What's Driving the P/C Industry?

Casualty Actuarial Society webinar
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Insurance Industry Financial Trends
Direct Premium Growth, Annual Change

Direct Premium Changes Continue to Track Nominal Economic Growth

*Nominal GDP for 2020 is Blue Chip consensus forecast for 2020, as of July 2020.
Sources: NAIC data sourced through S&P Global Intelligence, Bureau of Economic Affairs, Insurance Information Institute/Milliman Underwriting Forecast.
The first quarter of 2020 delivered a strong start to the year’s underwriting gains, but…

Based on the last 14 first quarters, we can say that underwriting profitability runs in streaks. Since 2013 we had 7 of 8 profitable quarters, following 5 unprofitable ones.

*latest data available
Sources: NAIC data, sourced from S&P Global Market Intelligence, ISO/PCI. 2019
Through First Quarter. Sources: NAIC data, sourced from S&P Global Market Intelligence; Insurance Information Institute
P/C industry operating ratios

• Operating ratio = combined ratio (losses plus expenses as a percent of earned premiums) minus net investment income as a percent of earned premiums.
• Operating ratio includes all insurance and investment operations except taxes and capital gains and losses.

Exceptional catastrophe years (2011, 2017) drove the operating ratio above 92. A "normal" range is 88-92.

• The lower the ratio, the better.

Sources: NAIC data, sourced from S&P Global Market Intelligence; Insurance Information Institute.
Key sources of P/C insurer profits

Steady Investment Gains, Good Underwriting Results Lifted Profits in Most Years.

Through first quarter.
Data are before taxes and exclude extraordinary items.
Source: NAIC data, sourced from S&P Global Market Intelligence.
Employment in Major Subsectors of the Insurance Industry: A Surprise

Over the Last Two Years, All Four Major Insurance Industry Subsectors Have Grown Employment Despite the Recession That Began in February 2020

Data are seasonally adjusted
Sources: BLS; Triple-I
Remarkably, P/C carrier employment has risen during the recession, now above the level in the last five years.
The industry now has $1 of surplus for every $0.75 of NPW, the strongest claims-paying status in its history.

The P/C insurance industry entered 2020 in exceptionally strong financial condition.

Sources: ISO, A.M. Best.
Song of the Current Recession:

“Nobody Knows the Trouble I’ve Seen”
The path of the economy will depend significantly on the course of the virus. The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term.
In the last decade, the economy (as measured by real GDP) rarely grew faster than 3% (at an annual rate) in a calendar quarter.

*Seasonally adjusted at an annual rate
Sources: U.S. Department of Commerce; Insurance Information Institute.
Quarterly U.S. Real GDP Growth (at annual rates): Range of Forecasts, 2020-2021


Sources: Blue Chip Economic Indicators, August 2020 issue; Insurance Information Institute.
Quarterly U.S. Real GDP: Actual and Forecasts, 2019-2021

Tough times ahead? The economy is not forecast to reach its mid-2019 level until the end of 2021.

This is a Q-o-Q drop of 9.5%

Sources: Blue Chip Economic Indicators, August 2020 issue; Insurance Information Institute. Plot points for 2020:Q2 and later are estimates and forecasts.
Hiring Depends on People Having Income and Spending It*

*Data are seasonally adjusted at an annual rate
Sources: bea.gov, Personal Income and Outlays, June 2020 and Annual Update, Table 1; Insurance Information Institute.

In 2020:Q2 we had the largest drop in credit card balances in history--$75 billion. Consumption (70% of the economy) is cautious.

*Data are seasonally adjusted at an annual rate
Sources: bea.gov, Personal Income and Outlays, June 2020 and Annual Update, Table 1; Insurance Information Institute.
From February 2020 to April, the workforce shrank by 8.1 million, but it regained 3.5 million by June, for a net drop of 4.6 million. Flat in July.

Notes: Recession indicated by gray shaded column. Data are seasonally adjusted.
Unemployment and Underemployment Rates

January 2015 through July 2020
Seasonally Adjusted (%)

For U-6, 8.0% to 9.5% is “normal.”

U-6 was 16.5% in July 2020.

“Headline” unemployment was 10.2% in July 2020. 4.5% to 5.5% is “normal.”

U-6 is not seasonally adjusted
WC exposure base rose steadily through 2019
Nonfarm payroll (wages and salaries): quarterly

Billions

Prior peak was 2008:Q3 at $6.54 trillion

Recent trough (2009:Q1) was $6.23 trillion, down 5.3% from prior peak

Payroll will likely plunge in 2020:Q2-Q4, as it did in 2008-09

Note: Recession indicated by gray shaded column. Data are seasonally adjusted annual rates.
Sources: http://research.stlouisfed.org/fred2/series/WASCUR; National Bureau of Economic Research (recession dates); Insurance Information Institute.
The Global Pandemic

An Unprecedented P/C Insurance Toll
Normally premium grows at about the same rate as the economy, which bodes ill for insurers this year. But firming rates are easing the pain.
COVID-19’s Impact
Unprecedented Spread of Loss, Deterioration of Exposure

<table>
<thead>
<tr>
<th>Category</th>
<th>Potential Loss Impact</th>
<th>Exposure Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers Compensation</td>
<td>0.2</td>
<td>$14B auto premium</td>
</tr>
<tr>
<td>Political risk, credit, surety</td>
<td>0.8</td>
<td>Employment related exposures (GL, WC)</td>
</tr>
<tr>
<td>Mortgage</td>
<td>1.7</td>
<td>$14B auto premium</td>
</tr>
<tr>
<td>GL</td>
<td>0.7</td>
<td>Employment related exposures (GL, WC)</td>
</tr>
<tr>
<td>EPLI</td>
<td>2.6</td>
<td>Volatile stocks, bond yields plunging</td>
</tr>
<tr>
<td>D&amp;O</td>
<td>0.6</td>
<td>Volatile stocks, bond yields plunging</td>
</tr>
<tr>
<td>BI</td>
<td>2.0</td>
<td>Lloyd’s estimate: $96B in investment losses</td>
</tr>
</tbody>
</table>

Loss estimates range from $30B (≈ bad hurricane) to $140B (2-3 Katrinas)

Source: Willis Towers Watson, Insurance Information Institute..
By the Numbers
Who wants what?

Cumulative Filings

Coverage Sought

Who Is Suing?

Source: COVID Coverage Litigation Tracker, cclt.law.upenn.edu
Catastrophic Tales

. . . Or tails

Most lawsuits from catastrophes trickle in at first, peaking one to three years after event.

Source: COVID Coverage Litigation Tracker, cclt.law.upenn.edu
## Insurance Issues by Line of Business
Before the Pandemic and Now

<table>
<thead>
<tr>
<th>Line</th>
<th>Before the Pandemic</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>Trapped capital, rates</td>
<td>Business interruption</td>
</tr>
<tr>
<td>Personal Auto</td>
<td>Lower frequency, rates</td>
<td>Less driving (but faster), premium givebacks</td>
</tr>
<tr>
<td>D&amp;O</td>
<td>Event-driven securities class actions, rates</td>
<td>Hindsight litigation of securities filings</td>
</tr>
<tr>
<td>Cyber</td>
<td>Public sector ransomware</td>
<td>Hospital ransomware, phishing</td>
</tr>
<tr>
<td>Commercial Auto</td>
<td>Continuing deterioration</td>
<td>Less driving, Hours of Service rules suspended</td>
</tr>
<tr>
<td>Workers Comp</td>
<td>Falling frequency, solid profits</td>
<td>Fewer exposures, first responders presumption</td>
</tr>
</tbody>
</table>
# Insurance Issues by Line of Business

## What lies ahead?

## Second Half 2020 and Beyond

<table>
<thead>
<tr>
<th>Line</th>
<th>What to Look For</th>
<th>What May Lie Beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>Impact of social unrest, grim hurricane forecast</td>
<td>Work from home → less commercial real estate</td>
</tr>
<tr>
<td>Personal Auto</td>
<td>Rate cuts vs. additional credits; regulatory pressure</td>
<td>Work from home → less driving</td>
</tr>
<tr>
<td>Workers Comp</td>
<td>Impact of presumptive regulations, limits on rate-setting</td>
<td>Work from home → fewer injuries</td>
</tr>
<tr>
<td>Liability</td>
<td>Legislative proposals to limit liability</td>
<td>Social inflation</td>
</tr>
<tr>
<td>Commercial Auto</td>
<td>Social inflation</td>
<td>Social inflation</td>
</tr>
</tbody>
</table>
The Global Pandemic

The Media and Insurance
Triple-I Media Citations Are At Their Highest Point Since The Costly 2017 Hurricane Season

*Top tier press is defined as leading national publications, such as CBS News, New York Times, and Wall Street Journal. Top Regional Outlets encompass leading regional outlets, such as Los Angeles Times and Chicago Tribune.
COVID-19 Created A New Opportunity for Triple-I To Illuminate The Role Of The Insurance Industry

- COVID-19 was the topic featuring the most Triple-I mentions in the past six months, even though relevant coverage only began in March.
- COVID-19 stories primarily concerned business interruption and auto rebates.
- Strong mentions in the Auto & Transportation, Homeowner/Rental, and Natural Catastrophe topic areas indicate that the Triple-I is still top-of-mind in these traditionally strong categories.

<table>
<thead>
<tr>
<th>Media Citations By Category</th>
<th>6/19-11/19</th>
<th>12/19 - 5/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto &amp; Transportation</td>
<td>161</td>
<td>189</td>
</tr>
<tr>
<td>Homeowner/Rental</td>
<td>99</td>
<td>129</td>
</tr>
<tr>
<td>Natural Catastrophe</td>
<td>158</td>
<td>57</td>
</tr>
<tr>
<td>COVID-19</td>
<td>0</td>
<td>195</td>
</tr>
<tr>
<td>General Industry</td>
<td>53</td>
<td>32</td>
</tr>
<tr>
<td>Dog Bites &amp; Pets</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>Cyber</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Fraud</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Travel Insurance</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>InsurTech</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>
Increasing Scrutiny Of The Industry Culminated In The Launch Of A Reputational Campaign

The ‘Future of American Insurance & Reinsurance’ campaign launched during a pivotal week of activity for the industry, as the business interruption debate continued with a White House roundtable with restaurants and a Congressional hearing.

With a separate website and public presences, this campaign provides the Triple-I with a separate platform and voice.

The campaign will take on overarching industry issues and emphasize its essential role in supporting and rebuilding communities in these uncertain times.
COVID-19 Related Content Spikes

Mortality Risk Facts & Stats
(12 months through July)

Impressions and Click-Through Rate (CTR)
for Business Interruption and Riot Insurance

Source: Google Analytics, July

Source: Google Console, 3 months through July 2020; Click-through rate (CTR) is the ratio of users who click on a specific link to the number of total users who view a page, email, or advertisement. Impressions are when an advertisement or any other form of digital media renders on a user's screen.
Blog Metrics

Top Posts In July 2020*

1. Are Life Insurers Denying Benefits for Deaths Related to COVID-19 (4,789 views)

2. The Insurance Information Institute and The Institutes Announce Plan to Affiliate (322 views)

3. Gauging Pandemic’s Impact on Insurers (268 views)

4. Social Inflation and COVID-19 (243 views)

5. Latest Report Shows Job Stability for the Insurance Industry (230 views)

Source: Google Analytics
* July 1 – July 29
The Pandemic and Investment Returns: The Effect of Inflation Expectations
CPI Forecasts for 2020-2021

If the top forecasts are correct, bond yields should rise significantly

Note: Data are percent change from prior quarter, at an annual rate.
Sources: Blue Chip, August 2020; Insurance Information Institute.
Inflation Measurement: Methodological Challenges

Comparing Prices of Identical Items

• Some prices can’t be compared
  • New products (e.g., new drugs)
  • New services (e.g. new medical treatment)
• Prices of some goods or services must be adjusted to remove the price-effect of new elements
  • Cars with new safety features
  • Improved cell-phone service
  • Higher prices for output from places of business (e.g., restaurants, factories) with new Covid-19 protection
# Inflation Measurement: Methodological Challenges

## Collection Methods for Prices of Commodities and Services

<table>
<thead>
<tr>
<th></th>
<th>March 2019</th>
<th>March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collected prices</td>
<td>87%</td>
<td>75%</td>
</tr>
<tr>
<td>Collection mode</td>
<td></td>
<td></td>
</tr>
<tr>
<td>personal visit</td>
<td>67%</td>
<td>37%</td>
</tr>
<tr>
<td>phone</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>online</td>
<td>14%</td>
<td>39%</td>
</tr>
<tr>
<td>other</td>
<td>9%</td>
<td>16%</td>
</tr>
</tbody>
</table>
The Pandemic and Investment Returns: Lower for Longer

Depressed Yields Will Necessarily Influence Underwriting & Pricing
BofA AA Corporate Index Effective Yields, * 2000–2020

Since the yield on these bonds has been lower than 3% for most of the past decade, many P/C insurer portfolios will have low-yielding bonds for years to come.

*Monthly, not seasonally adjusted, through July 2020.

Sources: Federal Reserve Bank at [http://www.federalreserve.gov/releases/h15/data.htm](http://www.federalreserve.gov/releases/h15/data.htm); National Bureau of Economic Research (recession dates); Insurance Information Institute.
P/C Insurer Portfolio Yields, 2002-2020:Q1

P/C Carrier Yields Have Been Falling for Over a Decade, Reflecting the Long Downtrend in Prevailing Interest Rates.

Even if Rates Rise in the Next Few Years, Portfolio Yields Are Unlikely to Rise Quickly Since Low Yields of Recent Years Are “Baked In” to Future Returns.

Sources: NAIC data, sourced from S&P Global Market Intelligence; Insurance Information Institute.
The forecasts in the Blue Chip survey see a common direction for the yield of 10-year T-bonds in 2020-21 but not much relief.

Sources: Blue Chip Economic Indicators (8/20); Insurance Information Institute
Where is the Stock Market Headed? Recent Corporate Profits History and Range of Forecasts

Year-over-Year percent change

Forecasts expect corporate profits to plunge this year and most see a recovery in 2021.

Sources: Blue Chip Economic Indicators, July 2020 issue; Insurance Information Institute.
Underwriting Results and Outlook

Beyond the Pandemic
Hurricane Forecast

Grim.

Source: Colorado State University Tropical Meteorology Project.
U.S. Inflation-Adjusted Insured Cat Losses

2019 was a relatively mild year; 2020 faces pandemic, above-average hurricane forecast

*Aon estimate through April. 2010s is average of 2010 to 2019. All losses are Direct.
Sources: Property Claims Service, a Verisk Analytics business; Aon; Insurance Information Institute.
### Industry Outlook

**Commercial Lines Rate Change**

- % Chg from Yr Prior
- % Chg from Yr Prior

**Growth in Nominal GDP (Real GDP + Inflation)**

- % Chg from Yr Prior
- % Chg from Yr Prior

**Premium, CR Projections**

- Combined Ratio
- DWP Growth
- NWP Growth

**Commentary**

Overall premium projected to be flat. Underwriting result deteriorates.

- Pandemic and recession reduce exposure in personal auto, several commercial lines.
- Rate increases make up for lower exposures somewhat.
- Tremendous uncertainty due to pandemic’s impact on several lines.
- We assume normal cat year, despite bleak hurricane forecast.

Data sources: Data sourced through S&P Global Market Intelligence, MarketScout, Blue Chip Economic Indicators, Congressional Budget Office, PCS, Aon, Munich Re, Energy Information Agency, FRED (Federal Reserve Bank of St. Louis)
Analysis: Insurance Information Institute, Milliman.
The Personal Lines Picture

2020 Was Looking Good
Direct Written Premium Growth By Year

HO writings more stable than auto, which grew in response to rising costs till recently.

Sources: NAIC data, sourced from S&P Global Market Intelligence.
Personal auto has returned to underwriting profitability. Homeowners results depend on catastrophe season.

Source: NAIC data, sourced from S&P Global Market Intelligence.
Loss Costs Have Tapered Off the Past 2 Years

The cost of accidents has tapered off in recent years

Source: Fast Track Monitoring System.
The Telematics Moment

Real-time Driving Data Saves Consumers Billions

- Broad telematics ecosystem used to assess coronavirus operating environment
  - 23+ million vehicles
  - 3.5 billion trips; 38 billion miles; Feb 2, 2020 to May 1, 2020

Other Data

- Slightly riskier driver mix
- Less aggressive driving
- Driving > 100 mph up 30%

Stay At Home States Have Greater Reductions

Urban Driving Declines More Than Rural

Some drivers are driving more

Driving Safety Score Has Declined

Note: These insights are based on representative samplings of data from Arity’s multi-source dataset. That dataset includes anonymized and aggregated driving behavior data from multiple insurance and non-insurance sources and is not solely reflective of any Arity affiliate companies or any other particular source or industry. The data is collected via both mobile app and on-board device methods.

The Commercial Lines Picture

2020 Was Looking Good
Excellent workers comp results have more than made up for problems in auto, general liability.

Source: NAIC data, sourced from S&P Global Market Intelligence.
Commercial Lines Rate Changes

Rates have been rising. Is it a hard market?

Sources: Willis Towers Watson, MarketScout, Marsh.
Commercial Rate Changes
By Line, As of Second Quarter

Source: MarketScout.
Key Trends
(at Year-End)

Loss Development

- PA: Moderating frequency, some severity movement
- WC: Frequency plunging
- D&O: Securities litigation explosion (event driven)
- EPLI: #Metoo
- GL: Social inflation
- CA: Social Inflation
Social Inflation
An Actuarial Examination
Social Inflation

Coming to Terms

A Good Definition

“a fancy term to describe rising litigation costs and their impact on insurers’ claim payouts, loss ratios, and, ultimately, how much policyholders pay for coverage.”

Actuarial Interpretation

“Excessive inflation in claims.”

- Occurs when development defies key assumption: Loss Development is RV about stable mean
Triple-I Analysis
What We Studied and Why

- Hypothesis: Rising LDFs → Social Inflation

- Method:
  - Focus on Long-Tailed Liability Lines
    - Minimizes Catastrophe’s Impact
    - 12:120 LDF > 1.8 (Workers Comp)
    - Included: Comm Auto Liability, MedMal, Other Liability, Product Liability
    - Excluded: Personal Auto Liability, Workers Comp, Special Liability
  - Look for Rising LDFs
Upward Creep in Loss Development

Key Assumption: LDF is RV about mean + inflation

Comm Auto LDFs

<table>
<thead>
<tr>
<th>Year</th>
<th>12</th>
<th>24</th>
<th>36</th>
<th>48</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.34</td>
<td>1.14</td>
<td>1.08</td>
<td>1.03</td>
</tr>
<tr>
<td>2010</td>
<td>1.36</td>
<td>1.16</td>
<td>1.08</td>
<td>1.04</td>
</tr>
<tr>
<td>2011</td>
<td>1.40</td>
<td>1.16</td>
<td>1.08</td>
<td>1.04</td>
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<tr>
<td>2012</td>
<td>1.40</td>
<td>1.16</td>
<td>1.09</td>
<td>1.04</td>
</tr>
<tr>
<td>2013</td>
<td>1.41</td>
<td>1.18</td>
<td>1.10</td>
<td>1.04</td>
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<tr>
<td>2014</td>
<td>1.42</td>
<td>1.19</td>
<td>1.10</td>
<td>1.05</td>
</tr>
<tr>
<td>2015</td>
<td>1.45</td>
<td>1.18</td>
<td>1.11</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1.43</td>
<td>1.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1.44</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2-Year Expected vs. Actual

12-36 Development ($ Millions)

<table>
<thead>
<tr>
<th>Accident Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,110</td>
<td>1,455</td>
<td>1,667</td>
<td>1,928</td>
<td>2,136</td>
</tr>
<tr>
<td>2013</td>
<td>1,318</td>
<td>1,371</td>
<td>1,531</td>
<td>1,596</td>
<td>2,281</td>
</tr>
<tr>
<td>2014</td>
<td>1,546</td>
<td>1,677</td>
<td>1,752</td>
<td>2,012</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1,928</td>
<td>1,981</td>
<td>2,012</td>
<td>2,012</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>2,136</td>
<td>2,190</td>
<td>2,281</td>
<td>2,281</td>
<td></td>
</tr>
</tbody>
</table>

Source: NAIC data, sourced from S&P Global Intelligence; Insurance Information Institute. Expected: 3-yr Straight Average.
Social Inflation: The Toll

Reserve Development, Commercial Auto Liability

Additions to Claim Reserves

Millions

Thousands of dollars

Sources: NAIC data sourced from S&P Market Intelligence; Insurance Information Institute.
Recent Years – Unstable Mean

Commercial auto liability LDFs keep rising
It’s Not Just Auto

12:36 Loss Development Factors by Year, Long-Tailed Lines

- Medical Malpractice Occurrence, Other Liability Claims-Made, Products Liability Occurrence, Products Liability Claims-Made.
- Estimate assumes 24:36 Factor is straight average of previous three years.
- Source: NAIC data, sourced from S&P Global Market Intelligence; Insurance Information Institute.
Why Is It Happening?
The Changing Legal Environment

“Jackpot Justice”

Median, 50 Largest Jury Verdicts

$ millions

2014 2015 2016 2017

27.70 30.74 41.75 54.33

Litigation Financing

Litigation is a financeable asset.
- 68% of US Law Firms

% of US Law Firms Using Litigation Financing

2013 2017

0% 7% 36%
Why It Is Happening
Why Social Inflation Hits Insurance

Overall Inflation Remains Steady

CPI Change vs Year Earlier

% Change


1.8

2.4

3.1

3.5

Sources: Bureau of Labor Statistics (via FRED), Gallup.

Who Solves Problems?

Confidence in Institutions

% Saying Great Deal/Quite a Lot

Congress

Big Business


30

24

23

11
Why Is It Happening?
Social Trends Set the Stage

Big Payout Expectations

No. of $300M Lottery Jackpots


Dystopian Days

% Chg, Real Income Since 79

Life Expectancy at Birth

Search Topic: Utopia vs Dystopia

It’s a Presidential Election Year: Does That Matter for P/C ROE?
P/C Insurance Industry ROE by Presidential Party Affiliation 1950-2019

BLUE = Democratic President  RED = Republican President
P/C Insurance Industry Average ROE by Presidential Administration, 1950-2018

- Truman: 7.0%
- Eisenhower: 4.9%
- Kennedy: 3.7%
- Johnson: 4.0%
- Nixon: 9.5%
- Ford: 10.5%
- Carter: 11.2%
- Reagan: 14.6%
- Bush I: 8.5%
- Bush II: 7.3%
- Clinton: 6.8%
- Obama: 6.4%
- Trump: 6.5%

1950-2018 Average ROE
Democrats: 7.0%
Republicans: 8.2%
Carter’s first term was the best; JFK’s was the most disappointing.

*Seasonally adjusted at an annual rate
Sources: U.S. Department of Commerce; Insurance Information Institute.
P/C ROE during a President’s Second Term, 1953-2020

Reagan’s second term was the best; LBJ’s the most disappointing

*Seasonally adjusted at an annual rate
Sources: U.S. Department of Commerce; Insurance Information Institute.
Summary

“Unprecedented”

- Pandemic recession has hit industry three ways:
  - Lower exposures
  - Catastrophe-level losses
  - Weak investment environment
  - --- But industry employment remains strong

- Pandemic/recession complicate issues in individual lines

- Social inflation a growing concern
Thank you for your time and your attention!