirmed COVID-19 cases and more than 147,000 additional suspected cases, according to the Centers for Medicaid and Medicare Services. According to data curated by the New York Times, the death toll among residents and staff at these facilities exceeds 84,000, accounting for 38% of all COVID-19-related deaths in the U.S.

In addition to COVID-19, conference sessions will cover:

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- Litigation trends and trial experiences
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New capacity enters D&O sector as prices, exposures increase

BY JUDY GREENWALD

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The management liability marketplace faces numerous challenges, including an increase in fiduciary liability lawsuits, as it braces for expected SPAC-related losses.

These were among the themes during this year's Professional Liability Underwriting Society's annual directors and officers symposium, which was held remotely April 28 and 29.

Even before the pandemic, the industry faced several challenges, including anticipated hikes in premiums and retentions, as well as more class action derivative lawsuits, said Christine Williams, New York-based CEO, financial services group, at Aon PLC.

"We're continuing to see portfolio adjustments overall out of the gate," and rates continue to experience upward pressure, she said.

However, there have been about a dozen new entrants into the management liability market in the United States and London, Ms. Williams said. "It's early days, but I think they will be able to provide some ample capacity," she said.

Chris Warrior, London-based head of commercial management liability U.K. for Berkshire Hathaway Specialty Insurance Co., said the market is at a crossroads, with London insurers stepping up with an appetite to provide new capacity.

"There are a lot of SPACs out there looking for merger partners right now, with a lot of money and lots of IPOs in the pipeline."

Kevin LaCroix, RT ProExec

The reasons why so many of the new entrants are in London or Bermuda rather than the United States was also discussed.

In the U.K., entities have the ability to get up to speed fast, and freedom of rate and form, while in the U.S., new markets are forced to go through individual states, "and there is a lot of work that has to be done to get the entity's paper ready to go," said Jack Kuhn, CEO, insurance, at Vantage Risk Ltd. in Berkeley Heights, New Jersey, whose parent company is Bermuda-based.

Meanwhile, although the explosive growth in special purpose acquisition companies,



or SPACs, presents opportunities for the D&O liability insurance market, insurers are approaching the issue cautiously, speakers said.

SPACs, also called "blank check companies," are shell companies formed for the purpose of raising capital to acquire existing businesses and usually have two years to make an acquisition after their initial public offering.

The structures allow the privately held businesses acquired to become listed without going through a traditional initial public offering.

SPACs unfold in stages, including the pre-announcement stage before it has made an acquisition; the point where it merges with the selected private company; and the post-merger or "de-spac" stage, when there is a combined company. Companies may seek D&O coverage at all of these stages.

"There are a lot of SPACs out there looking for merger partners right now, with a lot of money and lots of IPOs in the pipeline," said Kevin LaCroix, executive vice president in Beachwood, Ohio, for RT ProExec, a division of R-T Specialty LLC.

SPACs are an opportunity, but "at the same time you know that you're going to see losses just because of the sheer volume of activity," said Allison H. Barrett, New York-based head of North America financial lines for American International Group Inc.

"There's some risk inherent in these transactions," she said. Clearly, the SEC is "looking to slow down the process but not stop it," she said.

There are questions as to what happens when SPACs de-spac. "That's candidly where we see a lot of risk," including merger

objection claims, Ms. Barrett said. "There's a lot there and we're just kind of waiting and watching."

Stephen Sills, CEO of New York-based Bowhead Specialty Underwriters, said the accelerated process in which companies go public under SPACs "creates a lot of problems."

Typically, bringing a company public involves "a long baptism under fire and a lot of training," Mr. Sills said. Now, "you just add water and instantaneously become a public company," he said, adding that he is not sure all of the CEOs and managers of these companies are used to the constraints they must work under in that particular environment.

There is also potentially a "huge aggregation problem here" from a D&O liability perspective, as SPACs go through their stages, he said.

Insurers are concerned about aggregation, with the possibility they can be hit by the same event multiple times, said Jaimie Hunter, Brooklyn-based senior vice president at Guy Carpenter & Co. LLC.

Change has already occurred in the once "sleepy" fiduciary liability market because of the growing number of excessive fee claims lawsuits being filed, executives said.

The fiduciary space recently has taken "an abrupt and sudden turn" because of these claims, which are class actions brought against defined contribution plans in connection with allegations that recordkeeping and other expenses that they charge are unnecessary or unreasonable, said Alison Martin, Pittsburgh-based fiduciary product manager and senior vice president at Chubb Ltd.

CYBER RANSOMS TEST MARKET

Securitization could be in cyber insurance's future, but for now policyholders and insurers are grappling with the challenges posed by ransomware.

Those were among the issues discussed during sessions of the Minneapolis-based Professional Liability Underwriting Society's 2021 cyber symposium, which was held virtually May 5-6.

Joe Mann, CEO of Washington consulting firm Arete Advisors LLC, said there are about 30 ransomware variants circulating, with more criminals threatening to release exfiltrated data. "It just ratchets up the chaos and the crisis scenario that happens," he said.

Criminals are more sophisticated and persistent, and activists, nation states and disgruntled insiders continue to cause cybersecurity concerns, said Phil Venables, New York-based chief information security officer for Google Cloud, a Google LLC unit. Insurance executives said the cyber insurance market may move toward securitization of cyber risk, although it will take several years for that market to develop.

Andy Marcell, New York-based CEO of Aon PLC unit Aon Reinsurance Solutions, said there are some coverages that can be isolated to create "discrete, bespoke coverages."

"If we do our jobs correctly on the retail side, the demand for the coverage will increase" and create the additional capacity needed, he said.

Mr. Marcell said insurance and reinsurance brokers have to be able to provide some underlying data with regard to outcomes against a set of deterministic scenarios. "I think we will get there as an industry, hopefully," he said.

Judy Greenwald

Cannabis insurance options shifting

BY MATTHEW LERNER

mlerner@businessinsurance.com

The insurance climate for cannabis operators and related companies remains cloudy, but it is improving and should continue to do so.

Developments ranging from the prospect of looser federal restrictions to improving policy language could benefit the industry.

Capacity for cannabis operators and related businesses remains constrained, however, with some markets such as directors and officers liability insurance particularly difficult.

Two bills before the U.S. Congress could potentially remove some of the more substantial barriers facing cannabis operators when buying insurance (see related story).

Only four states have no laws relating to legal marijuana use — Idaho, Kansas, Nebraska and South Dakota, according to the National Conference of State Legislatures. In all other states it is either legalized, decriminalized, allowed for medical use, or allowed for medical use and decriminalized.

Ian Stewart, chair of the national cannabis and hemp law practice at Wilson Elser Moskowitz Edelman & Dicker LLP in Los Angeles, said there is a “domino effect” among states legalizing or further legalizing cannabis in various forms, including New York and Virginia which recently acted, with New York choosing full recreational adult use.

“At the state level, things are not slowing down,” he said.

The drug remains illegal, however, at the federal level. Cannabis is classified as a Schedule I narcotic by the U.S. Drug Enforcement Administration. Schedule I drugs, substances or chemicals are defined as drugs with no currently accepted medical use and a high potential for abuse.

There have been “some encouraging signs” for the cannabis sector, said Andrew Kline, senior counsel for Perkins Coie LLP in Denver. Mr. Kline, who worked for President Biden when he was



a U.S. senator and vice president, and Mr. Stewart spoke recently during a series of webinars on the cannabis sector produced by *Business Insurance*.

Capacity constraints continue to create problems for cannabis operators, according to webinar series participants, with the D&O sector being acutely tight.

Charles Pyfrom, Livermore, California-based chief marketing officer of CannGen Insurance Services LLC, which covers cannabis businesses, said

“the No. 1 ask” from cannabis operators is still capacity, as many are not able to secure limits they desire, especially for total insured values.

The Clarifying Law Around Insurance of Marijuana Act of 2021, which would provide a federal safe harbor for insurers covering cannabis businesses where sale of the drug is legal, could help broaden insurance markets for cannabis operators, Mr. Stewart said.

The markets for management liability

coverage, including D&O and errors and omissions insurance, have been particularly difficult and could benefit from expansion, he said.

The best way to describe cannabis D&O is “a hard market within a hard market — very firm and difficult to operate in. It’s very difficult to buy limits up to and above \$10 million,” said Ben Sibthorpe, Denver-based vice president in the management liability division of CannGen Insurance Services. Fewer than 10 insurers currently write such coverage, he said.

Sebastian Alia, New York-based deputy general counsel at Hudson Insurance Group, described the cannabis D&O market as “a hard market on steroids.” Cannabis “adds so many additional uncertainties” as a new industry with little available data and regulation that offers “so much gray area,” he said.

Matt Grimes, vice president of the cannabis specialty group at Hub International Ltd. in Chicago, said the brokerage is introducing a new D&O product for the cannabis sector. Hub has created an indemnity vehicle that “uses company-issued stock as collateral to provide for an increased limit structure,” he said.

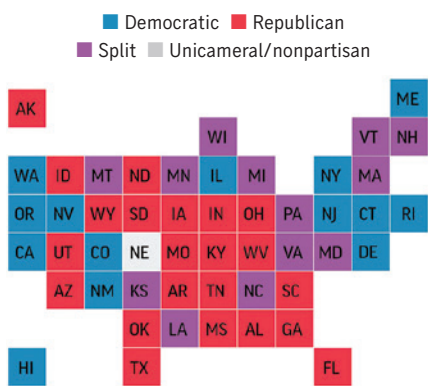
Meanwhile, policy wording standardization is expected to evolve along with the cannabis industry itself, and regulators are helping play a role in the quest for standardized policy language.

“We’ve found the departments of insurance have been incredibly flexible in our conversations and filings,” said Joseph Jonas, product manager, commercial lines, in Northwood, New Hampshire for the American Association of Insurance Services.

From a claims perspective, some standardization of terms would be welcome, said Gerrit Nagarwalla, claims manager at Canopus Group Ltd. in St. Charles, Illinois.

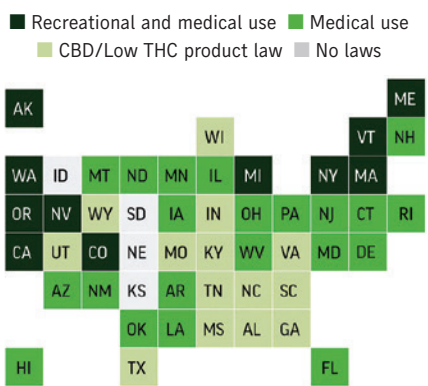
More standardization of policy language as the insurance market for cannabis matures would be beneficial, especially to claims people, Mr. Nagarwalla said.

CONTROL OF LEGISLATURES



Source: National Conference of State Legislatures (via AP)

LEGAL MARIJUANA USE



FEDERAL CANNABIS LEGISLATION COULD CLEAR AIR FOR HESITANT INSURERS

The difficult but improving insurance market for cannabis operators in the United States may get a boost from two pieces of legislation before Congress, one of which has already passed the House of Representatives.

The Secure and Fair Enforcement Banking Act of 2021, or SAFE Banking Act, in April passed the House with more than 100 co-sponsors and must clear the Senate, where it died

after passing the House in 2019.

The Clarifying Law Around Insurance of Marijuana Act of 2021, introduced in the House in March, would provide a federal safe harbor for insurers covering cannabis businesses in states where sale of the drug is legal.

Senators and representatives from states that have legalized cannabis could be more supportive than previously of federal legislation such as the SAFE

Banking Act, said Ian Stewart, chair of the national cannabis and hemp law practice at Wilson Elser Moskowitz Edelman & Dicker LLP in Los Angeles, during a series of webinars on the cannabis sector produced by *Business Insurance*.

“There is very much a ‘trickle up’ effect,” said Michelle Rutter Friberg, deputy director of government relations at the National Cannabis Industry Association in Washington, referring to the dovetailing

of state and federal agendas. “Once members of Congress have a vested interest, this becomes a bit of a different issue,” she said during the webinar series.

The proposed laws are also garnering support from insurance industry organizations, including the American Property Casualty Insurance Association and the Reinsurance Association of America.

Matthew Lerner

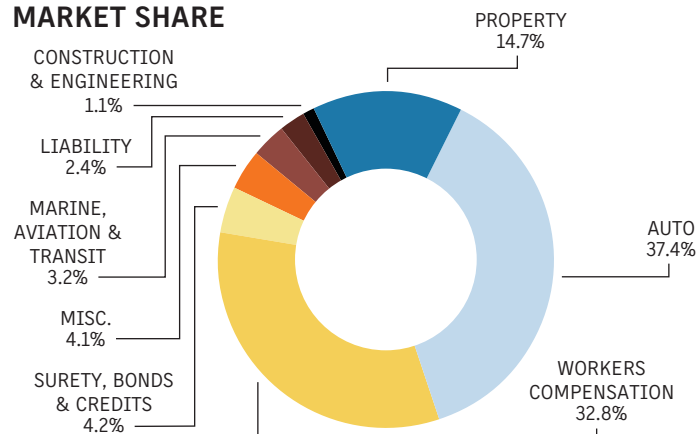
PROFILE: URUGUAY

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GLOBAL
P/C MARKET
RANKING

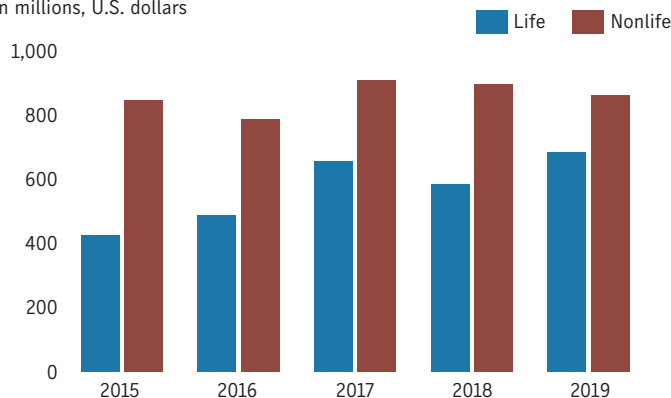
Uruguay's nonlife insurance market is relatively small, generating \$868.19 million in premiums in 2019. Market penetration per capita remains fairly modest although comparable with neighboring countries, and any potential increase in the immediate future is likely to be moderate. Auto insurance dominates the nonlife sector; the second most significant class is workers compensation insurance, which is obligatory for most employers. There is unlikely to be any major change to nonlife premium distribution in the foreseeable future. The market will continue to be dominated by Banco de Seguros del Estado, the state insurance company, and competing insurers will require greater innovation to increase their market share. Auto and property will continue to be the main lines of business for private insurers, and competition for new and existing business will continue to intensify.

MARKET SHARE



MARKET GROWTH

In millions, U.S. dollars



Source: Axco Global Statistics/Industry Associations and Regulatory Bodies

COMPULSORY INSURANCE

- Auto third-party liability cover
- Workers compensation
- Aviation hull (where the maximum take-off weight exceeds six tons), third party, crew and passenger liability
- Personal accident cover for public transport passengers
- Professional indemnity (errors and omissions) cover for foreign reinsurance brokers
- Liability insurance for companies operating within ports
- Shipowners liability for marine oil pollution (financial guarantee or insurance)

NONADMITTED

Nonadmitted insurance is not permitted in Uruguay because the law provides that insurance must be purchased from local authorized insurers, with some exceptions. Among the exceptions is insurance on the international transport of goods.

INTERMEDIARIES

Intermediaries do not have to be authorized to do insurance business in Uruguay. They are allowed to place business with nonadmitted insurers in the classes for which such placements are permitted. Brokers involved in nonadmitted placements do not have to warn buyers that their insurer is not subject to local supervision.

MARKET PRACTICE

The Superintendency of Financial Services is aware that some nonlife insurance business is illegally placed overseas, but the volume is not believed to be significant. There have been no recent reports of any unauthorized insurers illegally selling insurance in Uruguay.

AREA

68,037

square miles

POPULATION

3.4

million

MARKET CONCENTRATION

80.3%

market share of top three insurers

2021 GDP CHANGE (PROJECTED)

3.0%

MARKET DEVELOPMENTS

Updated May 2021

- The coronavirus was officially confirmed to have reached Uruguay on March 13, 2020, and the full impact of the COVID-19 pandemic will not be known for some time.
- During late 2020 there were 16 insurance companies registered to operate in the nonlife sector, dominated by the state-owned Banco de Seguros del Estado, which in 2019 held a 63.14% share of total premiums.
- Auto continues to form the largest class of business for the nonlife portfolio, representing over 37% of market premiums in 2019. BSE leads the account, holding over 45% of motor premiums.
- Competition for new and existing business across most lines continues to be strong. Despite this, rates have generally remained stable or shown only a small decline. Market participants suggest that dramatic rate cutting for new business does occur, particularly in property classes.
- There continues to be interest in the market from new entrants and several have approached the regulatory authority, including a number from neighboring Argentina.
- Public-private partnership projects may present opportunities for the construction sector and ultimately those insurers that underwrite the class.
- Companies have expressed a need for adequate legislation for the sector, such as framework regulations to govern intermediation.

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Restaurants' case avoids dismissal

■ Physical damage is not necessarily visible to the eye, a federal district court said in refusing to dismiss a COVID-19 business interruption lawsuit filed by Alabama restaurants.

Three restaurant companies, including North Birmingham-based Serendipitous LLC, had argued that the terms concerning “loss” under Cincinnati Insurance Co.’s coverage were ambiguous, according to the ruling by the U.S. District Court in Birmingham in *Serendipitous LLC/Melt et al. v. Cincinnati Insurance Co.*

The insurer had argued the restaurants had not identified the physical loss or damage to property needed to trigger coverage, according to the ruling.

“The restaurants have alleged facts that, if proven, constitute actual physical loss of their buildings and furniture during the pandemic,” the ruling said.

“The fact that the COVID-19 virus has not physically altered the restaurants’ property does not mean that coverage necessarily is not available for impacts to the property that are invisible to the naked eye.

“The policy language indicates that the insurer understands that an insured may suffer physical loss without physical alteration of property because the policy excludes from coverage some expenses incurred because of invisible substances like vapor and fumes,” it said. “Cincinnati could have excluded invisible substances like viruses but did not,” the ruling said, in denying Cincinnati Insurance’s motion to dismiss the case.

A Cincinnati spokeswoman said in a statement, “Our commercial property insurance policies require direct physical loss or damage to property and do not provide coverage in this case.”

High court reverses microcaptives ruling

■ The U.S. Supreme Court ruled that a captive manager’s challenge to a reporting requirement for microcaptives is not barred by federal law, reversing a federal appeals court ruling in the case.

In *CIC Services LLC v. Internal Revenue Service*, which was heard by the 6th U.S.

Court of Appeals in Cincinnati last year, Knoxville, Tennessee-based CIC sued to stop an IRS reporting requirement for microcaptives, which are also known as 831(b) captives.

Over the past several years, the IRS has won several court rulings in which it alleged that microcaptives are not engaged in insurance and are instead used by wealthy individuals and family businesses to avoid taxes. As part of its investigations into microcaptives, in 2016 the IRS imposed rigorous reporting requirements on captive managers involved with microcaptives that it suspected might be used for tax evasion. Managers that did not meet the reporting requirements faced stiff penalties.

CIC sued the IRS alleging that the reporting requirements violated the Administrative Procedure Act and the Congressional Review Act and that it required congressional review before going into effect.

The IRS countersued, arguing that CIC’s suit was barred by the Anti-Injunction Act. That law requires taxpayers to pay a disputed tax and then sue for a refund if it is later deemed invalid.

Writing for a unanimous Supreme Court, Associate Justice Elena Kagan said: “A reporting requirement is not a tax; and a suit brought to set aside such a rule is not one to enjoin a tax’s assessment or collection. That is so even if the reporting rule will help the IRS bring in future tax revenue — here, by identifying sham insurance transactions.”

The case was remanded for further proceedings.



Diversity suit against The Gap dismissed

■ A federal district court dismissed a diversity lawsuit filed against The Gap Inc., citing the company’s bylaws, which designate the Delaware Court of Chancery as the exclusive forum for claims.

Plaintiff Noelle Lee alleged in the derivative lawsuit, which was filed in U.S. District Court in San Francisco in September 2020, that the clothing retailer had failed to create any “true racial or ethnic diversity” on its board or in its top leadership roles despite its written proclamations to the contrary, according to the complaint

in *Noelle Lee v. Robert J. Fisher et al.* Mr. Fisher is the San Francisco-based company’s chairman.

The complaint charged the company with breach of fiduciary duty, aiding and abetting breach of fiduciary duty, abuse of control, unjust enrichment, and violation of securities law and regulation.

The court held the company’s exclusive forum provision is valid. “Plaintiff does not point to any statute or judicial decision that clearly states that enforcing the forum selection clause would contravene a strong public policy,” the court said in dismissing the case.

Other companies have been charged in similar diversity suits, including Facebook Inc. Another San Francisco judge dismissed the Facebook case, *Natalie Ocegueda v. Mark Zuckerberg, et al.*, citing the company’s Delaware forum selection clause as among her reasons for doing so.

Under A.B. 979, which was signed into law by California Gov. Gavin Newsom last year, publicly traded companies in the state must have at least one minority director by Dec. 31, 2021.

Sompo files suit in Bryant crash

■ A Sompo International Holdings Ltd. unit has filed suit seeking a declaration it is not obligated to indemnify the helicopter company that allegedly arranged the flight in which basketball star Kobe Bryant was killed last year.

Nine people, including Mr. Bryant, his daughter Gianna and the pilot, were killed on Jan. 26, 2020, when their Sikorsky helicopter crashed en route from John Wayne Airport in Santa Ana, California, to Camarillo Airport.

Santa Ana-based OC Helicopters, which allegedly had provided flight operations for Mr. Bryant, his family and his businesses, was named as a defendant in four lawsuits filed by Mr. Bryant’s widow and others in the crash, according to the lawsuit, *Endurance Assurance Corp. vs. OC Helicopters LLC*, which was filed in U.S. District Court in Santa Ana.

Sompo unit Endurance Assurance, which provided a policy with a \$10 million limit for bodily injury and property damage to OC Helicopters, has defended the company subject to a reservation of rights, according to the lawsuit.

The lawsuit says Endurance is not obligated to provide insurance coverage to the company under the non-owned aircraft liability endorsement in its policy that excludes “rotowing” aircraft, which would include the Sikorsky helicopter.

Endurance is seeking a declaration from the court that the claims asserted against OC Helicopters do not fall within the scope of its coverage and that it does not have a duty to defend or indemnify OC Helicopters or reimburse defense costs.

DOCKET



CONTRACTOR ADMITS TO OSHA VIOLATION

A New Jersey general contractor admitted in federal court to wilfully violating Occupational Safety and Health Administration standards in the death of a roofing worker in a fall, the U.S. Department of Justice reported. Derico Ferreira, owner of Newark-based Trustworthy LLC, pleaded guilty to one count of willful violation of OSHA standards by failing to provide fall protection to employees installing a roof on a two-story house. The company did not have a guardrail installed and provided no personal fall protection to its workers on the roof, according to court documents.

UNDER ARMOUR AGREES TO SEC SETTLEMENT

Sports apparel manufacturer Under Armour Inc. has agreed to pay \$9 million to settle U.S. Securities and Exchange Commission charges it misled investors. The SEC said the Baltimore-based company misled investors as to the bases of its revenue growth and failed to disclose known uncertainties about its future revenue prospects. The SEC said that by the second half of 2015, Under Armour’s internal revenue and revenue growth forecasts for the third and fourth quarters of that year began to indicate shortfalls from analysts’ revenue estimates.

UTAH SECURITY FIRM SETTLES FTC CHARGES

A Utah home security and monitoring company has agreed to pay \$20 million to settle Federal Trade Commission charges it misused credit reports to help unqualified customers obtain financing for the company’s products and services. The agency said Provo-based Vivint Smart Homes Inc. had agreed to pay a \$15 million civil penalty and an additional \$5 million to compensate injured customers. The FTC charged that Vivint violated the Fair Credit Reporting Act by improperly obtaining credit reports to qualify potential customers for financing for its smarhome monitoring and security products.



Mitch Blaser founded private equity-backed Mosaic Insurance Holdings Inc. in Bermuda in February to focus on specialty risks. The company's main underwriting vehicle is a Lloyd's of London syndicate, but it also plans to partner with third-party capital providers. Mr. Blaser's long career in insurance has included nearly 30 years at Marsh & McLennan Cos. Inc. After some time at Swiss Re Ltd., he joined Ironshore Inc. in 2007, where he also worked with his co-CEO at Mosaic, Mark Wheeler. He recently spoke with *Business Insurance* Editor Gavin Souter about the concept behind Mosaic and its strategy. Edited excerpts follow.

Mitch Blaser

MOSAIC INSURANCE

Q What are the challenges of starting up multinational operations in the middle of a pandemic?

A Some are the obvious ones of just not being able to sit around a table — especially with Lloyd's, which is 300 years old and it started in a coffee shop so everything's been face-to-face. But the world has done a great job adapting. It's not that the office is dead and we've lost what we had before, it's more about we've gained the ability to operate in a virtual environment. We now know how to get together, coalesce around ideas and make things happen virtually that we just didn't do before.

I found the biggest disadvantage was more on the admin side, when you need signatures and the actual documentation for what you've already agreed to. People have started having to create legal documents behind the documents to support the fact that you don't have a wet signature. We found ways to get it done but it slows you down a bit on the admin side.

Q You have about 45 people on staff, but how many have you actually met?

A When you're focusing on starting a new company you think about the people you know, so I've met about three-quarters of the team at some point in my career.

Q Now that you have operations up and running, what's your strategy?

A The underpinning of our hybrid model is the talent that we are able to attract and hire, in parallel with the building of our technology platform. Not having a legacy infrastructure is almost as important as not having a legacy balance sheet.

The centerpiece of our model is our Lloyd's syndicate, so getting that up and running was absolutely critical and that's been one of the time-consuming things that we've done on a virtual basis. In terms of the initial focus those are the key boxes that we want to be able to tick, so that we can get our underwriters underwriting and align our partners on the capital side.

We are talking to different types of capital to support us, between consortiums and trade capital, and we'll also have some less traditional capital supporting us.

Q What are the lines of business you are starting with?

A We are focused on seven lines of business and these are highly specialized. They are really difficult lines to be in, they require a high technical knowledge to write the business, they are very relevant in terms of today's economies and we expect they will be critical to the new economies going forward so the demand and risk will grow.

Cyber is an example; it's a tough line but if you have the right people who know how to support the line and you are able to build that business, you would think of it not only being relevant today but it's not going away anytime soon.



Political violence is another one. Who would have thought a year ago that the U.S. would be a big market for political violence coverage? The world is changing dramatically. Political risk, which is basically governments behaving badly, faces the same kind of issue.

For transactional liability, each month seems to set a record for mergers and acquisitions, so that will probably be our biggest line. We'll also be in financial institution lines and professional liability.

Another way to think about these lines of business is that they are lines that brokers typically have problems placing.

Q Isn't there something to be said for balancing a book of business with less volatile lines?

A There is a degree of volatility in these lines, but there's not the frequency,

and they are usually noncorrelated risks. These are typically more isolated activities and events and our reinsurance program takes the top off our exposure. So you have less frequency and you can control the severity in these lines of business. It also comes back to the technicalities in the underwriting, too.

Q Are you looking to expand the number of classes of business?

A We will be opportunistic. If a business opportunity is there — we've already looked at a few and there may be one that we follow up on — that fits our model, that has a niche area of focus, that requires really technical underwriting and talent capability, we have an opportunistic model for those situations. That does not mean we are looking for x, y or z, but if x, y or z shows up and it fits the model, we'll pull the trigger. It comes down to people.

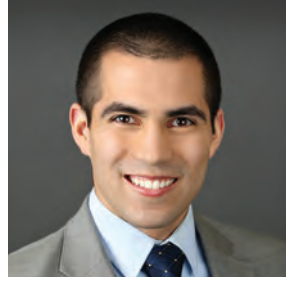
Q People look at private equity-backed companies and think they'll last about five years before there's a recap or a sale or an IPO. What's the story with your private equity backing?

A With Golden Gate, we have a perpetual fund structure, so they are long-term holders. It's so hard to predict what the future will bring, but the ability to have that flexibility is huge so we can monetize if that becomes a critical opportunity for some reason or they can hold for up to 20 years. So we have a ton of flexibility in how we work together, in how we build the company and eventually monetize.

Q Most companies have one CEO, but you have co-CEOs. What's the thinking behind that?

A We worked together for years. One of the hats I wore at Ironshore was CFO, and I got to know Mark really well that way. We worked together building the international franchise of Ironshore. We have a very close friendship as well as a partnership, and we seem to be able to leverage each other's strengths — he can focus a lot on the underwriting side, and I can focus on the running of the business side. It's a great complement.

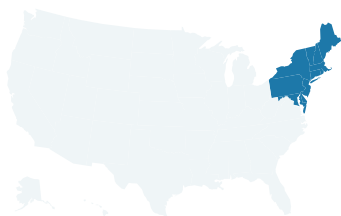
Who would have thought a year ago that the U.S. would be a big market for political violence coverage? The world is changing dramatically. Political risk, which is basically governments behaving badly, faces the same kind of issue.



BUSINESS INSURANCE BREAK OUT AWARDS

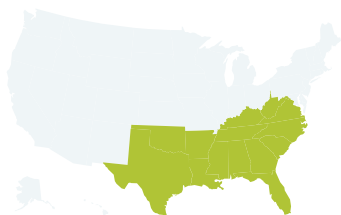
NORTHEAST

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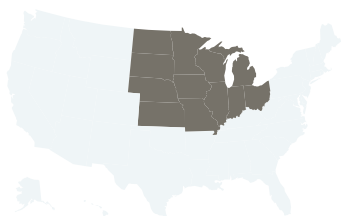
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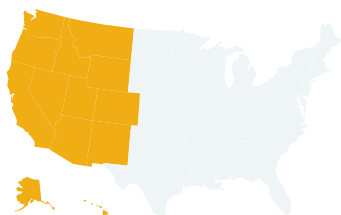
MIDWEST

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WEST

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The rising industry stars that we honor with the 2021 *Business Insurance* Break Out Awards not only adapted to a new way of working during the coronavirus pandemic but found ways to excel amid the challenging conditions.

Making use of technology to stay in touch with colleagues and provide clients with enhanced services will likely outlast lockdown restrictions, and the future leaders of the industry will no doubt find

many other ways to make use of innovations that were brought into their own by the circumstances of the past year.

The 40 honorees selected for the awards program represent some of the most talented leaders emerging in the industry. To be eligible for the award, nominees must work in commercial insurance or related sectors and cannot have worked in the field for more than 15 years.

To maintain diversity in geography and types of organization, the honorees are grouped in four regions of the United States: Northeast, South, Midwest and West. All the nominations — which highlighted the nominees' client-service skills, expertise and leadership qualities

— were reviewed by *BI* editors. After selecting finalists, we contacted references to learn more details about the nominees' achievements.

In the following pages you can read interviews with all of this year's winners and learn their top tips for working remotely, advice on navigating the hard market and ideas on attracting more young people into the industry, among other things. On the lighter side, you can also learn about their new hobbies, favorite meals and all-time top movies — “The Shawshank Redemption” and various “Star Wars” episodes appear to have been lockdown hits.

Gavin Souter, editor

2021 BREAK OUT AWARDS WINNERS

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Charlotte Allen
Commonwealth Financial Network
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Neuris Chalas
Swiss Re America Holding Corp.
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Olivia Derderian
Great American Insurance Group
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Kevin Johnson
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Marek Krowka
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Kimberly Mann
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Raymond Mascia
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Lian Phua
Axa XL, a unit of Axa SA
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Renee Bruns
Arthur J. Gallagher & Co.
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Latosha Ellis
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Felipe Garcia
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Daniel Jones
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IBTX, a unit of Acisure LLC
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Amwins Group Inc.
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Karen Salmon
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Velocity Risk Underwriters LLC
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Gerran Geyser
CNA Financial Corp.
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Cody Griffin
Zurich North America
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Laura Johnson
Axa XL, a unit of Axa SA
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Stacie Kroll
Arthur J. Gallagher & Co.
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Bradley Nebel
BMS Group
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Rob Quast
The Kroger Co.
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Lacy Rex
Oswald Cos.
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Sam Tashima
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David Wald
Aclaimant Inc.
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WEST

Stephanie Bozzuto
Bozzuto & Associates Insurance Services Inc., a unit of Acisure LLC
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Will Cea
Brown & Riding Insurance Services Inc.
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Ashley Fong
Carpe Data
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Shannon Gundersen
Atlas General Insurance Services, a unit of Risk Placement Services Inc.
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Jessica Hanneman
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Brett Richesin
Alliant Insurance Services Inc.
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Conor Sweeney
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Chris Theveny
Crum & Forster Holdings Corp.
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Caroline Thompson
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Amy Torres
CFC Underwriting Ltd.
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CHARLOTTE ALLEN

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Manager, enterprise risk

Commonwealth Financial Network
Waltham, Mass.

Charlotte Allen joined Commonwealth Financial Network after brief stints as both a teacher and working for her father's roofing company. "Lots of risk there," she said of the latter. Her desire to chart her own course brought her to Commonwealth 10 years ago. "In our jobs, helping your company manage risk, you're helping to protect a company that you care about," she said.

What's your advice on navigating the current insurance market?

It's so hard right now. All the forms we have to fill out have become more detailed; a good example is cyber liability. What we have to complete now is much

more intense than I've ever seen. One advantage is having really strong controls; applications are including the control side in greater detail. Stronger controls make you a better risk. Strengthen your controls.

How will your work change going forward?

It changes constantly, and the pandemic pushed it even faster. The pandemic has pushed many companies to speed up some strategies, like looking at doing more frequent scenario tests and revisiting risk appetite. Things that weren't common before are now top of mind.

What should the industry do to attract more young people to work in it?

Risk management is naturally kind of behind the scenes and doesn't get as much recognition as more visible roles. Maybe we need to be more visible — in our organizations, in our industry — and show our value from behind the curtain.

What is something about you that would surprise people?

I grew up on a farm and I know how to drive a forklift.

What's one habit or hobby you adopted during the pandemic?

Backgammon. I'm starting to really like backgammon. My husband and I have been doing that a lot. I'm a little more competitive than I thought I was.



NEURIS CHALAS

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Head, facultative property North America

Swiss Re America Holding Corp.
New York

Neuris Chalas joined Swiss Re in 2013 after five years as an underwriter for general property and inland marine at Crum & Forster and Great American Insurance Co. He was recruited out of college by Crum & Forster into its underwriter training program. Mr. Chalas was promoted from national team leader to Swiss Re's North American head of facultative property reinsurance in April 2020.

What's your top tip for working remotely?

Really boxing out your time. Creating pockets of time when you're going to step away from your makeshift office, laptop or wherever you are working. For me,

what's worked is carving out 40 minutes for a walk and to get some fresh air.

What should the industry do to attract more young people to work in it?

We need to do a much better job of outreach. As a whole, we haven't put enough of an effort into outreach and a marketing perspective. Some of our financial industry peers do a great job of that from a marketing perspective.

What is something about you that would surprise people?

When I was younger, in elementary then high school, I was very competitive in martial arts and even competed to be in the Olympics.

What's one habit or hobby you adopted during the pandemic?

Cooking. It's become a passion. I never cooked regularly prior to the pandemic. I've always loved Italian food, so I started learning how to make some of it at home. That's something that definitely only happened because of the pandemic. Otherwise, I would have continued with my routine of eating out too much.

All-time favorite movie?

"The Shawshank Redemption"

What is your favorite meal?

Anything Italian. Specifically, the spicy rigatoni at Carbone (in New York).



OLIVIA DERDERIAN

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Master underwriter

Great American Insurance Group
New York

"There's a need for people who understand the technical side of environmental insurance," said Olivia Derderian, who has been with Great American Insurance Group for six years and is preparing to expand her staff. Trained as an environmental engineer at Manhattan College, she was told by a friend's mother of the insurance industry's needs for environmental engineers. Prior to joining Great American, she worked for Langan Engineering and Environmental Services.

What's your top tip for working remotely?

Set a schedule for yourself. Stick to a routine — the same routine every day. Work out in the morning, for example.

What's your advice on navigating the current insurance market?

We're tightening up a little on appetite and doing a more thorough evaluation of each account. I keep communication open with my brokers and try to understand the needs of the insured.

How will your work change going forward?

Right now, what I'm focusing on is managing a larger staff, moving from one to two. I am working toward more of a management role, which will bring an added dimension.

What should the industry do to attract more young people to work in it?

Emphasize flexibility, working from home. People are more attracted now to flexibility. Working from home is a big attraction. It's important to have some sort of flexibility.

What's one habit or hobby you adopted during the pandemic?

Yoga. I had never really gotten into yoga before, but during the pandemic it gave me something to do before work now that I don't have to commute. I do short classes, 25 minutes online, and have found that to be very helpful.

All-time favorite movie?

I love the movie "Moonstruck."

What is your favorite meal?

It's between pizza and shawarma.



KEVIN JOHNSON

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President, insurance programs

Munich Re Specialty Insurance
Philadelphia

Kevin Johnson joined Munich Re Specialty right out of school through its underwriting graduate trainee program and became president of the programs business unit in October 2019 after 12 years with the company. The son of former Pennsylvania deputy insurance commissioner Stephen Johnson, Kevin Johnson was deliberate about choosing his career, beginning with the risk management program at Temple University.

What's your top tip for working remotely?

Scheduling, on the personal as well as professional front. Scheduling personal time ... has been important for me over the past year. Making sure to carve out

that time for family, for working out, etc.

What's your advice on navigating the current insurance market?

Understanding the nuances of the market right now and the customers and the clients through that lens. It's not a one-size-fits-all market, and the dynamics are different in different lines, segments, geographies. You must take a very lasered approach.

How will your work change going forward?

The biggest change will be around the way we engage with our partners. The element of more frequent and more casual engagements will supplement in-person meetings.

What should the industry do to attract more young people to work in it?

We need to continue to engage with the colleges and universities that are building the pipeline. Outside of that, the industry needs to do better at articulating why insurance is a great career for a broader audience.

What's one habit or hobby you adopted during the pandemic?

Taking regular long walks has become part of my routine around getting away from my desk. Good lunchtime walks. I even got a fitness watch to keep me honest.

All-time favorite movie?

"The Shawshank Redemption."



MAREK KROWKA 36
Chief underwriting officer, North America financial lines
American International Group Inc.
New York

Marek Krowka, who was promoted to chief underwriting officer in February, runs AIG's North America financial lines, including public and private directors and officers liability coverage, cyber and professional liability. Prior to that, he spent some 14 months overseeing public and private nonprofit portfolios at AIG. He joined AIG after 10 years at Arch Capital Group.

What's your top tip for working remotely? Make sure to step away from your office. It's so easy to be in your office or in front of your computer all the time. You need to make sure to preserve some personal

space from work.
What's your advice on navigating the current insurance market? You have to be flexible and open-minded. Listen to your clients, hear them out, what their concerns are. The market's evolving so much at the moment.

How will your work change going forward? There is more embrace from an industry standpoint of insurtech, technology, AI, predictive analytics. The industry is adapting well from a data standpoint and modernizing infrastructure, using data capture and real-time analytics. Certainly, a willingness to embrace working from home.

What should the industry do to attract more young people to work in it? The insurance industry needs to do a better job of marketing itself and the many facets of what is involved in insurance, effectively conveying that it's a home for all types of talent — lawyers, data scientists. The opportunities are endless.

What's one habit or hobby you adopted during the pandemic? I've been doing a lot of yard work. I had some trees taken down and split a bunch of firewood. I've been fixing things around the property — something outdoors that was there and needed to get done.



RAYMOND MASCIA 36
Shareholder
Anderson Kill P.C.
New York

While at St. John's University School of Law in Queens, New York, Raymond Mascia hadn't considered being a policyholder insurance attorney, but a summer associate position at Anderson Kill in 2008 changed that. Inspired by how the attorneys came up with creative insurance coverage arguments for clients, he joined the firm in 2009. He left in 2013 to clerk for a district judge in New York but returned two years later to build his insurance practice.

What's your advice on navigating the current insurance market? Policyholders and their attorneys need to stay ahead of the game. Take for exam-

ple the COVID-19 pandemic. A ton of business interruption coverage claims have been filed in the last year, and while those lawsuits are similar to prior business interruption claims they are also different, and they present new wrinkles that attorneys and policyholders need to adapt to. As a policyholder attorney, you need to be able to roll with the punches.

How will your work change going forward? In terms of the practice of law, in the near future more things are going to be done virtually, like court appearances and depositions. I don't know if it's going to last forever, but it's going to be here to stay for a bit.

What is something about you that would surprise people? I coach a youth hockey travel team, which is nice because it gives me some interactions outside of the business world where I get to mentor kids and meet some great parents.

What's one habit or hobby you adopted during the pandemic? Photography. I took a trip to Africa two years ago and I bought a camera and I started getting into it and then I stopped. When the pandemic hit, I had a lot of downtime and I went out and did a lot of street photography in New York City.

What is your favorite meal? Pizza.



KIMBERLY MANN 32
Senior vice president
Marsh LLC
Philadelphia

Kimberly Mann's insurance career started out in the mailroom at Marsh in 2012. She had just graduated from Clemson University in South Carolina and, unsure of her career path, settled on a six-month temp assignment. Within a few weeks she had interviewed and moved into the environmental practice as an advisory rep. She's worked in Marsh's environmental group ever since.

What's your top tip for working remotely? We work in such a people business that you have to do your best to connect with your clients as much as possible, whether it's through Zoom meetings or phone calls. It's never going to replace the hand-

shake and in-person meeting, but my top tip would be to stay connected to the people that you work with.

What's your advice on navigating the current insurance market? Always be curious. You need to think about what the risks are, how they impact your client's business and how to effectively present them to the insurance market. Communicating and managing expectations with clients and insurers is also essential to make sure there are no surprises at the end of the day.

What should the industry do to attract more young people to work in it? If COVID taught us anything it's that there are so many unforeseeable risks. Campaigning around the risk and the changing world and environment is probably the best way to reach young people who are active in that.

What is something about you that would surprise people? I climbed Mount Kilimanjaro in 2019.

What's one habit or hobby you adopted during the pandemic? I spent the winter learning how to ski.

What is your favorite meal? As a Philadelphian born and raised, I'm going to have to go with the cheesesteak. But to be clear, it's got to be a true Philadelphia cheesesteak.



LIAN PHUA 37
Underwriting manager, political risk, credit and bond
Axa XL, a unit of Axa SA
New York

Lian Phua started in the industry in 2006 as a risk analyst at a boutique credit insurer. She had seen the job posted on New York University's career site and thought it sounded intriguing. Ms. Phua studied economics as an undergraduate at NYU and has a deep interest in world affairs and the global economy. A risk analyst role at QBE North America followed, then an MBA from Columbia Business School before she joined Axa XL in 2013.

What's your top tip for working remotely? Try to maintain a morning routine as much as you had when you were working in the office. Doing conference calls if

possible on the phone and walking around in your apartment or house is good so as not to be sitting down all the time.

How will your work change going forward? The definition of innovation is going to be very different. Part of how insurers can be innovative is to look at how people are working and communicating in this new reality.

What should the industry do to attract more young people to work in it? Insurance has not done a good job of communicating that it is an innovative industry. Younger professionals don't realize insurance is trying to disrupt and innovate with the future. If they could hear the testimonials of other young insurance professionals that would be more helpful.

What is something about you that would surprise people? I'm first generation. My dad is from Singapore, my mum is from China, but I'm from the Jersey Shore, and I went to high school with someone from the show "Jersey Shore."

What's one habit or hobby you adopted during the pandemic? I've taken an interest in all things interior design — how to do more with less, how to make your space feel comfortable.



CHRISTOPHER PIZZO 36

Partner and chair, insurance practice group
Fox Rothschild LLP
Morristown, New Jersey

Christopher Pizzo learned the insurance business on the job. While attending the University of Miami School of Law he interned at a small insurance services company. Upon his graduation, the company asked him to join the business as associate general counsel. That was in 2009. Later he started his own law firm, was a partner in the corporate practice of a national law firm, and then joined Fox Rothschild in 2019.

What's your top tip for working remotely?

Keep your kids on another floor of the house. I have three little kids and they are the best thing in my life, but having

a Zoom call where we're discussing the intricacies of insurance regulation when the 3-year-old runs into the room half-dressed covered with paint is not exactly a professional look.

What's your advice on navigating the current insurance market?

Innovation and flexibility are as important to success in the insurance business as they are to any other business. Success in this industry in the coming years will rest with those who accept that rather than those who push back against it.

How will your work change going forward?

We've all learned that our geographic location is not necessarily directly related to productivity. That stands in contrast to our industry's 50-state regulatory scheme, which is by its nature defined by geographic boundaries. Navigating that tension in the future will be a challenge for our business, and I suspect we will all have to continue the process of broadening the horizon of our practice.

What is something about you that would surprise people?

One of my favorite hobbies and interests is power sports — wave runners in the summer, snowmobiles in the winter.

All-time favorite movie?

"Goodfellas." I've been a (Martin) Scorsese fan my entire life.



MIRANDA RODRIGUEZ 31

Vice president, risk and insurance
Brookfield Asset Management Inc.
New York

Miranda Rodriguez entered the insurance industry in 2010 through a graduate rotation program at Willis Towers Watson PLC. After studying finance at Fordham University, she had envisioned a career in banking but changed tack. At Willis she worked with several high-profile clients, including Brookfield Asset Management. When Brookfield approached her to join its team in 2013, she jumped at the chance.

What's your top tip for working remotely?

Being organized with your day. COVID has presented all of us with challenges, and everyone's situation is different. I'm in the office a few days a week, though when

I'm home I find myself having to pivot from being a wife, a mother, to being an employee. I like to structure my days starting the day prior, so that I have everything at my disposal to be in the work mindset.

What's your advice on navigating the current insurance market?

Start your discussions early to avoid any surprises. I recommend starting renewal discussions 60 to 90 days in advance, but the earlier the better. Even for those who have a clean loss history who expect no surprises I would advise to expect the unexpected.

How will your work change going forward?

As a risk manager it's incumbent upon us to think outside the box and in ways where we perhaps haven't had much focus previously. The pandemic is the perfect example. No one could ever have expected we would be in a global pandemic and that our way of life would be so severely altered. Being aware, cognizant, doing your research, asking the right questions, availing yourself to a broader knowledge base — all goes a very long way.

What is something about you that would surprise people?

I'm a DIYer, so I enjoy building. I'm very handy with miter saw tools.

What is your favorite meal?

Mediterranean — hands down.



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Laura Johnson
2021 Honoree, Midwest region



Lian Phua
2021 Honoree, Northeast region



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EMILY BEACH

Senior vice president, account executive
Marsh LLC
Atlanta

A summer internship at Marsh in Atlanta was “a dream come true” for then-University of Georgia undergrad Emily Beach, who agrees she’s one of the few who arrived in the insurance industry with a degree in risk management and insurance. She says one of the best ways to recruit young talent to the industry is to visit campuses and offer internships.

What’s your top tip for working remotely? Staying organized with whatever method works for you, whether it’s an online calendar or agenda. Write your to-do list. Stay engaged with colleagues. It makes you feel like you are still part of the organization even though you are not seeing

colleagues every day.

What’s your advice on navigating the current insurance market?

The biggest thing on the broker side is having as much information that you can gather as to why the market is in the situation it’s in. You have to give tough messages to your clients every day. There are other economic and macro items happening around their business. Also, supply them with data and analytics.

34 How will your work change going forward?

Everybody has realized that we can work remotely and still be successful on the broker side, working with clients. It has allowed us to be more nimble and flexible. That was lacking in the insurance industry prior to this.

What’s one habit or hobby you adopted during the pandemic?

I have never been into fitness or working out. I didn’t start right at the beginning of the pandemic, but later I felt so anxious about being around the house, so I found a gym I liked and started taking spin classes and exercising every day.

All-time favorite movie?

I go back to my childhood, and my favorite movie is “Now and Then.” It’s light-hearted and reminds me of my friends whom I am still very close with.



RENEE BRUNS

Area client service director, small business
Arthur J. Gallagher & Co.
Atlanta

After studying psychology as an undergrad and planning to continue her education to become a clinical psychologist, Renee Bruns took a summer job with insurance broker Hylant Group. That changed her career direction, but she said the early training has proved useful in talking with small-business clients and understanding their needs, especially amid the challenges of the pandemic.

What’s your top tip for working remotely? Stay connected with your team and your clients. There are a lot of ways to do that — Zoom calls, web calls, phone calls, text messages. Talking about things that are not always work related is key to

keeping the engagement going — just asking, “Hey, how are you doing?”

What’s your advice on navigating the current insurance market?

Communication and empathy go hand in hand. Have that conversation with your client, what they are trying to achieve, where they are ... and relay that to the carriers. Many clients are trying to save a few dollars to keep doors open. Have that open mindset to keeping coverages you need.

37 How will your work change going forward?

The biggest thing I am excited about is we have moved to a remote environment. Our talent pool is no longer limited to one place. We have a tremendous ability to get the right talent.

What is something about you that would surprise people?

I love adventure. I am a big traveler, and I try to do as much adventure as possible. Scuba diving. Parasailing. And I am working on my pilot license. So much of my life (as a person in a wheelchair), people are telling me, ‘No, you can’t do that.’ Let me prove you wrong. I want to live life and enjoy it.

What’s one habit or hobby you adopted during the pandemic?

I had two plants, and I now have 17.



EDWARD BROWN

Partner
Wiley Rein LLP
Washington D.C.

Cyber liability and data security issues were emerging just as Edward “Ted” Brown was starting his legal career after graduating from George Mason University School of Law. A strong background in finance, including a master’s in business administration degree from Virginia Polytechnic Institute and State University, helped stir his interest in one of the costliest risks facing any organization. “I have seen so much now and the one thing that surprises me is how surprised companies are when they are targeted,” he said. “It can happen to anybody.”

What’s your top tip for working remotely? Keep a schedule. Keep interacting and

make sure you are interacting with those you would interact with if you weren’t working remotely.

How will your work change going forward?

The world of cybersecurity and data privacy is constantly changing, and the cyber insurance market is relatively young. The risks and coverages will continue to evolve, and my work will evolve.

What should the industry do to attract more young people to work in it?

Educate them. Insurance involves things that happen that aren’t supposed to happen. You get to deal with a lot of cutting-edge issues and technology. It’s fun. People who get into the industry actually like it. It’s just getting them in the door in the first place.

What’s one habit or hobby you adopted during the pandemic?

I started brewing beer.

What is something about you that would surprise people?

That’s a hard question to answer. I am an open book. I like the outdoors and people will know that about me right away.

All-time favorite movie?

“Forrest Gump.” I am also a financial nerd and I lived through the period, so I also enjoyed “The Big Short.”



LATOSHA ELLIS

Associate
Hunton Andrews Kurth LLP
Washington

Having a few family members already working in insurance, Latosha Ellis said she tried to avoid the industry. But after getting a business degree from the University of Cincinnati that’s precisely where she landed, working as an underwriter for several companies and learning everything from claims to marketing to policy analytics. An MBA followed and later a law degree and job offers: “There was a demand from the insurance industry for litigators.”

What’s your top tip for working remotely? Just have a separation of office and living. Keeping business business and personal personal is easy with those boundaries. We could work for 24 hours so it’s

important to step away from your desk and be in a different space.

How will your work change going forward?

We are going to be very busy for some time. The business model of law firms is going to change in terms of the ways that we leverage technology, whether that is meeting with clients remotely, less travel, some sort of a hybrid work schedule. It’s exciting but took a pandemic for us to see how much technology we could leverage to help clients and have work-life balance.

What should the industry do to attract more young people to work in it?

We have to be more inclusive, not just with young people but with women and people of color. The younger generation, those sorts of things are important to them. Inclusion will attract younger people. That, and making more room at the table for new people.

What’s one habit or hobby you adopted during the pandemic?

Roller skating. I used to skate when I was younger. During the pandemic I saw all of these Tik Tok videos of people roller skating and they looked so cool.

All-time favorite movie?

“Pretty Woman.”

What is your favorite meal?

Hamburgers and fries.



FELIPE GARCIA

First vice president, public entity
Alliant Insurance Services Inc.
Lake Mary, Florida

Raised by immigrant parents, Felipe Garcia said he was driven early to pursue his education. A strict father who instilled a passion to “do what is expected and more” also helped fuel the drive that led to an “accidental” career in insurance. Mr. Garcia, who specializes in creating cyber liability insurance programs for public entities, said he is driven by challenges.

What’s your top tip for working remotely?
Treat it like you would any day, working in the office. For me, it’s getting up, taking a shower and getting dressed — not being in pajamas all day. Having a schedule like you would in the office.

How will your work change going forward?
We have yet to see the impact of the pandemic in the insurance market. One thing that is changing is having conversations that you don’t have an answer for, and that is new in my line of work.

What should the industry do to attract more young people to work in it?
Have young folks attract young folks. Have younger brokers and younger professionals reaching out to universities.

What is something about you that would surprise people?
I am a singer and music is my passion. I used to be the lead singer of a boy band called XY Limited and performed in music venues on Sunset Boulevard in California. I still like to jam here and there with some karaoke sessions now, or sing my daughter to sleep, reliving the good old days.

What’s one habit or hobby you adopted during the pandemic?
I got a pandemic dog, a golden retriever. I became a dog person.

All-time favorite movie?
The original “Jurassic Park.”

What is your favorite meal?
Anything Mexican because of my heritage, but Italian and Cuban are up there, which is why I married someone who is both Cuban and Italian.

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KEVIN McCARTHY

Vice president, property & casualty
IBTX, a unit of Acrisure LLC
Addison, Texas

Majoring in finance and economics, Kevin McCarthy was well suited for an insurance career. That opportunity came when a family friend at an insurer told him about an internship there. That led to a love of the industry, a job and eventually to a position as a producer at IBTX, an agency partner of Acrisure, where he recently became a partner.

What’s your top tip for working remotely?
Take a shower and get dressed every morning as if you’re going to the office. Also, have a space that is dedicated to your work — my laptop doesn’t leave my office at home. I treat it like a regu-

lar workday; that’s what sets me up for the day.

What’s your advice on navigating the current insurance market?
It’s a challenging market, so tactics used in the past to create positive outcomes for clients may no longer work. It’s not just about placing insurance, it’s how we provide a better risk management solution to clients. It also means explaining claims and looking at loss trends and developing strategies on how to improve those trends.

What should the industry do to attract more young people to work in it?
Industry leaders need to be active in mentoring people and working with universities and other groups to reach high school and college students. Whatever their interest, they need to know that there is a fit in the insurance world.

What’s something about you that would surprise people?
That my choice of music anytime — whether working out or working — is hard-core metal, which you would probably not guess by my outward appearance.

What’s one habit or hobby you adopted during the pandemic?
Meditation. It’s been a great way for me to clear my mind and focus on the day, and to decompress at the end of the day.

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DANIEL JONES

Senior broker
Aon PLC
Miami

After working as a stock trader, Daniel “DJ” Jones started out in the insurance industry in 2014 as a personal lines agent. Although focused on becoming a financial adviser, he was urged by a friend who worked in Aon’s Chicago office to try commercial insurance. Shortly after, he interviewed for a middle-market broking position and has worked within the practice group ever since.

What is your top tip for working remotely?
Aside from time management, my biggest advice is trying to find a work-life balance. My struggle has been figuring out when to shut down work and focus on family. I would say to maybe start the workday a lit-

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tle earlier so that around 6 p.m. you can put the phone down and spend time with family or maintaining your own well-being.

What is your advice on navigating the current insurance market?
We’re in a hard market, so we’re going to see a significant increase in the amount of new business — so your underwriters will be busier than they typically have been. It can be hard to get a quote, so try to stay in constant communication with your underwriters and partner carriers, knowing that you may not have a bindable document.

What is something about you that would surprise people?
It would probably be that I am a former (NCAA) Division I athlete. I played football at Northwestern University and enjoyed those four years. Also, I’m not ashamed to admit I’m still a pretty avid video-gamer.

What is a hobby or habit that you adopted during the pandemic?
During the pandemic I became a father for the first time, so I would say that I started a hobby of researching child development.

All-time favorite movie?
“Remembering the Titans,” because with my former football and sports background, I can appreciate the great themes in that movie.



WILLIAM NICHOLS

Chief operating officer, Amwins Brokerage
Amwins Group Inc.
Charlotte, North Carolina

A background in investment banking and finance gave William Nichols an acquired knowledge of mergers and acquisitions and insurance. In 2007, when he was looking for a change in venue, a friend at Amwins suggested he look into the company. Mr. Nichols was hired as head of M&A and has never looked back.

What’s your top tip for working remotely?
Take a break. You can go from meeting to meeting, but unlike the office there’s no walk in the hallway and no conversation opportunities because we overschedule ourselves when we’re at home. You go from meetings to the dinner table and there is no time to decompress. Take a

moment to breathe. I wish I had done more of that.

What’s your advice on navigating the current insurance market?
Manage expectations — don’t wait until the last minute for surprises. People live in fear of delivering bad news, but it has to be delivered at some point.

So, managing expectations and explaining the facts behind the situation to clients is important. We sit between retailers and underwriters, and we don’t want to surprise anyone at the last minute.

How will your work change going forward?
I don’t think a permanent remote situation will persist for our business, but some meetings and conversations may not require travel. I do hope video persists and that people don’t revert back to just using the phone, because it’s nice to be able to see a face.

What is something about you that would surprise people?
I married my high school sweetheart. My parents also met in high school and got married, so it must be a family tradition.

What’s one habit or hobby you adopted during the pandemic?
Family dinners. Because there has been less travel, there has been more time for dinners with the family. I’ve also enjoyed cooking and grilling.



KAREN SALMON

Vice president, health care
Gallagher Bassett Services Inc.
Houston

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As an undergrad, Karen Salmon was a philosophy major at Indiana University, where she became interested in bioethics and health care ethics. After receiving her law degree from New England Law, she pursued a career in insurance law and health care, which took her to South Carolina and Georgia. In January, Ms. Salmon started at Western Litigation, a division of Gallagher Bassett.

What's your advice on navigating the current insurance market?

A majority of jurisdictions have pushed trial dates into 2022 or have not set dates. As the claims goal for our clients is to deliver the same or better lifecycle as a

claim pre-COVID, my advice in this market is to think creatively by turning to new technology and more creative alternatives to push resolution.

How will your work change going forward?

Because the court systems have been shut down and we haven't seen trials for more than a year, we have to prepare for what a trial will look like once things open up.

What should the industry do to attract more young people to work in it?

I was once part of a summer program where interns rotated through the company's insurance departments. It turned out that 100% of them ended up remaining in the insurance industry. This shows that it's about putting them into a hands-on situation for finding their niche.

What is something about you that would surprise people?

I have completed five ultra-marathons. I am also a triathlete and I race with a team out of Colorado called Base Performance.

What's one habit or hobby you adopted during the pandemic?

I became a certified yoga teacher and meditation is a daily habit. My inspiration was my sister, who was diagnosed with stage-4 colon cancer and underwent six months of chemotherapy. She inspired me to connect with others, starting from a place of kindness.



ROBERT WEBBER

Associate managing director
Burns & Wilcox
Metairie, Louisiana

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Robert "Cain" Webber was promoted in December to associate managing director of Burns & Wilcox after serving as underwriting manager for its Louisiana operations. He joined the wholesale brokerage and managing underwriter in 2010 after graduating from the University of Mississippi with a risk management and insurance degree.

What's your top tip for working remotely?

Have a set space. Having a designated place to work is very important. The dining room, the living room table, just doesn't work for me. I believe in efficiency and focus.

What's your advice on navigating the current insurance market?

Communication is key. I've seen what's working for us and what's not working for our competition. Communication is one of the most complex but most simple things we can do. It requires time, effort and care.

What should the industry do to attract more young people to work in it?

The industry as a whole has done a good job as far as reaching out to college graduates. I think we need to do a better job of reaching out to people already in the workforce — anyone in finance, economics.

What is something about you that would surprise people?

I am an avid dog person. My wife and I started working for a number of canine organizations in 2015 and have fostered north of 75 and probably close to 100 dogs over the past five or six years.

What's one habit or hobby you adopted during the pandemic?

Kayaking. I've been going about three or four times a week. One thing Louisiana has a lot of is water. I do tend to go out after big rainstorms. When the water changes that much so quickly, you never know how the river is going to have changed.

What is your favorite meal?

My wife's eggplant parmigiana.



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Brett Richesin &
Felipe Garcia!**

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Manage Risk



CHRIS BUTLER 35
Senior underwriter, large commercial
Velocity Risk Underwriters LLC
Chicago

Chris Butler became interested in insurance after he landed an internship at RLI Corp. On returning to the University of Illinois at Urbana-Champaign, he took electives as a finance major that would position him to enter the industry. Specializing in property, after a couple of jobs he helped launch Velocity's Chicago office in 2018.

What's your top tip for working remotely?

Communication. Pick up the phone, don't just email or IM. It's hard to build a culture remotely so it's things like a Zoom happy hour or a daily team call that are pivotal to success right now.

What's your advice on navigating the current insurance market?

Stay flexible. The rules we thought governed don't govern. We're in a hard market, but are we really in a hard market with all the capital that continues to flow in? Using underwriting as an example, you need to go beyond what a broker tells you they need because the way that you get the win may not be what they are asking for. You may have an idea that a broker hasn't considered.

What should the industry do to attract more young people to work in it?

We have to continue to engage with colleges and universities — I think that's huge — continue internship programs and reach out to people who don't know that insurance might be for them. And we need to encourage people to bring their authentic self to work — that's especially important to young people.

What is something about you that would surprise people?

I'm a very shy person and I spend a lot of time and effort being outgoing. One of the things I did when I moved to Chicago was to take improv and writing classes at Second City.

All-time favorite movie?

"Star Wars: Episode III." I know it's in the sequels, but it's surprisingly complex.



CODY GRIFFIN 35
Vice president and head of international casualty
Zurich North America
Schaumburg, Illinois

Cody Griffin originally planned to use his finance degree from the University of Northern Colorado to become a stock trader, but graduating in 2008 amid the Great Recession prompted him to change plans. After landing an insurance internship at Liberty Mutual Holding Co. Inc., he knew he'd found his career.

Mr. Griffin spent seven years with American International Group Inc. before joining Zurich North America in January 2020.

What's your advice on navigating the current insurance market?

For international it's a little bit different than what we see on the domestic side.

When I talk to domestic underwriters, they're constantly raving about what kind of rate they can get — it makes me kind of sad and jealous inside. We don't have that same dynamic on the international side. There's so much uncertainty in the marketplace right now.

How will your work change going forward?

2020 really showed us that working remotely can work. But insurance remains a relationship business, and it's really hard and challenging to continue with those relationships when you can only talk over the phone.

What is something about you that would surprise people?

I'm an introvert. No one believes me, but I swear to you I am. One of the leading functions of my job is to be market-facing and to continually meet new people. I'm exhausted at the end of the day because I really do have to push myself to get out there.

All-time favorite movie?

I like anything 1920s gangster-related, and I'm also a big fan of westerns. Anytime "The Good, the Bad and the Ugly" comes on, I'll sit through the entire thing. I enjoy the nostalgia.

What is your favorite meal?

I like anything that is related to Mexican food. I love spiciness, I love cheesiness.



GERRAN GEYSER 41
Vice president, risk control
CNA Financial Corp.
Chicago

Gerran Geysler had every intention of becoming an accountant but became a financial analyst after a job offer from Arthur Andersen fell through when the firm collapsed during the Enron Corp. scandal. In 2007, he joined the insurance industry in a financial planning position at CNA and has since held a variety of financial, underwriting and risk control positions.

What's your advice on navigating the current insurance market?

Always keep an open mind and continue to learn. The market is changing and evolving so quickly, and as an organization you need to stay very nimble and

always approach with the humility to learn. Incorporate new insights into how you underwrite and how you approach your customers.

How will your work change going forward?

The whole concept of going virtual is being pulled forward and accelerated because of COVID. We had to quickly adapt what we were doing and we saw a lot of new capabilities, but that's just a microcosm of where the world is heading. Increasingly leveraging data, technology and virtual solutions and incorporating that into your service offering is probably the biggest change I see on the horizon.

What is something about you that would surprise people?

I grew up in South Africa. It was a fascinating time to grow up there because we were going through a lot of change with South Africa coming out of the apartheid years. People sometimes find that surprising because I've lost most of my accent by virtue of living here for a long time.

What's one habit or hobby you adopted during the pandemic?

I lived in a large condo building and running up and down stairs was one way to stay fit.

All-time favorite movie?

"The Shawshank Redemption"



LAURA JOHNSON 32
Underwriting manager for E&S general liability
Axa XL, a unit of Axa SA
Chicago

Laura Johnson never considered a job in insurance until Arthur J. Gallagher & Co. recruiters announced internship opportunities at a job fair at Illinois State University. She scored a coveted internship and has been in the industry ever since, beginning as a broker at Gallagher-owned Risk Placement Services Inc. and joining XL Catlin as an underwriter in 2014. Although the avid traveler has been grounded due to the pandemic, she says working from home has given her more time to spend with her 1-year-old son.

pretty difficult. Especially in the E&S world, you have to be at the forefront of dissecting ... these new and emerging risks while also protecting the bottom line at the same time.

How will your work change going forward?

I definitely think there is not going to be as much travel. A lot of companies have found they can get just as much done working remote. I also feel like we're going to have more collaboration on accounts going forward. Now that we are remote and things are happening over videoconference, I find that we're collaborating more with other offices outside just Chicago.

What is something about you that would surprise people?

I'm a bit of an adrenaline junkie. I've been bungee jumping five times.

What's one habit or hobby you adopted during the pandemic?

Pelotoning — and does my baby count as my hobby? I feel like my whole world has revolved around him in this past year.

What is your favorite meal?

Definitely my mom's lasagna. You can't beat it; it's the best dish I've had in my life and now the go-to dish when someone gets engaged, has a baby, passes away. A lot of love goes into that meal.



STACIE KROLL 38
Executive director, higher education practice
Arthur J. Gallagher & Co.
South Hadley, Massachusetts

Stacie Kroll joined Arthur J. Gallagher in 2020 to head up the broker's higher education practice based at its Rolling Meadows, Illinois, headquarters after spending eight years in risk management for Five Colleges Inc., a consortium of Western Massachusetts colleges. The Navy veteran remains deeply committed to higher education and enjoys educating her clients in her new position.

What is your top tip for working remotely?
Time management. Through COVID we went from working from home to living at work. It's so easy to just work nonstop and prioritize it over everything else. Set those boundaries ... say, "This

is the time I'm shutting off my computer and dedicating time to family."

What's your advice on navigating the current insurance market?
Communication — just being open and transparent throughout. Tell a story using the headlines to show how and why we got here. It helps people get level set that this is the current cost of doing business.

What should the industry do to attract more young people to work in it?
Internship programs, training programs, mentorship programs. We're going to have a massive wave of seasoned leaders who are exiting the industry ... and a lot of them are starting to think about succession planning. The key is to keep those young leaders engaged and get them up to speed on the technical and institutional knowledge that these seasoned leaders have.

What is something about you that would surprise people?
I'm a reality TV junkie. I love Bravo TV — "The Real Housewives," "Vanderpump Rules" — I can't get enough of it.

All-time favorite movie?
It's probably a tie between "Shawshank Redemption" and "Wedding Crashers," because "Shawshank Redemption" has the best characters and story arc, and "Wedding Crashers" is comedic gold.



ROB QUAST 34
Director of insurance and claims
The Kroger Co.
Cincinnati

Certified public accountant Rob Quast joined The Kroger Co. seven years ago, starting in the finance department before moving into his current role. As the risk management leader for the grocer, he has worked to ensure the needs of its large essential workforce are being met during the COVID-19 pandemic, including rolling out more telemedicine offerings and purchasing personal protective equipment to keep employees safe and healthy.

What's your top tip for working remotely?
Really trying to make things personal again. Spending time with team members, brokers, carrier partners — just

making sure we're spending time working through issues and connecting on a personal level.

How will your work change going forward?
For most people virtual is going to be a new component of how we work. Everyone is going to have to embrace some elements of work from home. It will be interesting transitioning back into the office and making sure everyone has the right balance.

What's one habit or hobby you adopted during the pandemic?
It's a hobby I had before — golf. It has been one of the only ways I can continue to get physical activity. I have dramatically increased my volume of golf this year — rounds were up, handicap was down.

All-time favorite movie?
"Wedding Crashers." I like movies where I can totally zone out. I don't want to be overly engaged; I just want to relax, laugh a little bit and chill out.

What is your favorite meal?
I guess I'm kind of traditional. I like just a nice steak and a glass of red wine. I love going to a steakhouse or I don't mind cooking up one at home. On a Sunday night, get the steak out, marinate it, get a glass of wine — that's my happy place.



BRADLEY NEBEL 34
Senior vice president and Chicago property/casualty branch manager
BMS Group
Chicago

As the third generation of his family to work in the insurance industry, Bradley Nebel knew what he wanted to do after college and began his career as an underwriting assistant at his father's managing general agency. In 2020, he joined BMS Group after four years at Aon PLC to take on the challenge of running and expanding its Chicago office.

What's your advice on navigating the current insurance market?
Patience and creativity — it's what the market demands.

How will your work change going forward?

I certainly see that in today's market, we're doing less face-to-face. I absolutely want to go back to face-to-face — that's the most important part of this industry. Those relationships created in person ... they are absolutely the backbone of the industry.

What should the industry do to attract more young people to work in it?
We need to educate them. We need to be present. Other industries get a lot more publicity. Whether it's through marketing, mentorships, college guest speaking or whatever it may be, we have to do a better job communicating that insurance isn't simply selling door-to-door — there are so many different facets.

What's one habit or hobby you adopted during the pandemic?
I would say I have expanded this hobby: coffee. We have a local roaster in town, and we now regularly have coffee shipped in — different roasts and beans from all over the world. It's a nice little adventure having different types of coffee delivered to the house.

All-time favorite movie.
I'm definitely in the comedy sector. "The Hangover" is one of those phenomenal movies. And "Caddyshack."

What is your favorite meal?
Cheeseburgers, all day.



LACY REX 38
Vice president, cyber strategic leader
Oswald Cos.
Cincinnati

Lacy Rex "fell into" the insurance business after graduating with a history degree from Indiana University, when a friend recommended her for a job in the industry. The research skills she learned in college have come in handy, though, helping her get to the root of fact patterns in challenging cyber situations. In her spare time, Ms. Rex likes to garden, knit and spend time outside with her two German Shepherds and three-pawed Havanese rescue dog.

What's your advice on navigating the current insurance market?
The cyber liability space is so dynamic. It's honestly getting really, really difficult.

I'm reading a lot of resources around the technical side and staying current on what's going on. We're having a lot of conversations with clients to get them to understand, "These are the basic things you need to have in place" — really shining a light on the inadequacies of cyber security.

How will your work change going forward?
It's going to be more integrated — technology and in-person experiences. The key is flexibility and being able to really make the experience personal for each client

What should the industry do to attract more young people to work in it?
We need to focus more on the niche coverages. Like executive risk and how that really would pair well with certain college degrees and finance. And cyber liability, if you have a technical background or really just an interest. Focusing on areas that are not auto insurance, home insurance, and that perception of what insurance is.

What's one habit or hobby that you adopted during the pandemic?
Meditation. Generally, when I'm feeling like I need to be a little more centered, especially when things are chaotic, taking a couple of minutes really helps with reflection. Meditation and jazz.

What is your favorite meal?
Tacos and margaritas.



SAM TASHIMA

33

Director and actuary
Aon PLC
Bloomington, Minnesota

As the son of a math teacher, Sam Tashima always assumed he would have a similar career. As he prepared for college, however, a teacher suggested he look into actuarial science. That led to an actuarial science major at the University of Minnesota and an internship at Liberty Mutual Insurance Co. In 2009, he accepted a position at Aon and also began working toward an MBA degree, which he also completed at the University of Minnesota.

What's your top tip for working remotely?

What's been most useful is making sure I carve out time for lunch and some exer-

cise. Working with different time zones can be challenging, and it isn't easy when you're tethered to the computer.

How will your work change going forward?

As organizations transform and their risks become more complex, the value we get from face-to-face interactions can't be overstated. Even though we have great technologies, like Zoom and WebEx, which means we don't have to travel as much, there is significant value from sitting down with an underwriter or a client.

What should the industry do to attract more young people to work in it?

From a diversity aspect, as well as attracting people — I am Japanese-American — I think one of the biggest things we can continue to participate in mentorship and advisory programs at universities, because some students may not have exposure to insurance.

What is something about you that would surprise people?

I am a big Star Wars fan, and I play a card game called Star Wars CCG that ran from 1995 to 2001. After a 13-year hiatus, I got back into it. It's a small, great community.

All-time favorite movie?

"The Empire Strikes Back."



DAVID WALD

34

CEO
Aclaimant Inc.
Chicago

As a venture capitalist with a technology background, David Wald was less than enthusiastic when his girlfriend's father suggested collaborating on an app for the insurance industry. Fast-forward, he and his now father-in-law are co-founders of Aclaimant, which offers a tool designed to house information and data and streamline processes for risk and safety managers.

What's your advice on navigating the current insurance market?

Businesses taking proactive steps to better themselves will outperform every time, and the insurance markets will react. So even if the market is hardening,

companies that do more will put themselves in a position to get advantageous rates across every line.

How will your work change going forward?

The global pandemic created a new burden on the need for risk management to be connected to the most up-to-date data in real time. That will continue well into the future, because the risks keep growing, whether from environmental changes, regulatory changes, new digital risks or social-related unrest. The risk manager's job is expanding exponentially.

What should the industry do to attract more young people to work in it?

What isn't advertised enough is the pace of change and innovation. All the necessary components are already here; it's about packaging and messaging and finding the right way to engage a younger audience today.

What is something about you that would surprise people?

I was a competitive chess player in middle school and high school in national competitions and had a couple of decent finishes.

What is your favorite movie?

"The Shawshank Redemption." I have good memories of watching it with my dad, growing up.



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STEPHANIE BOZZUTO 38
Cannabis insurance broker
Bozzuto & Associates Insurance Services Inc.,
a unit of Acrisure LLC
Campbell, California

After working in marketing for a wholesale insurance brokerage, Stephanie Bozzuto in 2016 joined Bozzuto & Associates, where she co-founded its Cannabis Connect Insurance business. She works with insurers and managing general agencies and has held committee and board seats with the Cannabis Chamber of Commerce, National Cannabis Industry Association and California Cannabis Industry Association.

What's your top tip for working remotely?
Staying connected through social media. ... Also, I would say getting face-to-face

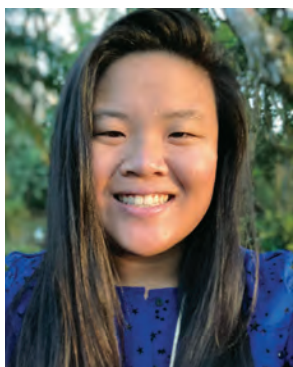
time on Zoom calls.

What's your advice for navigating the current insurance market?
Make sure you really focus on an insurance broker that understands your niche industry and understands the current insurance climate, so they can properly insure your risk with the right carriers providing adequate coverage and prices. Interview a few different brokers and select a broker that best meets your needs and has the expertise you're looking for.

What should the industry do to attract more young people to work in it?
Our industry, compared to others, is very slow to adapt to new technology and change. Not just technology, but culture needs to change, and diversity needs to happen within this industry. Those factors will bring more younger people into the industry.

What is something about you that would surprise people?
I ventured out of the insurance industry for a period of time and pursued cosmetology. I was a hairdresser for a couple of years.

What's one habit or hobby you adopted during the pandemic?
My husband and I bought a speed boat. It became such a fun hobby for us that we go out boating every weekend.



ASHLEY FONG 29
Director of technical operations
Carpe Data
Santa Barbara, California

Ashley Fong was one of the first employees of Carpe Data when she joined the data provider as a quality assurance engineer in 2016. She brought with her a degree in studio arts but had also studied computer coding while at the University of California, Santa Barbara. In her current role she works with insurance industry clients on their data needs.

What's your top tip for working remotely?
Make sure you actually step away from your home office or workstation. It's easy to roll out of bed and get to working and then continue working through the

night, but I've found it's really critical for me to actually go for a walk or step outside, even if it's just out your front door, just to distance yourself from your workspace.

What's your advice on navigating the current insurance market?
Don't be afraid to try new things. It might take awhile to implement new technology, and you might not know that it could lead to improvements until you go through with it. There's a lot of new technology that we might be afraid to use because the insurance industry is built on a lot of history but there are things that could help that you might not see unless you take that leap.

What's one habit or hobby you adopted during the pandemic?
I got really into the stock market. Like a lot of people, I started trying to understand stocks more and used the time to get more involved. I have made some profit, but I am not counting all of it yet; we'll see how the long holds go.

All-time favorite movie?
"My Neighbor Totoro" — I have a lot of good childhood memories watching that, and I love the story and the message.

What is your favorite meal?
A classic breakfast platter with bacon, eggs, toast, hash browns.



WILL CEA 29
Senior vice president
Brown & Riding Insurance Services Inc.
Los Angeles

Will Cea joined Brown & Riding in Los Angeles after graduating from The Master's University with a degree in business, finance and management. Specializing in property and inland marine, he moved to the wholesaler's Chicago office in 2016 to broaden his experience beyond the earthquake risks he handled in California. Back in Los Angeles since 2019, he is one of the youngest principals at the brokerage and places business nationwide.

What's your advice on navigating the current insurance market?
Look for win-win deals. The property market is pretty hard, and you get a lot

of declines and the prices are going up. So get more information and details on what the insured actually wants — what their buttons are, essentially — and then work with the market and get creative so you get a price that makes sense, but you are still getting the coverage that the insured is most concerned about. Don't have the same answer for every deal but personalize each deal for the insured and the market.

What should the industry do to attract more young people to work in it?
Get college kids more exposure to the property/casualty side. When they think of insurance, people think of a life insurance salesperson, but when you really look at the property/casualty insurance business, it's a very social setting. It can be a lucrative job if you want it and it can give you a lot of freedom, too — it doesn't always have to be 9 to 5.

What is something about you that would surprise people?
I'm actually a pretty small guy — like 5'8", 160 — but when I was born, I was the biggest baby in the hospital.

All-time favorite movie?
"Limitless."

What is your favorite meal?
The Nozawa Trust Me at Sugarfish, a sushi restaurant.



SHANNON GUNDERSEN 32
Senior underwriter, GoQuote manager
Atlas General Services LLC,
a Risk Placement Services Inc. company
San Diego

In her dual role of senior underwriter and manager of GoQuote, Atlas' online rating platform, Shannon Gundersen acts as a prime liaison between underwriting and operations. She spearheaded internal and external training and development for GoQuote, which has become a dominant premium driver for Atlas' workers compensation line. Ms. Gundersen holds a bachelor's degree in English/language arts teacher education from Cal State Long Beach.

What's your top tip for working remotely?
It would be starting every day as if you were still going into the office. Get up,

get dressed, have a good breakfast, have your coffee and then get into a designated workspace, so you can prioritize your work and eliminate outside distractions.

What's your advice on navigating the current insurance market?
My advice for navigating the current insurance market would be to really focus on and build relationships with your producers and allow that to grow your business.

How will your work change going forward?
Going forward, we will continue to have a collaborative and hybrid work environment, so we will remain having the flexibility of working from home, yet we will also have a dedicated workspace that we can go into to interact with our peers.

What should the industry do to attract more young people to work in it?
Focus on internships and nurture programs within the college community, as well as mentorship programs for entry level positions.

What is something about you that would surprise people?
That I started my career right after graduation and have been at the same company since.

All-time favorite movie?
"Sweet Home Alabama." It's a feel good, romantic comedy.



JESSICA HANNEMAN 31
Senior vice president, director of business relations
Marsh & McLennan Agency LLC
Anchorage, Alaska

Jessica Hanneman earned a bachelor's degree in psychology with a minor in communications from the University of Alaska Anchorage Honors College, where she graduated magna cum laude. She began her career at Marsh McLennan in 2015 as a sales professional. After serving as vice president, director of business relations, beginning in December 2019, she was named senior vice president, director of business relations, in April of this year.

What's your top tip for working remotely?
To always stay energized. At Marsh & McLennan Agency we really encourage people to take a break during the day, maybe through lunch time, and to get out

of the house and do something you enjoy.

What should the industry do to attract more young people to work in it?
The industry needs to be more motivational and inspirational about what we can do for companies. It's such amazing careers, with unlimited opportunities. I also think we need to be more effective in our messaging toward college-age students.

What is something about you that would surprise people?
I grew up living a traditional Alaska lifestyle, hunting and gathering almost everything we ate, and I am also a former Miss Alaska USA.

What's one habit or hobby you adopted during the pandemic?
Yoga. Marsh McLennan Agency really encouraged us to stay active during the pandemic, so they hosted yoga classes twice a week. I actually participated in almost all of them, even when I was pregnant.

All-time favorite movie?
"The Notebook." It's a love story about people from different classes of society that were forbidden to be together. In the end, they manage to make it work.

What is your favorite meal?
Pad kee mao. It's a Thai dish. I spent a month traveling through Thailand, and that's my all-time favorite meal.



BRETT RICHESIN 34
Assistant vice president, account executive
Alliant Insurance Services Inc.
Fresno, California

Brett Richesin, who focuses on a wide spectrum of agricultural and food industry accounts, has been in the insurance business for 11 years. He grew up in the industry, learning from his father, who owns a health insurance brokerage in Fresno. He worked in health insurance for two years after graduating from college, then switched to property/casualty.

What's your top tip for working remotely?
When you're working remotely, communication is absolutely key and doing a better job of staying in touch not only with your clients but with your colleagues and the marketplace. I have been a big

fan of using internal instant messaging systems.

How will your work change going forward?
I can see some meetings transitioning to Zoom, or some sort of online platform. If COVID-19 were to occur again, we've got a good template moving forward on how to navigate that, but I am certainly old school and prefer face to face, the golden handshake. I'm a people person. I love meeting people in person.

What is something about you that would surprise people?
You probably would be surprised that I like to go surfing and be in the ocean as much as possible.

What's one habit or hobby you adopted during the pandemic?
It's strange to admit it, but disc golf. It's like combining Frisbee with golf, essentially, so you play 18 holes, but instead of swinging clubs and using a golf ball, you're throwing a specialized Frisbee. I picked that up just because of the ability to be outside. It's just a whole lot of fun.

All-time favorite movie?
I would put anything directed by Michael Mann, and probably put "Heat" at the top of the list. It's hard to beat Al Pacino and Robert De Niro going head-to-head in that movie.



CONOR SWEENEY 34
Assistant vice president and commercial officer
CNA Financial Corp.
Denver

Conor Sweeney joined CNA's trainee program in 2011 in New York after graduating from the University of California at Santa Barbara with a degree in economics. After completing the CNA program in 2012, he worked as a front-line underwriter. In 2015, he was recruited to run technology underwriting for the central United States, spanning 11 states, and was promoted to his current position two years ago.

What's your top tip for working remotely?
My top tip is to establish some sort of a routine. My wife and I start every morning with walking our dog up to two miles

before starting work and, after I finish work, we do another walk, for another mile or two. It's good exercise, and it also ensures that the dog doesn't drive me crazy all day long while I'm trying to work.

How will your work change going forward?
The pandemic was eye opening to a lot of people about what humans are capable of and has probably challenged a lot of the traditional thought of how work needs to be done. But I think that after all this, people will come out a lot stronger than they were before.

What's one habit or hobby you adopted during the pandemic?
I actually got married during the pandemic. We had originally planned to have a wedding but had to cancel, so instead we picked up the paperwork from the county clerk's office and signed it ourselves. Colorado is really loose on wedding requirements. You don't even need a witness; you can actually marry yourselves. It wasn't what we had imagined, but it was perfect for 2020.

All-time favorite movie?
The original "Star Wars." I watched it thousands of times as a kid.

What is your favorite meal?
There are few foods that I don't like, but I really like good sushi.



CHRIS THEVENY 36
Regional underwriting director, contract surety
Crum & Forster Holdings Corp.
Orange, California

A job hire through Monster.com brought Chris Theveny into the insurance industry and ultimately to Allied World. There he entered the contract surety business, where he uses his analytical skills. In 2019, when Allied World exited the surety business, he joined sister company Crum & Forster, where he runs the West Coast surety business.

What's your top tip for working remotely?
Limit distractions. When I first worked at home I'd have the TV on, and I'd end up watching it instead of working. Try to

give yourself a workplace setting.

How will your work change going forward?
Not too much. Even working from home I'd spend a few days in the office. I'd like to get back to seeing clients — I haven't seen a client in more than a year now. That will be the real change, to see people again. In this industry, even your competitors become your friends. There is not a lot of angst towards each other, so it's nice. It's like I'm missing seeing some of my friends.

What should the industry do to attract more young people to work in it?
If we can get more visibility in the college setting and more information about surety, you would see more interest in the industry — particularly since the surety industry has a good starting salary, but not a lot of people know that. Getting the word out is important.

What's one habit or hobby you adopted during the pandemic?
I do a lot of walking the dog. I've also gotten more organized and better at making to-do lists and prioritizing.

What is your favorite meal?
Any type of sushi. My dad was a chef. He introduced me to sushi when I was 9 and I've loved it ever since.



CAROLINE THOMPSON 34
Cowbell Cyber Inc.
Head of underwriting
Los Angeles

With her father being a reinsurance broker, entering the insurance industry was a natural for Caroline Thompson. The subject of her senior thesis at Providence College was micro insurance, and her internships included time at Lloyd's of London. She started her insurance career at Beazley PLC, where she developed an interest in cyber underwriting. In 2019, she joined Cowbell, where she recently wrote a policy form for a new product launch.

What's your top tip for working remotely?
Reach out to employees you don't normally interact with. We put together a program where we match up people in different departments each week and encourage

them to meet for 15 minutes virtually.

What's your advice on navigating the current insurance market?

We understand that ransomware attacks are on the rise, and more risks are coming in that have a claims history. We are taking a deeper look to see if the company has recovered and put in the correct controls, to get comfortable with that risk. Now is a good time for companies to look at their risks and their cybersecurity safeguards.

What should the industry do to attract more young people to work in it?

Young people are interested in creating efficiency and being more innovative in the approach to risk. More integration of technology will help to attract young people into insurance. We're getting there.

What is something about you that would surprise people?

I used to be a synchronized swimmer and I competed nationally. It was hard work but a great experience.

What's one habit or hobby you adopted during the pandemic?

Long walks. I hadn't really explored my neighborhood by foot, so I started doing long walks with some friends in the neighborhood, and I ended up finding all these beautiful staircases in the area. I also picked up tennis — a safe, low-contact activity.



AMY TORRES 35
Assistant vice president
CFC Underwriting Ltd.
San Francisco

After eventually deciding against her original career choice of the law, Amy Torres needed a job quickly and started out in the insurance business as a receptionist. Twelve years later, she has worked in operations and as a retail broker, wholesaler and underwriter on coverages ranging from workers compensation to professional liability. Currently, she specializes in cyber insurance.

What's your top tip for working remotely?

Establish a routine and whatever that routine might look like, it should not include working in PJs. Getting dressed is crucial to getting yourself in the mind set to start the day, even if it's not to the

level of office attire.

How will your work change going forward?

A silver lining of the last year's events was that it was a shared experience, and with so many people working from home we were able to get a rare glimpse into personal lives, like pets and kids popping into video calls, which was a reminder that we are all human and coping together.

Technology allowed us to have that closeness. Going forward, we'll go back to some of the traditional ways of connecting, however, it's good to remain flexible and continue utilizing all resources available to accommodate the changing needs, and that includes a high use of technology. The new challenge will be how do we keep that fresh and meaningful.

What is something about you that would surprise people?

I used to run to work when I lived in San Francisco, and it was very hilly, so people would be surprised that I'd just run there. I've completed three marathons to date.

All-time favorite movie?

"The Wedding Singer" — I love a good rom-com, and I also love the '80s music.

What is your favorite meal?

Dim sum. The variety makes it fun, it's really delicious, and it reminds me of my childhood.

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PANDEMIC RISK MANAGEMENT

Event cancellation coverage sees shakeup

BY JUDY GREENWALD

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INSIDE

▶ GAP IN THE MARKET

Some insurers see new opportunities in the contingency market while others depart. **PAGE 28**

▶ RESTAURANT MAKEOVERS

The pandemic has ushered in new ways of doing business, shifting risk profiles. **PAGE 29**

▶ BUSINESS INTERRUPTION

U.K. test case could have wide influence on coverage disputes. **PAGE 30**

The event cancellation insurance sector was hit hard by the pandemic, with billions of dollars in reported claims, and insurers have responded with dramatically higher rates and tighter capacity.

High-profile sports tournaments, such as the Wimbledon tennis championship and the NCAA basketball tournament, bought hundreds of millions of dollars in coverage limits prior to the pandemic.

Since the losses poured in, several insurers have left the market, but others have emerged to take their place, and more capacity may be added (see story page 28).

Event cancellation insurance compensates organizers and others for expenses and lost revenue related to the cancellation or postponement of an event. The insurance, which can be standalone or part of a broader package, covers indoor and outdoor events, including concerts,

theatre performances, conferences, festivals and major sporting events.

Prior to the pandemic, the biggest losses to hit the market were weather-related (see chart page 28).

Pre-pandemic policies often included communicable disease exclusions but also offered a “buy-back” option under which policyholders paid an extra amount to

See **EVENTS** page 28

EVENTS

Continued from page 27

remove the exclusions from their policies. Such buyback options are not expected to be offered for the foreseeable future.

Experts estimate COVID-19-related losses were in the \$6 billion to \$9 billion range, although there is not yet a final tally because some companies have ongoing multiyear policies.

The pandemic has “been the single biggest loss ever experienced in the history of contingency underwriting,” said Greg Stevning, Indianapolis-based vice president in Marsh LLC’s U.S. entertainment and media industry practice.

Major markets, including Chubb Ltd., Swiss Re Ltd., W.R. Berkley Corp., Munich Re, Markel Corp. and American International Group Inc. unit Talbot Underwriting Ltd. have withdrawn, observers say. A Berkley spokeswoman said in an email it has not yet fully left the market.

But several insurers, particularly in



CANCEL COVER

Cancellation insurance can cover events canceled due to:

- ✘ Weather
- ✘ Terrorism
- ✘ Natural catastrophes, including fire, tornadoes, hurricanes and earthquakes
- ✘ Power outages
- ✘ Labor strikes
- ✘ Civil commotion
- ✘ National mourning periods
- ✘ Nonappearance of key speakers, performers or athletes
- ✘ Nonavailability of a site
- ✘ Lower number of expected attendees

Source: Business Insurance interviews



London, have entered the market. These include Convex Group Ltd.; Apollo Syndicate Management Ltd.; Arch Syndicate, part of Arch Capital Group Ltd.; Fidelis Insurance Holdings Ltd.; Cincinnati Global, a unit of Cincinnati Financial Corp.; and International General Insurance Co. Ltd., brokers say.

“This is an opportunity,” said Francis Hernandez, head of contingency for Cincinnati Global, who joined the operation with others from Chubb last year. “We are seeing rate increases, which is great,” and narrowing of terms and conditions and reduced systemic exposures, he said.

The new entrants “have a little more flexibility” than other insurers, enabling them to offer better terms and conditions, and maybe better rates, said Leigh Ann Rossi, chief operating officer, sports and entertainment group, for NFP Corp. in Plainview, New York.

Robbie Thompson, executive director of the Minneapolis-based Professional Liability Underwriting Society, which runs about 75 conferences annually, said, “We will see our terms and conditions change and make it more difficult, or potentially impossible, to get event cancellation coverage of pandemic-related events, and anticipate our costs will go up.”

The organization, which has been insured with Lloyd’s of London syndicates, has not had any claims because of arrangements it made with its conference hotels, he said.

Rates have increased as much as four times from what they were prior to the pandemic, although most rates are doubling or tripling, said Lou Novick, Washington-based national director-associations in the nonprofit practice at Arthur J. Gallagher & Co.

John Beam, Charlotte, North Carolina-based sports entertainment practice leader for Willis Towers Watson PLC, estimates capacity has been reduced from \$750 million to \$1 billion per risk to \$300 million to \$400 million.

“We’ve seen a much more conservative underwriting posture, a narrowing of the coverages,” as well as a reduction in capacity, said Roger Sandau, Austin, Texas-based managing principal with EPIC Insurance Brokers and Consultants.

Insurers have excluded global catastrophic events from the coverage and inserted very broad cyber exclusions, he said.

Event organizers can still buy cancellation insurance, “you just cannot include communicable disease coverage with your policy,” said Nathan Nicholas, president and CEO of Nicholas Hill Group Inc., a Colorado Springs, Colorado-based brokerage, whose clients include Wichita, Kansas-based Running USA, a running industry organization.

Alistair MacLean, London-based global product leader, live entertainment, for Allianz Global Corporate & Specialty, an Allianz SE unit, said a government-backed entity has been created for

The pandemic has “been the single biggest loss ever experienced in the history of contingency underwriting.”

Greg Stevning,
Marsh LLC

COVID-19 exposure in The Netherlands, while Germany is moving in that direction, and there has been a call for a similar approach in the United Kingdom. Switzerland also is planning such a fund, according to reports.

There is demand for cancellation coverage in catastrophe-prone areas, including California, Texas, Florida and in Las Vegas, Mr. Stevning said. Policyholders are planning large events for 2021 and 2022 although some smaller events may not be held, he said.

“We see the outdoor musical festival business coming back gradually,” although perhaps more likely with festivals having 5,000 to 10,000 attendees rather than 30,000 to 40,000, he said.

Organizations seeking cancellation insurance should start looking for coverage early, experts recommend. “I would strongly suggest” policyholders start talking to their brokers as soon as possible, said Andy Thompson, London-based senior vice president with Lockton Cos. LLC.

Some insurers see opportunity in tight cancellation market

While some big names have exited the event cancellation insurance market since the onset of the COVID-19 pandemic, more insurers are expected to enter the sector, some experts say.

“You’ll see some around the fringes,” said Francis Hernandez, London-based head of contingency for Cincinnati Global, a unit of the Cincinnati Insurance Cos., which is one of the new entrants into the market.

“There are others who are definitely

circling the area but have yet to put their capacity down in this space,” said James Davies, divisional director at London-based EC3 Brokers.

Some will likely enter the market in the next six months, and while some will commit for the long term, others will be “more opportunistic,” he said.

Alistair MacLean, London-based global product leader, live entertainment, for Allianz Global Corporate Specialty, an Allianz SE unit,

said, however, “If more markets were to enter, I think we would have seen them by now.”

John Beam, Charlotte, North Carolina-based sports entertainment practice leader for Willis Towers Watson PLC, said, “The market’s healthy and it will continue to evolve in a positive manner,” assuming something else disruptive does not occur over the next couple of years.

“We’re still only a year away from (the pandemic). It’s going to take a year or two

more ... but I do think the market will make its way back there.”

Jason Sampson, London-based contingency underwriter at Beazley PLC, said in an email that, while the losses’ full impact remains to be seen, the outlook is positive. “While some uncertainty remains as to when we will return to ‘business as usual,’ we are already seeing an uptick in demand for contingency coverage,” he said.

Judy Greenwald

Policy revamps, coverage reviews required as pandemic serves up new restaurant risks

BY CLAIRE WILKINSON

cwilkinson@businessinsurance.com

Curbside pickup, delivery, outdoor dining and online ordering have reshaped restaurant spaces and generated new revenue streams during the pandemic, making it vital that risk managers stay engaged with insurers and review their coverage as renewals approach.

Risk transfer needs may have shifted during the pandemic and, in a hard market, policy terms and conditions have tightened, triggering potential coverage gaps for restaurants.

Especially coming into the first insurance renewal from the pandemic, discussions with underwriters are critical to communicate any business changes and the risk management improvements that restaurants have made, said Jonathan Price, senior director, risk and insurance, at Main Event Entertainment Inc., based in Dallas.

“We have all changed through this past year,” whether it’s a shift to work-from-home employees, supplying personal protective equipment in the workplace, or creating a socially distanced restaurant space, said Mr. Price, who is also the immediate past president of the Risk & Insurance Management Society Inc.’s Dallas-Fort Worth chapter.

“The carriers need to understand improvements we’ve made as a restaurant as well as the changing landscape of restaurants that may (now) offer alcohol, or food delivery, or even have added first-party food delivery that they didn’t do historically,” he said.

Kristi Whistle, Louisville, Kentucky-based managing director and leader of Marsh LLC’s Restaurant Center of Excellence, said changes that restaurants implemented to be successful, such as technology upgrades for online ordering and delivery of food and alcohol, changed their exposures.

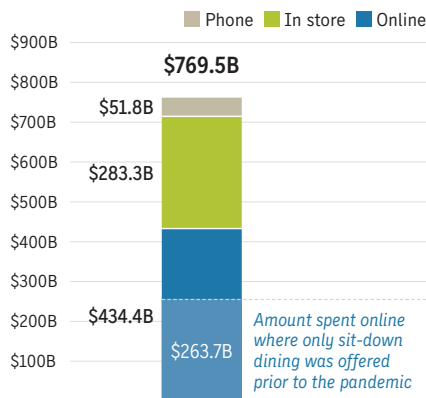
Restaurants that have entered the delivery space need to understand the ramifications,



Reuters

TOTAL SPENT AT U.S. RESTAURANTS IN 2020

U.S. customers spent \$434 billion on online food orders in 2020 and some \$264 billion (61%) of that was at restaurants that had offered only sit-down dining prior to the pandemic.



Source: PYMNTS.com

she said. In the case of third-party delivery, they should be “reviewing those contracts ... ensuring that the indemnification language is adequate,” Ms. Whistle said.

Alcohol-to-go is a new exposure and a substantial enough change that restaurants need to notify and have discussions with their insurers, Ms. Whistle said. There could also be some cyber risk at play with

online ordering, she said.

Risk managers in the restaurant sector need to get clarity on the new bacteria exclusions that insurers are trying to add to policies, Mr. Price said. “We always had the typical foodborne illness, salmonella, E. coli coverage. Now you’re seeing insurers introduce blanket bacteria exclusions,” he said.

“It’s important that risk managers get the carvebacks ... and understand how an exclusion could potentially impact traditional coverage that they thought they had last year,” Mr. Price said.

While curbside pickup in general is not viewed by underwriters as high hazard, if restaurants use their own employees for delivery, that is “quite a wrinkle,” said Ron Levitt, president, Chicago, and a casualty broker at CRC Group LLC.

“In general, food delivery is not the most savory class of business in the industry,” Mr. Levitt said. Certain insurers specialize in it and underwrite it thoroughly to make sure safety procedures are in place, he said.

By outsourcing delivery to third parties such as DoorDash and Grub Hub, restaurants can mitigate the risk and the cost of liability coverage, he said.

For restaurants that offer food delivery

services, even taking COVID-19 out of the equation, rates have increased anywhere from 20% to 50%, said Josh Miller, vice president, account executive-food and beverage practice, at Lockton Cos. Inc. in Kansas City, Missouri. “It could potentially go higher if they shift to first-party delivery,” he said.

As for alcohol, many state governors signed executive orders temporarily allowing bars and restaurants to offer alcohol take-out or delivery orders during the pandemic, and a growing number of states, including Florida and Texas, have enacted laws making the changes permanent.

Alcohol-to-go is a viable way for restaurants to bring in a new revenue stream, but protocols need to be in place, Mr. Miller said.

Each state has its own statutory requirements regarding whether a restaurant can offer alcohol-to-go and practices around “what you can sell, who can purchase it, and how it needs to be sealed,” he said.

Restaurants need to check on the availability of liquor liability coverage, said Seth Johnson, Clearwater, Florida-based president, RT Binding Authority, a part of RT Specialty LLC, a division of Ryan Specialty Group.

“Even pre-pandemic, this was a very difficult line of coverage,” depending on the state in which a restaurant operates, he said.

Dram shop laws in many states hold businesses, including bars and restaurants, liable for serving or selling alcohol to individuals who later cause death or injury to another person or property damage.

Some states, such as Virginia and Maryland, are lenient from a dram shop perspective, but others are strict, Mr. Johnson said.

If a restaurant has a \$2 million general liability policy, it might only be able to buy a liquor sublimit of \$100,000 or \$200,000, for example. Getting full liquor liability coverage in more restrictive states can be “difficult and potentially expensive,” Mr. Johnson said.

CLAIMS INCREASE EXPECTED AS WORKERS ADAPT TO REIMAGINED DINING SPACES

Staff shortages in the restaurant sector could result in an uptick in claims going forward as reimagined restaurant footprints bring new hazards and the need for additional risk mitigation strategies, experts say.

As restaurants moved their services outside, it drastically changed how certain tasks, such as order taking, were done, said Cindy Smail, a senior vice president in the consulting solutions group of Marsh Advisory,

based in Southfield, Michigan.

Multiple drive-thru lanes, controlling traffic and keeping employees safe in hot and cold weather all had to be worked through, she said.

“Normally, the standard restaurant injuries we see are slips, falls, cuts, burns. ... Now the hazards are out in the parking lot, like being struck by a car, trips and falls but over a curb as opposed to on the wet floor of a restaurant,” Ms. Smail said.

While many restaurants added staff to enhance cleaning and sanitation in line with Centers for Disease and Control and Prevention guidelines, the shift to takeout and the introduction of shortened menus led many restaurants to reduce their staff to the bare minimum.

This meant that many senior employees changed to roles that were unfamiliar to them, said Matt Zender, Las Vegas-based senior vice president, workers’ comp strategy,

at AmTrust Financial Services Inc.

“Now as we get to the back end of the pandemic, we’re seeing a separate set of issues as restaurants deal with staff shortages,” Mr. Zender said.

Restaurants have to determine whether they can operate with the same number of shifts as when they were fully staffed or whether they are a five-day-a-week operation as opposed to a seven-day-a-week operation, he said.

Claire Wilkinson

Business interruption case provides clarity

The United Kingdom's regulator for insurance and financial services — the Financial Conduct Authority — last year brought a test case on behalf of commercial policyholders against various insurers regarding COVID-19 claims under property damage business interruption policies. The FCA case, which found mainly for the policyholders, has implications and consequences for the global insurance industry.

The FCA case, which went straight to the U.K.'s highest court, provides some clarity concerning coverage, and this clarity will be reflected in insurance policies in the future. This will help policyholders to make informed decisions about coverage for infectious disease risks; although it now appears that decision may actually be out of their hands.

Many insurance leaders have argued that systemic risks, such as global pandemics, may be more appropriate for governments to take rather than insurers. If such coverage were to be provided by the insurance industry, pricing would become an issue. Insurers are being honest about decisions to exclude pandemic coverage from future policies, for many, that was always the intention anyway. Even specialist non-damage business interruption policies exclude pandemic.

Business interruption is complex

The U.K. FCA case was groundbreaking — some say radical — but it could not cover all bases. According to the FCA, there were more than 60 insurers involved, with 700 different types of policies, and over 370,000 policyholders were affected. It has, therefore, been of incredible significance. There were 21 policies chosen to be representative for the actual case. The process was expedited and significant savings in time and money were achieved.

The main coverage extension clauses reviewed by the court were:

- Infectious disease.
- Denial of access (by order of civil authority).
- Combined (or hybrid) whereby cover is provided for denial of access (by order of civil authority) as a result of infectious disease.

There were some key findings that have far-reaching implications for future insurance cover and claims around the world, including:

Extension vs. exclusion

Extensions expressly provided now take precedence over general exclusions. In the future, insurers will need to make intention absolutely clear and link those exclusions

directly to specific extension clauses.

Orient-Express Hotels case and the complexity of the trends clause

The decision in the FCA case overruled a precedent set by the 2010 *Orient-Express Hotels Limited v. Assicurazioni Generali Spa* case, despite some of the judges being common to both cases. In *Orient-Express*, there was damage to a hotel in New Orleans following hurricanes Rita and Katrina in 2005. The disputed business interruption loss is calculated by comparing expected revenue with actual revenue. Expected revenue should reflect trends in the business in a 'but for' scenario — the FCA case referred to this as the "counterfactual."

The *Orient-Express* decision stated that expected revenue should be 'but for the damage' using a strict interpretation of the wording (instead of 'but for' the hurricane). With minimal damage, this left the claim much lower. It assumed that the hotel and its expected revenue would have been impacted by the hurricane in any event, whether the hotel was damaged or not. The trend therefore reflected the devastation already created by the hurricane, and expected revenue was much lower as a result.

The FCA case found that expected revenue should, in fact, be "but for" the insured peril (not the damage). *Orient-Express* losses should have been much higher; expected revenue should have been 'but for' the hurricane. In the FCA case, it was "but for" the disease, therefore stripping out the impact of the pandemic and the lockdowns from expected revenue. This massively increases the calculation of loss. A decision that now provides clarity for all involved.

Pre-trigger losses

If the impact of the insured peril is apparent in the performance of the business before the policy is triggered, that trend should not be included in the calculation of expected revenue in the counterfactual. A logical decision, as the aim of the insurance is to put the insured back in the position they would have been before the loss.

Some insurers were found to have robust exclusions, so no coverage was granted. Pure denial of access with no mention of disease, might be covered depending on the category of business, but even if covered, the losses would be minimal. The case referred to "what was covered but not causative vs. what was causative but not covered." In essence, the insured peril — denial of access to premises — was not the cause of the loss. Any calculation of expected revenue in the counterfactual would be "but for" the insured peril; all the

other issues would have impacted the business in any event. Expected revenue would, therefore, be the same as actual revenue; in other words, there would be no loss.

Impact on UK policyholders

For many businesses, their policies didn't have an exclusion for pandemic risks, in which case insurers would be liable, even if the intention was only to cover business interruption losses that related to physical damage. Clarity of cover was achieved for those with infectious disease extension clauses, or hybrid extensions. For those that don't have policies matching the test case disputes continue. The FCA continues to apply pressure on insurers; it continues to publish data on the number of claims that remain unresolved for each insurer.

It is worth also noting that this is just the beginning of the claims process. We are now in the "quantification machinery" phase where it is the forensic accountants who step in to establish the expected revenue for these businesses, and quantify the losses.

Implications for US disputes

In the United States, policies may include a communicable disease endorsement that carries a sublimit significantly less than the actual loss sustained. By and large, U.S. litigation has been on a case-by-case basis, with most courts ruling in favor of insurers. Some plaintiffs have sought to centralize the resolution of business interruption cases in multi-district litigation procedures; however, the MDL panels have largely rejected plaintiffs' attempts to consolidate such cases, finding that there was no commonality between the various defendants and that the cases involved different insurance policies with varying coverage provisions and exclusions.

Even though the FCA case concerns U.K. law, the world has taken note and similar principles are being considered elsewhere, including the U.S. The *Orient-Express* case involved a U.K. company and U.K. law but a U.S. site, so it has always been of interest, and its dismissal is important for insurers globally.

Other issues continue to arise. For example, we have seen examples where there is a lack of consistency in wording between insurers on the same risk, which resulted in only a portion of the claim being paid, as some insurers had an exclusion in place and some did not. A situation which may seem bizarre to anyone outside of the industry. Also, we have seen disputes related to inconsistencies



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between wordings for reinsurance purposes, as there can be different wordings and different exclusions.

Many questions remain, the big one being: "Does the impact of coronavirus constitute physical damage?" The answer, so far, is "no" in most places around the world, where courts accept that property damage policies remain ring fenced for property damage and tangible perils. Some U.S. courts have ruled that coverage might be available, but the cases are complex. Business interruption is never simple.

WORKERS COMPENSATION

WORKERS'
COMPENSATION
TO
WRONGFUL
DISCHARGE

ZONING AND
PLANNING

Mental health front and center in comp claims

BY LOUISE ESOLA

lesola@businessinsurance.com

INSIDE

▶ NAVIGATING PSYCH CLAIMS

Mental claims can be complex, but early intervention may improve chance of positive outcomes. **PAGE 32**

▶ WORKER STATUS IN FOCUS

Legal cases revisit whether benefits apply to temporary workers or contractors. **PAGE 33**

▶ REBUTTING COVID-19 PRESUMPTION

Employers need to create policies and document compliance. **PAGE 34**

Mental health treatment, once avoided in workers compensation claims that did not involve a compensable psychological injury, is now on the table in the claims management arena as employers and insurers increasingly accept that many physical injuries often include a mental component.

Failure to address mental health issues can prolong a claim, leading to more time off work and higher costs, experts say.

“The question is always, ‘Why should we pay for this?’ Well, we are already paying for this,” said David Lupinsky, Sacramento, California-based vice president of digital health and innovation for Cor-Vel Corp. For example, he encountered a claim in which a worker with a minor but painful musculoskeletal injury, one month into treatment, began to say he would never return to work.

Stunted recoveries and often unnecessary treatment also add to costs, Mr. Lupinsky said.

“We are paying for it in (pain management) injections and surgeries,” he said. “I say, ‘Get to the core of the issue and pay for that.’”

The injured worker in the example was “catastrophizing” — thinking that the worst had happened and that he would only get worse, which is a belief that

See **MENTAL HEALTH** page 32

MENTAL HEALTH

Continued from page 31

spells problems for physical recovery, Mr. Lupinsky said.

Claims professionals are starting to realize that they must consider an injured worker's psychological hurdles, said Mariellen Blue, Wayne, Pennsylvania-based national director of case management services at Genex | Coventry, part of Mitchell International Inc.

"One of the things that is important to remember is physical injuries do have psychological types of impact," she said. "Regardless of what is the cause of your injury ... that physical injury would precipitate psychosocial responses. If the claims person is not looking beyond the (physical) this will undoubtedly increase the duration of the injury and result in long-term issues."

Other mental health issues that can complicate a claim include perceived injustice, when a worker feels his or her employer has wronged them; kinesiophobia, the fear of movement; depression; and anxiety. Such terms are part of the comp industry's emerging lexicon of the "biopsychosocial model," referring to mental elements that can weigh heavily on the trajectory of a claim despite not being part of a compensable, physical injury.

Traditionally, the industry avoided psychological claims components based on the understanding that addressing them would translate into a "psych claim," which could come with added costs and time off work, and fall under the realm of compensable mental injury, which comes with its own complications (see related story).

"We often talk about mental health and how certainly an injury can put an injured employee in a space of uncertainty, discomfort, which ultimately leads to mental health manifestation," said Beth Burry-Jackson, Richmond, Virginia-based

senior vice president of case management and clinically integrated programs at Sedgwick Claims Management Services Inc. "Just because there is anxiety and depression ... we emphasize it does not have to be a psych claim."

Dr. Marcos Inglesias, Hartford, Connecticut-based vice president and chief medical director of Travelers Insurance Cos., said the biopsychosocial model leans on "yellow flags," indicators that a claim warrants some intervention beyond management of the physical injury.

The mental component for insurers is "not their problem, but if you want to help the injured employee and you want to help the claim along, it might make sense to help the individual in the problems they are having," he said.

Acceptance of mental components in comp claims is changing because insurers, using data analytics and injured worker questionnaires, can more quickly identify such issues. "They know there is a belief system you need to impact instead of something just physiological" to better manage and eventually close the claim, Mr. Lupinsky said.

Referrals represent another avenue for identifying potentially problematic claims, and providers are becoming better attuned to a person's mental roadblocks that may be affecting recovery, according to experts.

Michelle Despres, vice president of physical therapy and national clinical leader at Jacksonville, Florida-based One Call Care Management Inc., said she noticed the mental issues prevalent with physical injuries while working with physical therapy patients several years ago.

"Before I ever heard the term biopsychosocial, I realized injured workers often came in with fears," she said, recalling treating a veteran truck driver with an elbow injury who worried he would never again be able to provide for his family, including two daughters in college. "I remember thinking, this is a much bigger problem than the man's tendon."

Once a mental problem is identified, the first approach can be for claims handlers — and front-line providers — to talk to the injured worker about the psychosocial barriers.

"An individual needs to understand that a lot of these (mental) reactions, being depressed or stressed or anxious, are normal and that's where case managers can come into play," Ms. Blue said. "Oftentimes, being able to talk about it can go a long way in it not becoming a long-term issue."

Solutions aren't complex — goal setting, life coaching and even a focus on sleep management can help, Dr. Inglesias said.

For workers who may need something more, cognitive behavioral therapy, or talk therapy that aims to change a person's way of thinking about their injury or pain, is fast becoming part of claims management solutions.

Mr. Lupinsky said such therapy sessions can take place once a week for 12 to 15 visits and can provide injured workers with "tools to reframe" their thinking. "It can be really incredible to see what they can turn around in that short period of time," he said.

While data on the success of such techniques is hard to find, the industry is flooded with anecdotes on the effectiveness of cognitive behavioral therapy.

Stacey Caldwell, a Ridgefield, Washington-based corporate claims manager for workers compensation services provider Barrett Business Services Inc., presented several examples during a session at the Risk & Insurance Management Society Inc.'s 2021 virtual conference in April.

Among those who benefited from cognitive behavioral therapy was a 62-year-old truck driver who slipped and fell while getting fuel. The man injured his back in the incident, aggravating a previous back injury, and was later told seven years into conservative treatment that surgery may be the only cure for his chronic pain.

Flagged for biopsychosocial intervention, the man eventually got healthier and lost



WORK INJURY & DEPRESSION: A CORRELATION

A study of 332 injured workers in 2016 by the Institute for Work & Health in Toronto found that depression was a common symptom following a work injury.

- **Half of the workers** surveyed said they frequently felt symptoms of depression at some point in the 12 months following the injury. Almost **one in 10** were diagnosed by a physician with depression during this period.
- **10% of workers** worsened in terms of their depressive symptoms over the 12-month period and about **25% of participants** saw improvement in their depressive symptoms. At the 12-month mark, **75% reported** not feeling depressed.
- Not feeling depressed **one month** after a work injury seemed to be a good indication that an injured worker would remain feeling that way over the course of the next 12 months. About **60% of all participants** did not feel depressed one month following their work injury.

weight with the help of therapy, thereby avoiding surgery and enabling the closing of his claim, she said.

Another success story concerned a 50-year-old warehouse worker who fell backwards after tripping on a pallet, injuring her arm, wrist and shoulder in an overall soft-tissue claim, which are typically problematic in workers comp, Ms. Caldwell said. "We had really gone down the rabbit hole," she said, recalling the woman saying, "I will never be able to work again."

With cognitive behavioral therapy the worker learned "how to reduce her stress and not internalize negative comments and thinking," Ms. Caldwell said. It helped close the woman's claim within months when the early prognosis was an expensive four- to five-year claim, she said.

EARLY INTERVENTION AND TREATMENT BEST PRACTICE FOR PSYCH CLAIMS

More than a dozen states have laws that make mental injuries compensable under certain conditions, and the workers compensation industry is responding with early intervention and treatment.

Mental claims are "not one-size-fits-all ... but overall early intervention is always going to be best," said Mark Debus, Chicago-based behavioral health team lead at Sedgwick Claims Management Services Inc.

From a store clerk who is robbed to a police officer who witnesses a mass shooting, the examples of events that can lead to comp claims run the gamut, as do the mental injuries: from anxiety and depression about return to work

to post-traumatic stress disorder.

The industry is becoming more proactive in managing such claims although challenges exist, according to experts.

"For other (physical) injuries you have guidelines, check in the boxes, best practices," said Beth Burry-Jackson, Richmond, Virginia-based senior vice president of case management and clinically integrated programs for Sedgwick. With mental health issues the treatment protocols are much less clear, and the success of mental treatment is not universal, which adds uncertainty and complexity to treating psych claims, she said.

Yet getting workers help immediately, rather than waiting — especially when

there is a clear incident that led to mental injury — has emerged as a best practice, Ms. Burry-Jackson said.

"We know if we manage these proactively, (where) we can get better and more focused treatment on the compensable condition, we can make this person as whole as possible," she said. "We do that with physical injuries, and we want to do that with mental injuries, as well."

Using specialty providers also helps, said Tammy Bradly, Birmingham, Alabama-based vice president of clinical product development for Coventry Workers Comp. "You want someone who specializes in PTSD. ... And you want to make sure that there's experience in working with injured employees," she

said, adding that the distinction can help with recovery and return to work.

"It's not a given that every time someone has PTSD that this will affect them the rest of their life," said Mariellen Blue, Wayne, Pennsylvania-based national director of case management services at Genex | Coventry, part of Mitchell International Inc. "The better the treatment from the point of injury the better the chance of a positive outcome."

Some claims may stay open for maintenance, similar to physical injury claims, and may require periodic follow-up visits, Ms. Bradly said. "That happens; there is no clear cut-and-dry sometimes," she said.

Louise Esola

No easy answer to worker status questions

BY SHERRI OKAMOTO

A recurring theme at state Supreme Courts in recent months has been perhaps the most fundamental issue of workers compensation — coverage.

Courts in Texas, Kentucky, Montana and Missouri addressed the applicability of workers compensation laws to employees with dual employers and in industries that have been exempted from the workers compensation system, with mixed results.

On April 30, the Texas Supreme Court ruled that a worker hired by a staffing agency and assigned to a client qualified as an employee of the client company under the state Workers' Compensation Act.

In *Waste Management of Texas v. Stevenson*, a majority of the court said that the test to determine whether a worker is an employee of a borrowing employer centers around the issue of control over the worker.

“Rather than focus on the legal question of who had the contractual right to control the plaintiff's work, we looked instead to the factual question of who exercised the right to control as a practical matter in the course of the parties' daily work,” the court said.

Jeffrey Belfort, who co-represented the worker, Robert Stevenson, said his argument had centered on the appropriate standard for a grant of summary judgment as opposed to the standard for determining coverage.

He explained that the standard for summary judgment is “whether fair-minded people differ in their conclusions in light of all the evidence,” and he said the record contained extensive evidence regarding the amount of control Waste Management did, and did not, exercise over its borrowed employees.

Among the evidence was a contract that stated Mr. Stevenson was an independent contractor, which, the court said, gave a “have your cake and eat it too” flavor to Waste Management's argument that Mr. Stevenson ought to be treated as an employee. However, the court said the contract was not controlling, and it concluded that the evidence was sufficient for it to find Mr. Stevenson was a Waste Management employee as a matter of law.

Justice Jeffrey Boyd wrote separately, arguing that the majority decision created “a new and different test for determining whether a worker hired by a staffing agency and assigned to the agency's client company qualifies as an employee of the client company under the Workers' Compensation Act.”

When an express contract provides that a worker is not an employee or deprives the employer of the right to control, Justice



Boyd contended the contract ought to control unless the evidence establishes that “the true operating agreement was one which vested the right of control in the alleged (employer).”

On March 30, the Kentucky Supreme Court also addressed the protections available to a temporary worker — and it reluctantly ruled that a statutory safety violation benefit enhancement was unavailable to such a worker.

Kentucky law provides for a 30% enhancement of workers compensation benefits if an accident is caused in any degree by workplace safety violations committed by the employer.

While the legislature did not expressly exempt temporary employers from the law, the court said the statute required Nathaniel Maysey to prove his employer, a staffing service company, had committed the violations — not his employer's client.

Since there was no evidence that Mr. Maysey's employer knew of the unsafe practices at Magna-Tech Manufacturing LLC, where it had sent him, the court said he could not receive an enhanced award under state law.

The court acknowledged that the result in *Maysey v. Express Services Inc.* is “harsh,” especially given the severity of Mr. Maysey's injury and the “egregious” nature of the safety violations, but the court said the harshness was “potentially mitigated” by the fact there is a pending federal civil suit in which Mr. Maysey is pursuing claims against Magna-Tech's parent corporation and the owner of the premises.

Attorney Thomas W. Davis, who represented Mr. Maysey, argued that the staffing company, Express Services Inc., “intentionally violated” its duty to

provide a safe workplace to Mr. Maysey by placing the teenager at a worksite with “multiple obvious hazards” and by failing to make a good faith effort to provide Mr. Maysey a place of employment free from hazards likely to cause death or serious physical harm.

Mr. Davis advocated for a reexamination of the existing Kentucky law that allows a borrowing employer to “escape liability for any penalty no matter how egregious the safety violation,” which “creates a financial incentive for an employer to assign the most dangerous work positions to temporary employees.”

Alternatively, he urged the court to adopt a rule that “where a temporary help service employer fails to exercise due diligence to furnish a place of employment free from recognized hazards likely to cause death or serious physical harm to its employees, the temporary help service employer should be found to have acquiesced in the wrongful actions of its client, the host employer,” thus subjecting the temporary help service employer to liability for enhanced benefits under state law.

H. Clay List, who represented Express Services, said the court's ruling “appropriately places the burden of ensuring a safe work environment on the host employer rather than on the temp/staffing agency, as temp/staffing agencies have little to no control over the safety policies and procedures which their clients put in place.”

Mr. List reflected that “client employers often use extremely complex and sophisticated technology and/or machinery of which the temp/staffing agency has no knowledge or expertise, and thus, rather than expect the temp/staffing agency to provide training, and to regularly

inspect, maintain, and/or monitor each and every such machine at each and every client employer's work site, Kentucky law puts the onus on the host employer.”

On April 8, the Missouri Supreme Court ruled that an unbroken chain of contractor-subcontractor relationships between an injured truck driver and the employer of an alleged tortfeasor created a statutory employer relationship.

Under Missouri law, an independent contractor is deemed to be the employer of the employees of his subcontractors and their subcontractors when employed on or about the premises where the principal contractor is doing work, the court said in *State ex rel. Beutler Inc. v. Midkiff*.

This principle operated to bar Joshua McArthur's negligence suit against the George J. Shaw Construction Co., the court said, since Mr. McArthur's actual employer was the subcontractor of a subcontractor for Shaw.

Abigail Han, who represented Mr. McArthur, said she expected the decision would have “not much of an impact” as it merely restated the existing law on borrowed employees. She said she had hoped the court would have used the case as an opportunity to clarify some points about the law.

On March 25, the Montana Supreme Court ruled that the federal Employers Liability Act does not preempt an injured railroad worker's state law bad-faith claim.

In *Dannels v. BNSF Railway Co.*, the court said the plain language of the FELA reveals that Congress' purpose was to enact a compensatory scheme for railway employees who suffer occupational injuries caused by the negligence of their employer, but it did not intend “to regulate through the FELA the entire field of injuries and claims a railroad employee may have.”

Thus, the court said, “the FELA does not occupy the entirety of the field of recovery for injured railroad employees so as to preempt state bad-faith law claims premised on a self-insured railroad's claims-handling conduct.”

Mark Parker, who represented the Washington Legal Foundation as amici, said he feared the court's decision “will further complicate an already complicated area of the law.”

Dennis Conner, who co-represented the worker, Robert Dannels, said the decision was good news for railway workers, because they now know they have “rights and protection from being abused and mistreated by the people adjusting and handling FELA claims.”

Sherri Okamoto is a legal reporter at WorkCompCentral, a sister publication of Business Insurance.

Tips for rebutting COVID-19 presumption



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Numerous states have enacted COVID-19 presumptions for first responders and essential workers, while many others are considering enacting similar legislation. These presumptions allow employees who contract COVID-19 to meet their burden that the contraction arose out of and in the course of employment.

Several states, including Minnesota, New Jersey, California and Alaska, have enacted COVID-19 presumption statutes but have not provided guidance to employers on how to overcome the presumption — a key for employers that want to prove a worker may have contracted COVID-19 elsewhere and not on the job.

The presumption in Illinois, signed into law in June 2020, sets forth some methods that allow employers to overcome the presumption by a preponderance of evidence. These methods may be useful for crafting rebuttable arguments in jurisdictions that have not yet outlined such methods in their presumption statutes and where there is still a lack of case law.

The Illinois law created a rebuttable presumption that a first responder's or front-line worker's COVID-19 infection arose out of and in the course of the employee's employment. First responders include policemen, fire personnel, emergency medical technicians and paramedics. Front-line workers include health care providers and essential business employees who are required to encounter members of the general public or work in locations with over 15 employees.

The Illinois law includes three methods to rebut the presumption, calling for the employer to show by a preponderance of the evidence that: the employee was working from home and/or on leave from employment for at least 14 consecutive days immediately preceding the injury, occupational disease or period of incapacity caused by exposure to COVID-19; the employer enforced industry-specific workplace sanitation, social distancing, and health and safety practices as defined by the Centers for Disease Control and Prevention and Illinois Department of Public Health or used administrative controls, engineering controls and/or personal protective equipment to reduce COVID-19's transmission for at least 14 consecutive days prior to the employee's injury, occupational disease or period of incapacity from exposure to COVID-19; or the employee was exposed to COVID-19 by an alternate source.

Rebutting the COVID-19 presumption is easy. The first method is most applicable to employers operating their business primarily remotely. If operating remotely



over an extended period is not viable, then employers may still use the second method for their in-person workers.

Employers have the most control using the second method by enforcing adequate health and safety standards in the workplace. Requiring that employees wear masks and practice social distancing suffices. Employers can build sufficient evidence to overcome the presumption by creating policies based on federal and local guidelines and documenting compliance with those policies.

Although the second method does not indicate that employers should encourage their employees to get vaccinated, doing so would serve as supporting evidence of an employer's good faith effort to reduce COVID-19 transmission in the workplace. Virginia's COVID-19 presumption statute denies health care workers compensation benefits if they decline vaccinations from their employers. Other states including Illinois, Indiana and Maryland have introduced similar laws that deny workers compensation benefits to workers who refuse to get vaccinated.

Employers can build sufficient evidence to overcome the presumption by creating policies based on federal and local guidelines and documenting compliance with those policies.

For the third method, periodic employee testing may indicate that an employee likely contracted COVID-19 from an alternate source. Additionally, any documentation that an employee reported coming into contact with someone diagnosed with COVID-19 outside of work could serve as evidence of an alternate source, such as witness testimony or employee admission that he or she came into contact with someone outside of work diagnosed with COVID-19.

Even if a claimant meets their burden, the issue that presents the most expensive part of the claim remains: permanency. A claimant still has to prove that they experienced permanent partial disability. That is a large burden given what we know about COVID-19's symptoms. Most people who are diagnosed experience a runny nose, sore throat, cough, fever and difficulty breathing, in severe cases. Those conditions usually clear up relatively quickly, and most COVID-19 cases result in no significant permanent partial disability or extended time off from work.

COVID-19 exposure is unlikely to result in diminished future earning capacity or disability, which inform permanent partial disability in many states. Per the CDC, most people diagnosed recover within weeks of contraction, and only a small percentage experience severe post-COVID-19 conditions.

The harder cases are those where COVID-19 leads to death, which is more common among older individuals and those with medical conditions such as asthma, diabetes and/or heart disease. If a claimant dies from work-related COVID-19, eligible survivors receive two-thirds of the employee's weekly wage and compensation for burial expenses.

Novel COVID-19 symptoms such as loss of taste or smell will also be subject to litigation. Those conditions, if lasting, will have significant permanency value.

In addition to COVID-19 presumption statutes, several states have introduced legislation this year that could create presumptions for severe infectious diseases, yet rebuttable presumptions are unlikely to be applied to common annual illnesses such as the flu.

It is very rare for an employee to file for workers compensation benefits for these types of illnesses. Unlike COVID-19, seasonal illnesses such as the flu are unlikely to cause an absence from work for an extended period and therefore would not necessitate workers compensation benefits. Another distinction is that such illnesses almost never result in permanent partial disability.

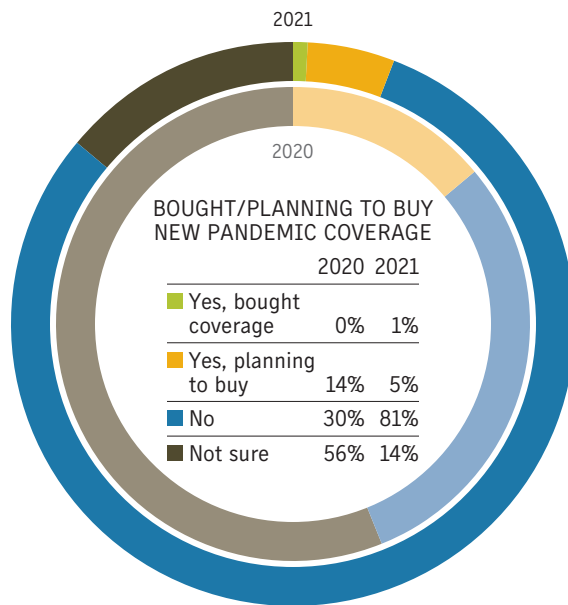
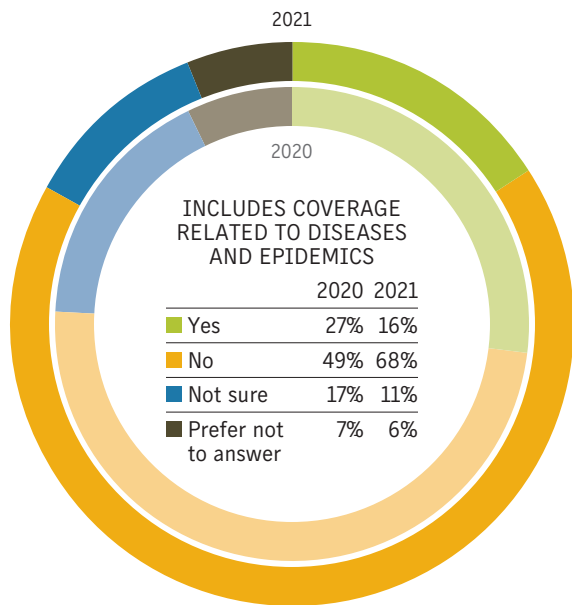
2021 Property Insurance Survey



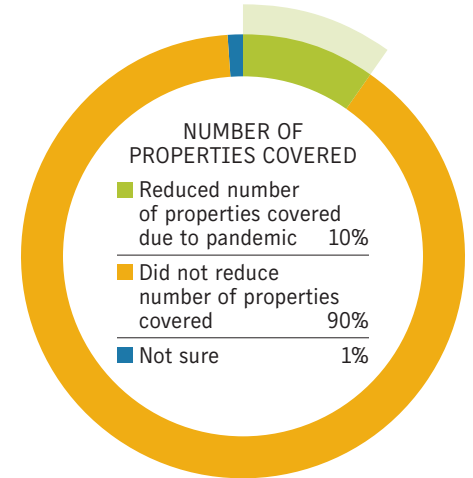
BY ANDY TOH

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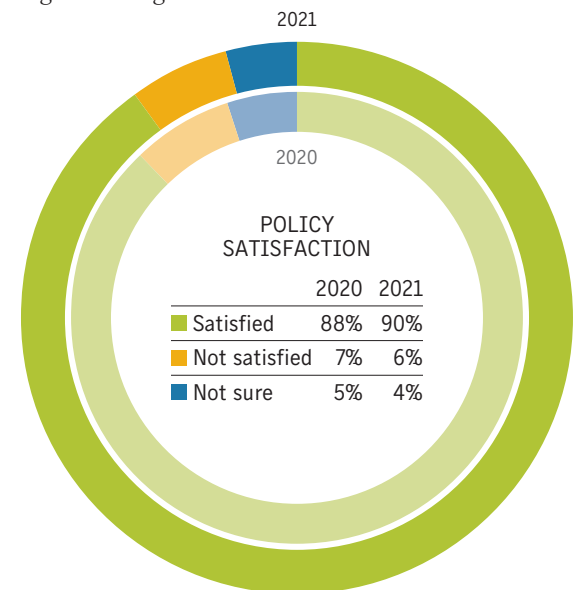
Sixteen percent of the risk managers surveyed for this year's *Business Insurance* annual property insurance survey said their company's policies — including business interruption — include losses related to diseases and epidemics, compared with 27% last year. More than one year into the COVID-19 pandemic, 81% of respondents said they did not buy, nor are they planning to buy, new pandemic coverage.



Ten percent of respondents said their companies have reduced the number of properties covered under their property insurance program due to the pandemic.

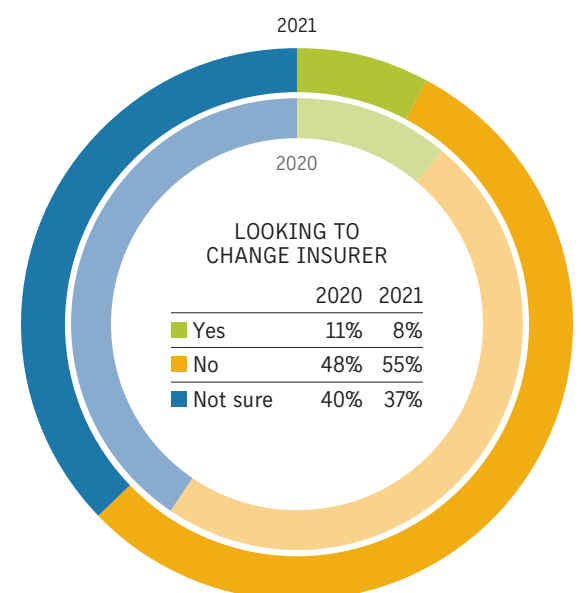
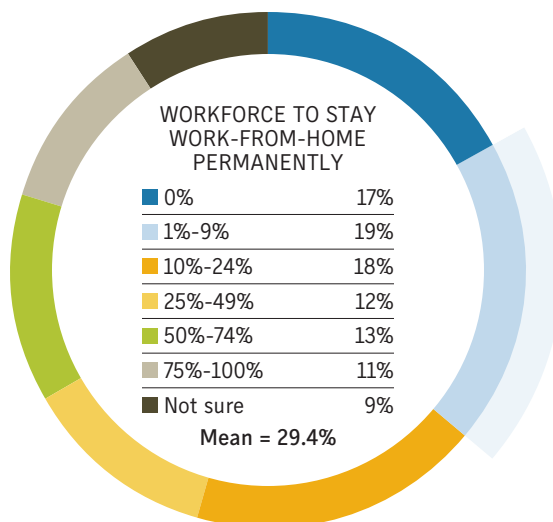
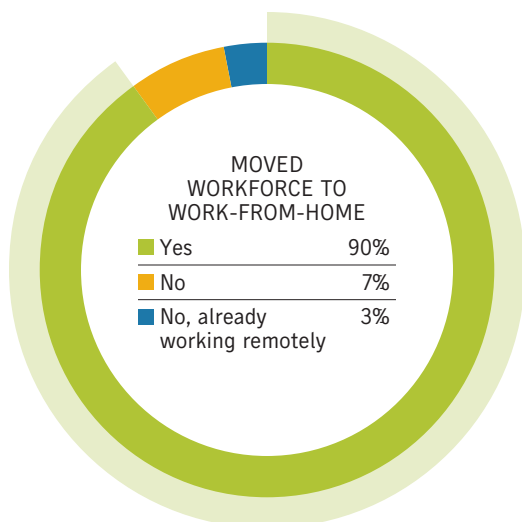


Ninety percent of risk managers said they were satisfied with their current property insurance policies, compared with 88% last year. Only 8% of those surveyed said they will be looking for a new property insurer in the coming year. The last time respondents switched their property insurers was about 8.5 years ago on average.



Business Insurance commissioned Signet Research Inc. to conduct the annual property insurance survey, with additional questions following up on pandemic-related coverage questions that were added last year. The survey was sent via email in early April and received 385 responses. Only responses from 151 risk managers or insurance buyers who are involved with insurance purchase decisions for their organizations were used in the report. The base used is the total answering each question. Some charts may not total 100% due to rounding.

Ninety percent of this year's respondents said their companies moved their workforce to work-from-home as a result of the pandemic. About a quarter of the respondents estimated that half or more of their company's workforce has or will be moved to working remotely permanently. Based on the responses, it is estimated that 29.4% of surveyed companies' workforces will have or will be moved to work-from-home permanently.

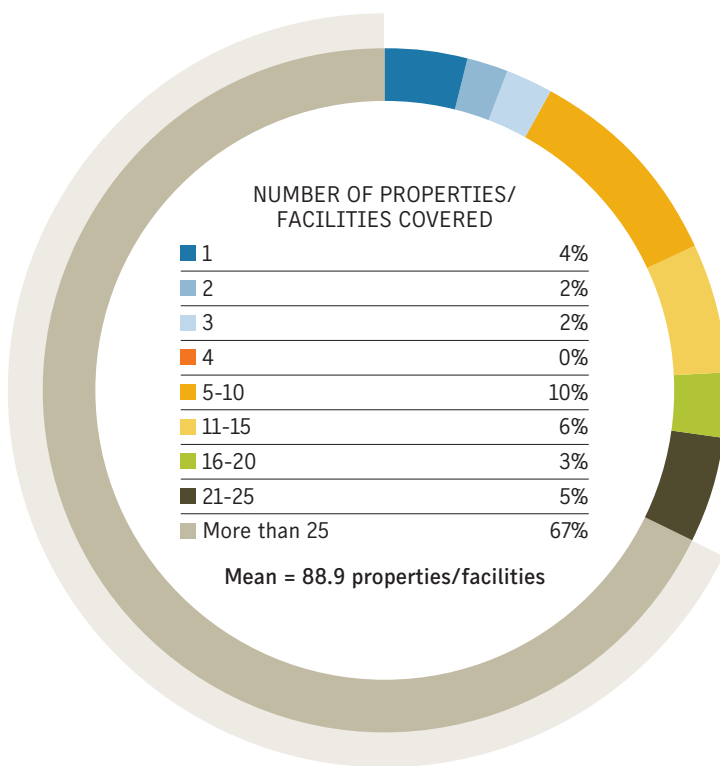


Fifty-four percent of this year's respondents use only one insurer to cover all of their properties.

Fifty-four percent of this year's respondents use only one insurer to cover all of their properties. Two-thirds of the respondents said they have more than 25 properties/facilities covered under their company's property insurance program. There is an average of 88.9 properties or facilities covered per property insurance program.

We use one insurer to cover all of our U.S. properties and we do not have non-U.S. properties	37%
We use multiple insurers to cover all of our U.S. properties and we do not have non-U.S. properties	22%
We use one insurer to cover all of our U.S. and non-U.S. properties	17%
We use multiple insurers to cover all of our U.S. properties and multiple insurers to cover our non-U.S. properties	14%
We use one insurer to cover all of our U.S. properties and a different insurer or insurers to cover our non-U.S. properties	5%
We use multiple insurers to cover all of our U.S. properties and one insurer to cover our non-U.S. properties	2%
Not sure	4%

Two-thirds of respondents said they have more than 25 properties/facilities covered under their company's property insurance program.



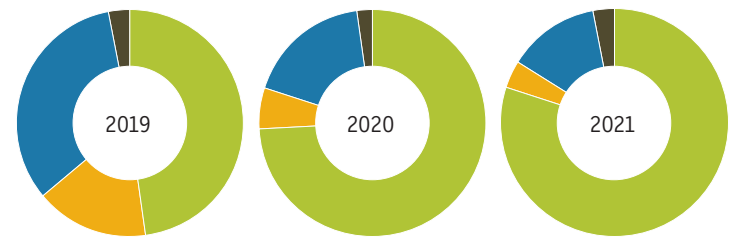
Sixty-one percent of the covered properties are located in flood-prone zones, while 50% are in earthquake zones.



Flood	61%	Tsunamis	10%
Earthquakes	50%	Volcanic activities	9%
Hurricanes	49%	Other	5%
Tornadoes	41%	None of the above	17%

For 2021, an average of 6.1 insurers participated in an organization's property insurance program, covering an average of \$2.0 billion in total asset value with an average total annual premium of \$4.0 million. This compared with an average of 6.4 insurers covering an average of \$2.6 billion in total asset value at an average of \$3.8 million total annual premium in 2020.

At last renewal, 80% of respondents saw a rate increase, compared with 75% last year and 48% in 2019. The percentage of respondents who saw a rate decrease is 4%, compared with 6% and 16% in 2020 and 2019, respectively.



RATES	2019	RATES	2020	RATES	2021
Increase	48%	Increase	75%	Increase	80%
Decrease	16%	Decrease	6%	Decrease	4%
Same	33%	Same	18%	Same	13%
Not sure	3%	Not sure	2%	Not sure	3%

The average rates increased 14.9%, compared with 13.2% in 2020 and 7.7% in 2019. Nineteen percent of respondents said they took a higher property deductible or changed their self-insured retention coverage.

AVERAGE RATES INCREASED

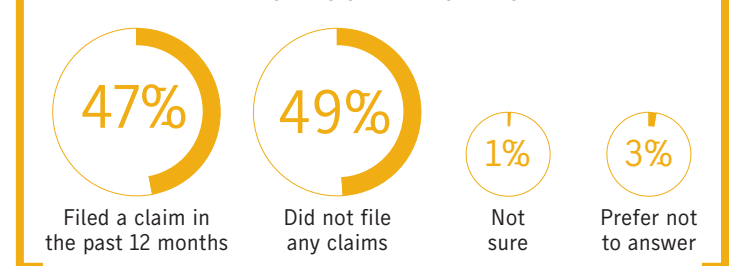
2019 2020 2021

Average rates increased 7.7% 13.2% 14.9%

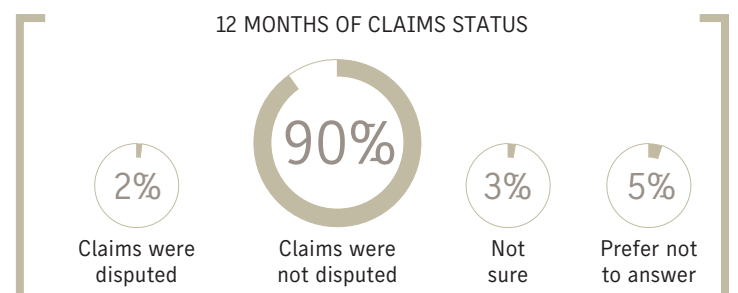
Average rates decreased (5.1%) (4.5%) N/A

Forty-seven percent of respondents said they have filed property insurance claims not related to the pandemic. Ninety percent of the claims, compared with 86% last year, were not disputed.

12 MONTHS OF FILED CLAIMS



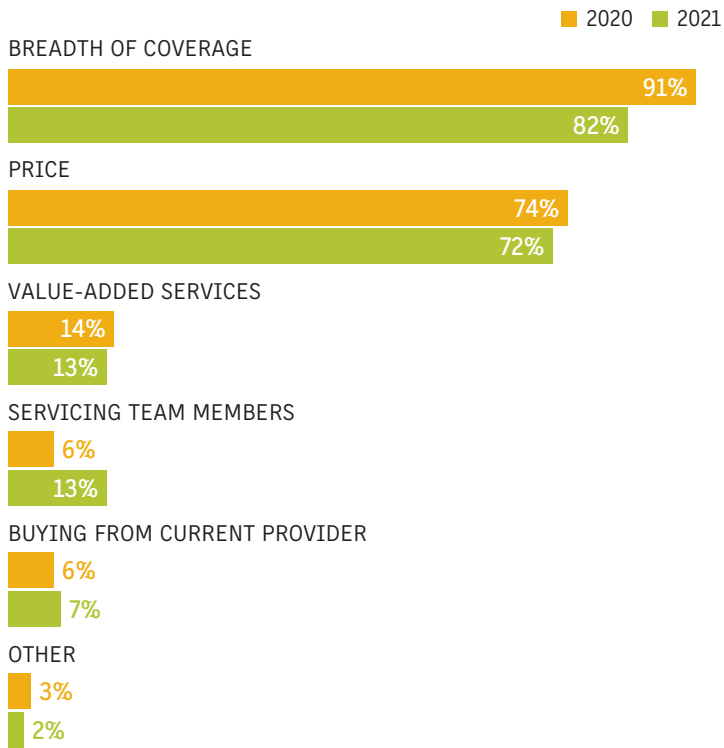
12 MONTHS OF CLAIMS STATUS



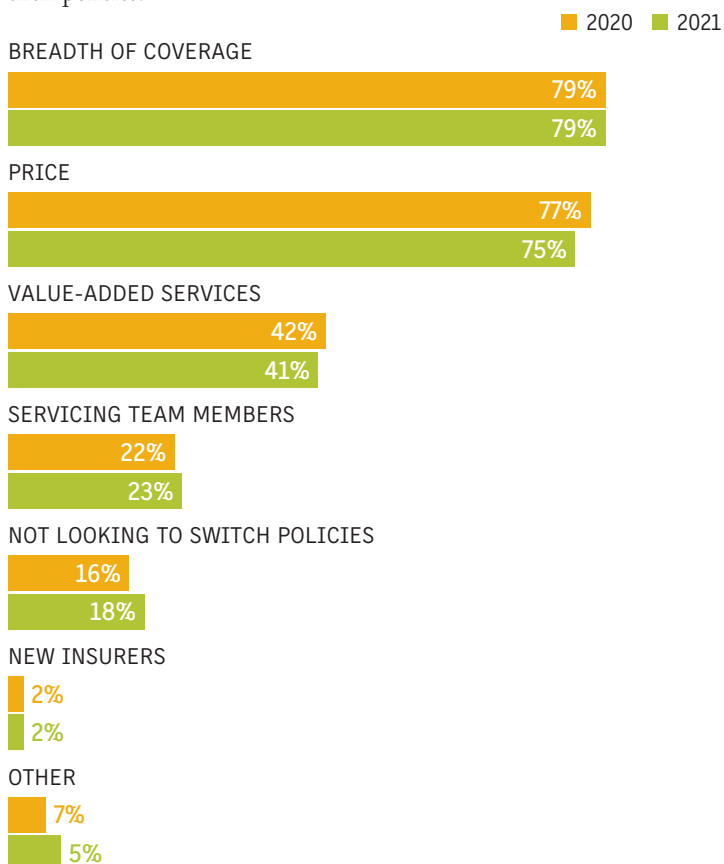
PANDEMIC-RELATED CLAIMS

Six percent of survey respondents said they have made or are planning to make a claim under their property insurance coverage due to losses related to the coronavirus pandemic. Nine percent of the risk managers surveyed this year, whose companies do not have pandemic coverage under their property insurance programs, said they have made or intend to make a non-property insurance claim related to the pandemic, mostly under their workers compensation policies.

Breadth of coverage and price remained the top two factors determining which property insurers to choose. Sixty-seven percent of respondents this year said their organizations' policy providers offered other value-added services.

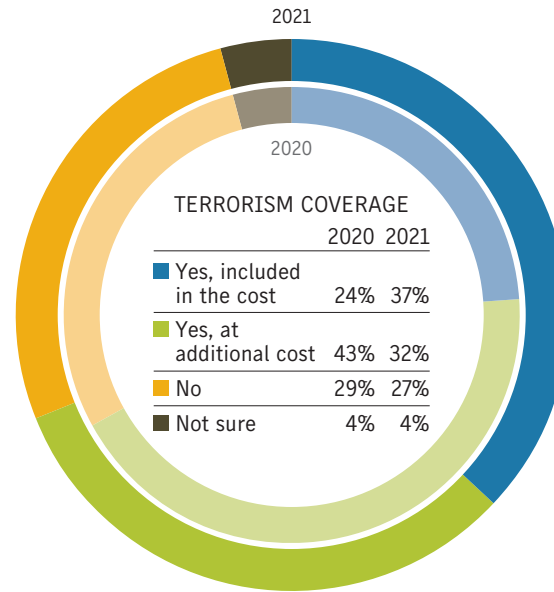


Breadth of coverage, price and value-added services remained the top three most important factors that will motivate risk managers to switch their policies.



TERRORISM COVERAGE

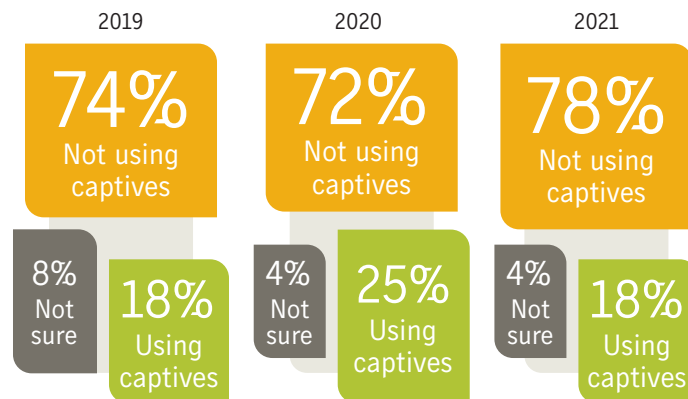
Almost unchanged from last year, 69% of respondents said their organizations have terrorism coverage. Thirty-seven percent said the coverage was included in the cost, compared with 24% last year. Those who paid for terrorism coverage paid an average of 3.2% for it.



Six percent of survey respondents said they have made or are planning to make a claim under their property insurance coverage due to losses related to the coronavirus pandemic.

CAPTIVES

The percentage of respondents who used captives to insure some or all of their risks is 18% this year.



FM Global remains the most frequently used property insurer in this year's survey.

FM Global	18%
Zurich Insurance Group Ltd.	9%
American International Group Inc.	8%
Lloyd's of London	8%
Chubb Ltd.	5%
Travelers Cos. Inc.	5%
Hartford Financial Services Group Inc.	3%
CNA Financial Corp.	2%
Liberty Mutual Insurance Co.	2%
Berkshire Hathaway Inc.	1%
Hanover Insurance Group Inc.	1%
QBE Holdings Inc.	1%
Swiss Re Ltd.	1%
Axa XL, a unit of Axa SA	1%
Other	29%
Not sure	4%

Sixty-nine percent of respondents said their organizations have terrorism coverage.

Incentives play role in vaccine drive

Full disclosure: I had my second COVID-19 shot about six weeks ago and I'm cautiously beginning to enjoy an easing of the restrictions we've all endured over the past year or so.

Having said that, I respect other people's decisions not to have the vaccine. In many cases they may have medical reasons not to have a shot, may be concerned about side effects or may simply be waiting until the various vaccines are fully approved by the U.S. Food and Drug Administration before offering up their arms to the needle.

Others are suspicious of the motives behind the push and still others have individual reasons why they won't participate. As a result, we are likely far from the point where nearly everybody is vaccinated against COVID-19, and we will have to make adjustments to reflect that reality.

Employers, too, are having to make changes as a significant number of workers remain unprotected. When the vaccines became available late last year, many employers indicated that they would encourage workers to have a shot rather than mandate vaccination as a condition of returning to the workplace.

On such a sensitive and potentially contentious issue it made sense to take a soft approach, but some employers are now having to make hard decisions about whether to compel some workers to be

vaccinated. While remote staff are still usually allowed to make their own choices, workers in some industries, especially those in the health care sector, may be compromising the safety of others if they are not protected themselves.

As we report on page 4, some hospitals are informing workers that they must be inoculated against COVID-19 to continue working, and some employees are choosing to give up their jobs rather than comply.

If employers do choose the mandatory route, they must be careful not to violate privacy rights and respond appropriately if staff suffer side effects from a shot and need time off. But given worries over patient and customer safety and concerns over potential liability, it was perhaps inevitable that some employers opted to take a harder line.

That does not mean, however, that employers should give up all the incentive carrots and just wield the termination stick as they strive to have more workers protected from the virus.

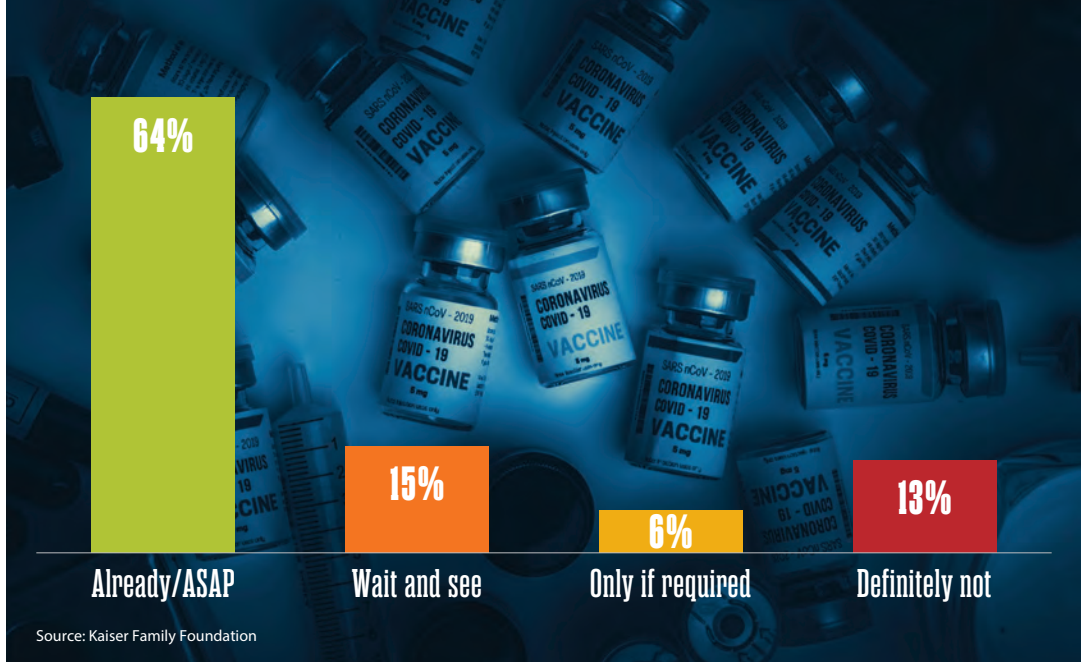
Some companies are already offering paid time off and cash incentives to encourage workers to go get a shot, but there's potential to be even more creative. In the public sphere for example, Ohio's "Vax-a-Million" drawing for the chance of winning \$1 million or a college scholarship if they got vaccinated led to a rush of people rolling up their sleeves.

While some may view the stunt as extreme, one thing we've all learned is that innovative thinking is critical to suppressing the pandemic.



Gavin Souter
EDITOR

DOES THE PUBLIC WANT TO GET A COVID-19 VACCINATION? WHEN?



VIEWPOINT

Creativity amid pandemic

BY CLAIRE WILKINSON

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Did you take up a new hobby during the pandemic? Like many people who found themselves stuck at home with extra time on their hands — or at least no commutes or business travel — *Business Insurance's* 2021 Break Out Awards winners reported taking up a variety of hobbies in the past year. Some of them were new activities, while others chose to revisit a pastime that had been long forgotten or put to one side amid competing demands for their time. The ability to connect with others was not lost despite the need for social distancing.

There were life changes — getting married, becoming a first-time parent or adopting a puppy. Many of our award winners reported trying to find new ways to exercise in a world where gyms were closed. Long and regular walks were popular, as were Zoom-based classes, including Peloton. Many found ways to get outside, whether roller-skating, kayaking, skiing, playing tennis or rounds of golf and my personal favorite, disc golf. Ingenuity played a role as one winner who lived in a large condo building reported running up and down stairs to stay fit. Yoga was among the most popular routines, with one winner even inspired to become a certified yoga teacher during the pandemic. The ability to quiet the mind amid distractions was sought after, with many practicing meditation as part of their routines.

As many restaurants were off-limits for indoor dining and business travel took a back seat, people turned to baking, cooking and grilling at home.

Family dinners, with everyone coming together in the kitchen to explore new recipes and share conversation, were a particular highlight. One honoree expanded his love of coffee by having different roasts and beans shipped in from around the world, while another brewed his own beer. Maintaining a sense of adventure and experiencing new cultures and worlds even from the confines of their homes is a lasting hobby for many.

Working where they live has also brought on a growth in DIY hobbies. Several recipients took their minds off the pandemic by focusing on yardwork and fixing things up. Others embraced gardening and developed green thumbs with one going from two plants pre-pandemic to now 17. Doing more with less became a creative outlet, and at least one winner reported developing an interest in interior design.

And that's not all. Other winners took up photography or backgammon. One bought a speed boat, one started to play the stock market, while another found comfort in jazz. If there's a common thread to the pandemic hobbies and habits adopted by this year's BOA winners, it is that they didn't let the restrictions of a global pandemic limit their free time. Just as for millions of people who had their regular lives disrupted and started a pastime as a way to take their minds off the new reality they found themselves in, many of this year's winners said these pandemic habits have continued. The ability to adapt to change and disruption and still be creative, not an unfamiliar feature of the impressive career paths taken by the 40 BOA winners, is a long-lasting skill that insurance and risk management professionals will take with them well beyond the pandemic.

Artificial intelligence deployed to reduce ergonomic risks as employees return

Businesses contemplating the return of employees to physical workplaces have a lot on their plates, regardless of whether they're updating office layouts to protect workers from COVID-19 or reopening facilities that were shut down during the pandemic. Careful planning around these moves is critical, but it is also important for companies to ensure that other workplace considerations do not fall by the wayside — namely, potential ergonomic risks.

Whether adopting permanent or hybrid work-from-home models, returning to the office or resuming activity at facilities, it is crucial for companies to make sure they have ergonomically sound set-ups in place to safeguard employees' wellbeing. While doing so has historically been more of an art than a science, the use of artificial intelligence in ergonomic risk evaluations has made identifying and preventing such risks much easier.

Leveraging data

Regardless of a company's workspace — be it a traditional office or more industrial setting — potential ergonomic exposures abound. Typically, these risks relate to the force, frequency and duration with which employees carry out their work.

In office settings, duration is an especially common trigger, as employees normally sit at their desks for long periods each day. Desks, monitors or chairs that are not the appropriate height or distance from employees' bodies — such that employees are left in static, suboptimal postures — could eventually lead to injuries such as chronic fatigue, headaches, reduced core flexibility, lower back pain and more.

Some insurers offer AI-enabled assessment tools that empower employees to evaluate their workspaces and course-correct pain points contributing to ergonomic risks.

Companies should work with their insurance agents or brokers to seek out insurers with robust risk consulting offerings that can help them mitigate such risks.

Some insurers offer AI-enabled assessment tools that empower employees to evaluate their workspaces and course-correct pain points contributing to ergonomic risks. For example, if an employee indicates that they're sitting at a fixed-height

desk that does not align with their own height, assessment tools may suggest ways to optimize the employee's positioning, perhaps by adjusting their chair or monitor or even placing something under their feet, depending on the scenario.

Similar tools can be used in industrial settings. In these spaces, common ergonomic risks include, but are not limited to, handling and lifting heavy materials, repetitive motions and suboptimal postures.

To help mitigate risks that could arise due to these triggers, safety managers should tour their facilities and survey how materials are handled and stored. As a best practice, companies should avoid storing materials at or near ground level and above shoulder level, as these placements often lead to high-risk postures and poor ergonomics. Identifying these basic material-handling tasks will allow safety managers to reassess current processes and make adjustments so that unnecessary lifting and awkward postures can be avoided.

Safety managers should also investigate whether workstations are set up so that tasks can be completed within the belt to chest level, close to the operator's body. This positioning allows employees to work from a more neutral posture, in which they are less likely to get hurt.

In addition to these measures, workplace safety managers should consider leveraging data-driven assessment tools similar to those used for office ergonomic evaluations. Some tools allow safety managers to conduct assessments in real time using their mobile devices.

After analyzing onsite work, data is uploaded to the cloud and presented on a dashboard that offers a comprehensive risk analysis of the entire body. Through this analysis, safety managers can discern which body segment is at the highest risk and subsequently deploy resources and plan more effectively. Such measures might include improving workstation design and implementing material handling lifting aids — to reduce strain on employees' backs and upper extremities — or introducing more effective job rotation schedules.

Cost benefits

These data-driven assessment tools not only help ensure worker safety across industrial and office settings, they also help protect companies' bottom lines.

While purchasing solutions recommended by these data-driven assessments might seem like a big investment, they can help companies avoid costly workers compensation claims down the line that are several times more expensive than

the solutions themselves. To illustrate this point, the National Safety Council's "Injury Facts" publication analyzed findings from the National Council on Compensation Insurance's workers compensation statistical plan database and found that, on average, workers compensation claims netted out to about \$41,000 in 2017-2018. If a company purchases a load-leveling table for around \$3,000, for example, and the table prevents even just one claim, the potential cost savings can be significant.

Companies should work with their insurance agents or brokers to identify insurers with deep experience in ergonomics that also offer personal consultations — virtually, in-person or a combination.

This is especially important to consider given that strenuous physical workplace activities, even if not performed regularly, could aggravate pre-existing employee injuries. By doing everything in their power to reduce the physical toll work may have on employees, companies are in a better position to prevent incidents from occurring.

Additionally, some of these assessment tools can track assets that employees may have taken home while working remotely and may benefit them upon their return to the office. This reflects further potential for companies to save on equipment that employees may already have at their disposal.

Working together

If employees are experiencing extreme discomfort or ergonomic risks are exceptionally high, companies may benefit from consulting an ergonomist. To this end, companies should work with their insurance agents or brokers to identify insurers with deep experience in ergonomics that also offer personal consultations — virtually, in-person or a combination of the two — and customized solutions to meet client needs.

In addition to consultations, some insurers offer training programs to help employees protect themselves from ergonomic risks. From standing up and taking a break after a long period of sitting to learning about proper body posture, there are several steps employees can take



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themselves to further reduce the risk of injury on the job.

Ensuring that employees have the information they need to make these choices is crucial.

While much of what lies ahead remains uncertain, one thing is clear: Together, insurers, agents and brokers, and businesses — from risk and safety managers to employees — can join forces to help ensure a safer, healthier and happier workforce.

First Indemnity unveils excess cover for law firms

■ First Indemnity Insurance Group has launched its Excess Protect insurance coverage for law firms of up to 750 attorneys.

Excess Protect was created in response to shrinking capacity and higher rates in the professional liability market, Boston-based First Indemnity said.

The minimum attachment point is \$100,000, with limits available up to \$10 million, according to John Randolph, vice president of First Indemnity, who added the coverage “can help close coverage gaps for firms.”

Coverage can be written on an admitted or non-admitted basis, with both follow and non-follow forms available.

Origami launches online safety tools

Origami Risk LLC has unveiled four online safety and management tools for environment, health and safety professionals, the Chicago-based technology firm announced.

The expansion includes tools for conducting job safety analyses; building compliance libraries for chemical management; managing lockout/tagout safety procedures through devices; and organizing, scheduling and reporting attendance at safety meetings.

MGA offering commercial property insurance lines

■ Foresight Group Inc. has launched commercial property insurance lines, including inland marine, contractors equipment and builders’ risk offered as a complement to workers compensation.

San Francisco-based Foresight, a managing general agent using a digital platform, says it is focusing on middle-market segment buyers such as construction/trades, solar farms, agriculture, manufacturing and light industrial.

Limits available for builders risk are frame limits up to \$3 million (single-family homes up to \$1.5 million); masonry non-combustible and better, up to \$20 million; optional flood and earthquake coverage, up to \$5 million for eligible locations; motor truck cargo, up to \$250,000 per power unit/\$500,000 per occurrence, fleets up to 10 power units, and target operation types including dry van/box, refrigerated freight, flatbed and containerized freight, and optional spoilage/freezing coverage is available; for contractors equipment, equipment limits up to \$500,000 per item/\$3 million per schedule, all according to an email from a spokesman.



Lexington offers health care facility cover

■ Lexington Insurance Co., an American International Group Inc. company, has launched enhanced professional liability and general liability coverage for miscellaneous health care facilities.

Coverage is available to small- and medium-sized facilities and broader mid-market health care providers, including home health care agencies, community health care facilities, physical therapy providers and surgical centers.

The policy provides coverage for medical directors, employees and volunteers, and includes professional and general liability with dual tower aggregate limits.

Limits available are \$1 million per occurrence/\$3 million aggregate for both general liability and professional liability in separate towers, according to an email from a spokesman.

The policy includes disciplinary action coverage, subpoena and deposition assistance coverage, trial attendance per diem and Good Samaritan coverage.

Coverages available by endorsement including employee benefit liability, crisis management, Health Insurance Portability and Accountability Act civil monetary penalties, and options for defense expenses outside of limits of insurance.

Policyholder services include Lexington Healthcare’s risk management consultation helpline; risk assessments of high exposure areas like behavioral health and perioperative; onsite/virtual risk management education; virtual crisis prevention and verbal de-escalation training; and emerging exposure advisories and alerts.

Coverage is available through appointed brokers in the eight states in which Foresight operates: Arkansas, Arizona, California, Louisiana, Nevada, New Mexico, Oklahoma and Texas.

Foresight added it “is poised to launch in several key states and add additional commercial lines to its platform later this year.”

Neptune launches flood insurance program

■ Neptune Flood Inc. launched a \$30 million capacity flood insurance program sponsored by Princeton, New Jersey-based Transverse Insurance Group LLC.

The program, which offers an alternative to the government-backed National Flood Insurance Program, is backed by a panel of global reinsurers and was placed through Acrisure Re, the reinsurance broking arm of Grand Rapids, Michigan-based Acrisure LLC.

Limits of up to \$4 million in building coverage and \$500,000 in contents coverage will be available for businesses and homeowners under the program, a spokeswoman for St. Petersburg, Florida-based Neptune said in a statement.

Transverse is a hybrid fronting insurer that serves the program, managing general agency and reinsurance markets.

The Federal Emergency Management Agency earlier this month unveiled Risk Rating 2.0, the first update to the NFIP’s flood insurance pricing system in 50 years.

As a result, many businesses will see their NFIP flood premiums increase, though market sources say this will likely spur private flood insurers to expand their coverage, increasing competition in the market.

Association captive offers cannabis operators cover

■ Cannabis dispensaries and associated grow facilities can obtain property, general premises liability and product liability coverage through Trichome™, the insurance brand of the association captive owned by The National Cannabis Risk Management Association, the group said.

Products are available immediately, and additional lines of coverage and progression up the vertical are planned for later this year, the association said.

Rocco Petrilli, chairman of the NCRMA, said, “We believe that effective risk management practices are essential for moving the cannabis industry forward in a sustainable way.”

The launch of Trichome™, he said, “is a direct response to our members’ expressed need for fairly priced and risk management-based insurance coverage to a rapidly emerging and evolving industry.”

DEALS & MOVES

Gallagher agrees to buy range of Willis businesses

Arthur J. Gallagher & Co. has agreed to pay \$3.57 billion for various Willis Towers Watson PLC businesses that will help Aon PLC secure its much bigger deal to buy Willis.

The deal includes most of Willis’ reinsurance business, which would make Gallagher the No. 3 broker in a field it only began to significantly compete in over the past several years, and adds retail businesses in France and several other European countries as well as some specialty businesses in the United States.

The announcement comes after European Union regulators pressured Aon to sell various businesses to secure antitrust approval of its purchase of Willis, which was announced in March 2020.

Gallagher will acquire businesses representing about \$1.3 billion in annual revenue with \$357 million in earnings before interest, taxes, depreciation, amortization and coronavirus and more than 6,000 staff. About \$750 million relates to reinsurance revenue, \$500 million to European insurance broking revenue and \$50 million to North American revenue.

The deal with Gallagher is contingent on the closing of the Aon-Willis deal, which is now expected in the second half of 2021.

AssuredPartners acquires Texas agency

AssuredPartners Inc. acquired Texas Associates Insurers Agency LP of Austin. Terms were not disclosed.

TAI, which provides customized risk management and insurance plans for businesses and individuals in Texas, reports \$10 million in annualized revenue.

Its 48 employees will remain under the leadership of TAI partners, including JD Steanson, Randy Reynolds, Gary Grisson, James Russell and Coy Sunderman.

Hub acquisition expands footprint in Northwest

Hub International Ltd. acquired the assets of Bellevue, Washington-based Conover Insurance Services LLC and some affiliates.

Terms were not disclosed. In addition to its Bellevue headquarters, Conover has offices in Pasco, Prosser, Vancouver and Yakima, Washington; and Chico, California.

The broker provides commercial coverages including surety and bonding and specializes in the agriculture, construction, transportation industries and tribal groups.



UP CLOSE

Heather Wilkinson

NEW JOB TITLE: Southern California-based principal, EPIC Insurance Brokers and Consultants.

PREVIOUS POSITION: Southern California-based director, cyber and errors and omissions group, Willis Towers Watson PLC.

OUTLOOK FOR THE INDUSTRY: Cyber insurance is constantly changing as new threats emerge and evolve. The industry is struggling to continue to offer meaningful and viable solutions in the wake of heavy losses due to ransomware. As underwriting criteria evolve, our job as brokers is to help our clients adapt and become better and be more in tune with current and developing risks. Collaboration with clients to view cyber risk holistically and not just as a function of risk transfer will help the entire industry respond to changing attack vectors amid the fast-moving cyber risk landscape.

GOALS FOR YOUR NEW POSITION: This position will focus on creating innovative solutions and driving synergies across the region. The focus will be on business development and the design, placement and management of cybersecurity programs and solutions for mid-market and large clients.

CHALLENGES FACING THE INDUSTRY: Due to heavy losses coming on the tail end of years of very competitive rates, the cyber market is very hard. Insurers are struggling with offering some elements of extortion and first-party coverages. The tech E&O market is shrinking even as there is a push toward automation and increased reliance on technology solutions. Outsourced and managed service providers have emerged as recent targets, further challenging the market's ability to underwrite to silent cyber.

FIRST EXPERIENCE: My experience dates back to 2007 when the industry as a stand-alone product was really becoming regularly available.

ADVICE FOR A NEWCOMER: My advice is to learn all you can from those around you and to participate in as many learning sessions as you can. It's no longer enough to just know the insurance side; having some understanding of the major threats as well as the solutions being deployed to combat those threats is also key.

DREAM JOB: I heard that there is an organization offering a small sum of money and free travel to go to certain MLB stadiums and watch baseball and sample stadium food. If I could make a career out of watching sports and eating, I think cyber insurance would have a run for its money.

LOOKING FORWARD TO: I'm looking forward to the fresh perspective of new colleagues and building something really special. EPIC invests in people, and that shows in the warm welcome I've received since I started here.

COLLEGE MAJOR: English literature, which helps with reading contracts and policies.

FAVORITE MEAL: I have three kids, so I think pizza is probably our go-to.

FAVORITE BOOK: "Lord of the Rings" trilogy.

HOBBIES: I love running and sports and watching my kids' sports.

ON A SATURDAY AFTERNOON: I usually get up early and get a run in before I become a taxi service to various youth sports.

"Collaboration with clients to view cyber risk holistically and not just as a function of risk transfer will help the entire industry respond to changing attack vectors amid the fast-moving cyber risk landscape."



Axis Reinsurance Co. named London-based **Ann Haugh** president of the firm's new global property division, effective July 1. Previously, Ms. Haugh was president of global markets. She was one of *Business Insurance's* Women to Watch in 2012 while with Zurich Insurance Co. Ltd.



EPIC Insurance Brokers and Consultants hired captive insurance executive **Sam Wagener** from Artex Risk Solutions Inc. as principal in its property/casualty operations in the West. Mr. Wagener was previously senior vice president — group captives at Artex, a unit of Arthur J. Gallagher & Co.



Aon PLC appointed **Wendy Knobel** a senior representations and warranties broker. Previously, Ms. Knobel was a managing director in the M&A insurance group, senior R&W underwriter for American International Group Inc. She is based in San Francisco.



Lockton Cos. Inc. has recruited **Patrick J. Haraden** as president of its Boston operations. Mr. Haraden had been area president in New England and the Northeast regional director of Arthur J. Gallagher & Co.'s public sector practice.



Zurich Insurance Group Ltd. has promoted **Hayley Robinson** to group chief underwriting officer. Ms. Robinson replaces Sierra Signorelli, who was named CEO of commercial insurance following the departure of James Shea. Previously, Ms. Robinson was U.K. chief underwriting officer.



TigerRisk Partners LLC named Bernardsville, New Jersey-based **Jack Snyder** head of insurtech origination and head of financial advisory. Previously, Mr. Snyder was managing director, head of the strategic ratings advisory unit at Guy Carpenter & Co. LLC.

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Pet owners protect their furry friends

The new Scooby snack? Health insurance.

A recent survey found that people are three times more likely to have insurance for their pets' health as they are to have critical illness cover for themselves.

According to a survey conducted in the U.K. by the insurer Halifax, 18% of respondents have taken out pet insurance while just 6% have critical illness cover, Yahoo! Finance News reported.

The survey suggests "the volume of new pets being acquired during coronavirus lockdowns may have encouraged people to purchase protection for their animals," according to the news outlet.

Skittles bristles at pot firm's pitch

A marijuana company is accused of a "freewheeling" use of the Wrigley Co.'s Skittles' colorful mark, slogan and logo, according to a recent lawsuit filed by the candy giant against Terphogz LLC, a California company that markets marijuana products.

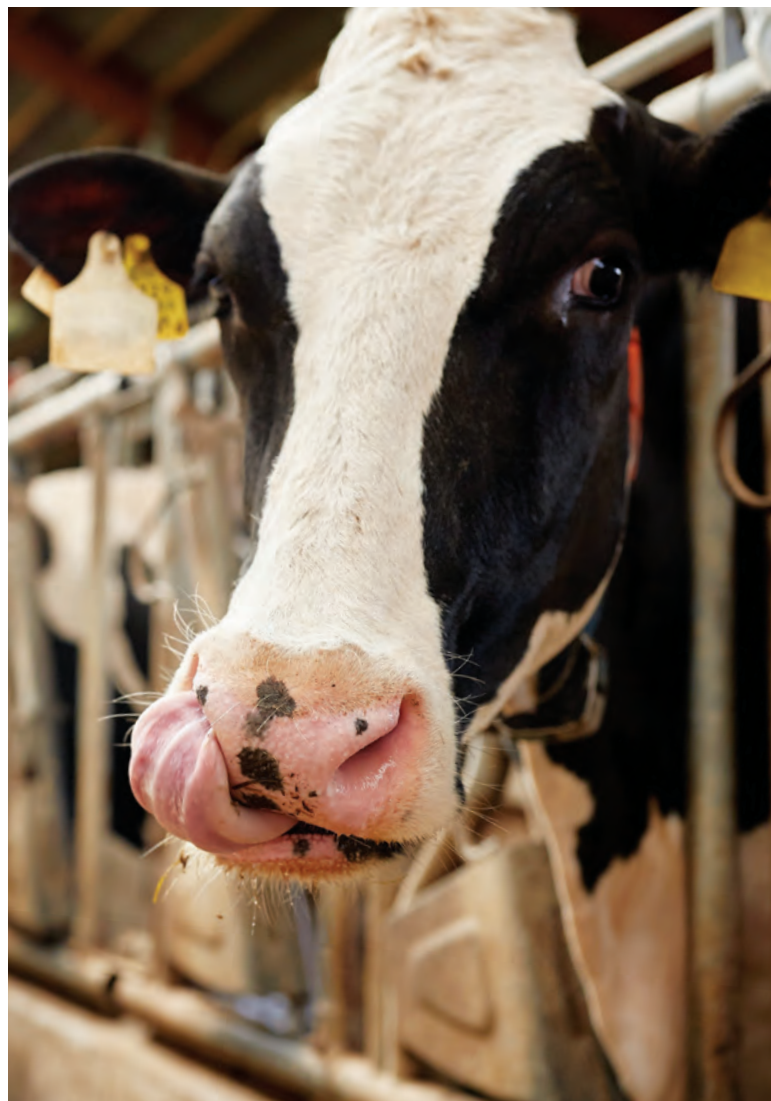
Terphogz's use of Wrigley's Skittles brand for its "ZKITTLEZ" products "has been enormously successful" and the company "has reaped enormous profits" as a result, (b)ut those ill-gotten gains have come both at the expense of the public which believes that Wrigley approves the ZKITTLEZ goods being peddled by Terphogz and at the expense of Wrigley, which has lost control over the reputation of its SKITTLES Marks," according to the lawsuit, filed in a federal court in Chicago.

The suit includes photos of both brands, drawing similarities in that both brands use bright colors and similar fonts on packaging and more.

Wrigley's suit says the confusion over candy and marijuana poses a danger to children and that Illinois recently enacted legislation prohibiting cannabis companies from imitating candy.



DOCTORS WON'T TOLERATE USDA'S DAIRY GUIDELINES



A trio of doctors is screaming over the U.S. Department of Agriculture's recommended daily allowance of ice cream, cheese, milk and more.

The USDA's recently recommended three-a-day allowance of dairy, which causes digestive discomfort for about a quarter of Americans who are lactose-intolerant, prompted a lawsuit filed in U.S. District Court for the Northern District of California against the USDA by three doctors, all asking the question: why so much dairy when so many can't have it?

As reported in The Washington Post, the lawsuit alleges the three-per-day standard on dairy contradicts current scientific and medical knowledge, harming people who are lactose-intolerant. The suit suggests that the USDA is looking out for the interests of the meat and dairy industries rather than the health of Americans.

"The USDA's conflict of interest is perhaps best illustrated in its statement that 'most individuals would benefit by increasing intake of dairy,' even though there is no convincing evidence that this is true," one of the plaintiffs told the newspaper.

Comp fraud is no laughing chatter

Two radio disc jockeys in Australia were in "stitches" upon hearing about a listener's tale of workers compensation insurance fraud involving a phony physiotherapist, all in the name of helping out a friend.

"I need you to be a physio. I just need you to have a fake physio studio that I can go to, to fix my fake injury," the call-in listener "Todd" told chuckling Lewis Hobba and Michael Hing, who host the "Hobba and Hing" afternoon drive show on the alternative radio station Triple J.

"We made a fake physio studio and we sent the insurance company bills for physio work to fix his fake injury and they paid us," the listener bragged.

Not amused at the scam were others listening, including the Insurance Council of Australia, and listeners, with one tweeting: "How is this funny? Insurance fraud costs the rest of us, big time. ... Yeah hilarious. Grow up."



Now hiring (really): Colonial Pipeline

Know a good risk manager? Cybersecurity expert?

Colonial Pipeline, recently hit by a major ransomware attack that led to problems at the gas pump throughout the Southeastern United States, is hiring — and had been before the incident, the Atlanta Journal-Constitution reported.

The Alpharetta, Georgia-based company was reportedly trying to fill the two security leadership positions "just weeks" before it was hit with the ransomware attack, the newspaper reported.

Georgia Tech's dean of engineering told the newspaper he wasn't surprised that Colonial had job openings.

"There is a significant shortage of cybersecurity professionals that understand energy," Raheem Beyah, who is also an electrical and computer engineering professor, told the newspaper.

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- Winners will be announced online in Summer 2021 and will have featured profiles on BusinessInsurance.com and in the bonus Insurtech September 2021 print issue of *Business Insurance*.
- *Business Insurance* will host an awards ceremony honoring all the winners in Fall 2021. Details to follow this summer.

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