

TOP FIVE

emerging risks agents should watch out for

1 AVAILABILITY OF CAPITAL IN THE MARKETPLACE

Markets have less capital available to insure a risk and are in turn being much more selective around what risks they'll choose to accept and underwrite – factoring in rates, geographic location and terms offered. Brokers should be on top of their game when taking clients' risks to market.

EXAMPLE

Many markets are choosing not to underwrite wind insurance due to the risk and lack of available capital in the marketplace.

5 STEADY INCREASE OF EPL CLAIMS

The traditional office has changed dramatically in the last few decades – and so have employment liability risks companies face. In recent years, we've seen the number of EPL claims increase steadily for a variety of reason, such as new generations entering the workplace and social movements toward empowering employees.

EXAMPLE

Failure to promote an employee.

2 CLIMATE CHANGE AND ITS IMPACT ON PROPERTY LOSSES

Weather-related losses due to events like hurricanes, floods and hailstorms are causing increases in premiums and deductibles – and potentially a reduction in capacity – and are changing the way brokers service and retain their business.

EXAMPLE

From a property loss standpoint, the five costliest wildfires in history and three of the costliest hurricanes have occurred in the last two years.

The business landscape is evolving and so are the risks that can impact your clients. You can help your clients stay ahead of the risk curve by advising them on strategies to address five emerging risks that will touch just about every industry.

3 EVERYTHING WE DON'T UNDERSTAND ABOUT CYBER VULNERABILITIES

In this day and age, the insurance market has become ruled by technology. And while it's commonplace for large corporations to purchase cyber protection, many small companies don't consider the risk of a major cyber breach. Agents should push for these clients to consider protection against the risk, too.

EXAMPLE

A laptop containing names, medical records, social security numbers and insurance information for 5,500 patients was stolen from an Austin, Texas, family medical clinic.

4 RISING D&O RATES

Recent "event-driven" litigation has significantly increased the rate of D&O liability insurance, as C-Suite employees are wanting to protect themselves from any workplace allegations. Agents should stay in tune with the current events and counsel their clients respectively.

EXAMPLE

The birth of the #MeToo movement and major cyber breaches.