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MIA Listening Session: Commercial Insurance Issues Facing Small Businesses

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Triple-I & Its Mission



We are the trusted source of unique,
data-driven insights on insurance...

.....to inform and empower
consumers.

How Insurance Drives Economic Growth

Safety/ Security



- 1 Insurers are financial first responders



- 2 Insurers are risk mitigators

Economic/ Financial Stability



- 3 Insurers are capital protectors



- 4 Insurance is a partner in social policy



- 5 Insurance sustains the supply chain



- 6 Insurers are capital infusers

Development



- 7 Insurers are community builders



- 8 Insurance enables infrastructure improvements



- 9 Insurers are innovation catalysts



- 10 Insurers are credit facilitators

The Disruption Continuum

Catastrophes



COVID



Economics



INSURANCE



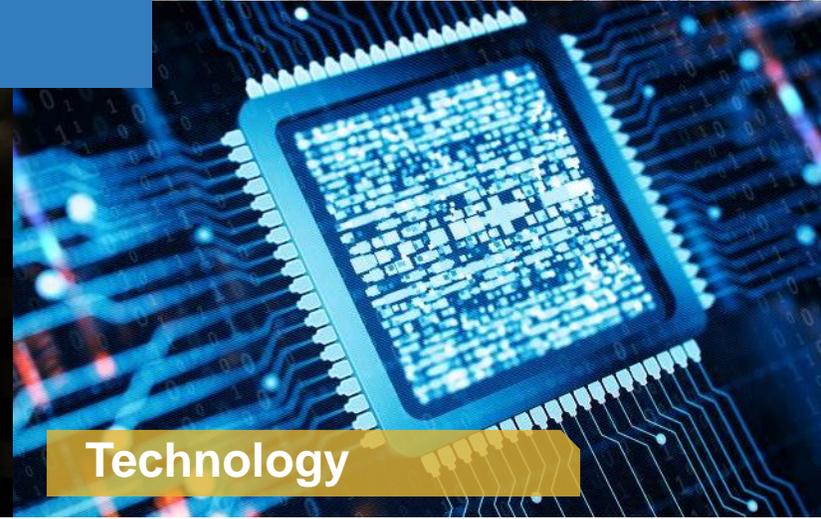
Geopolitical



Social Unrest



Technology



State of the Commercial Insurance Market

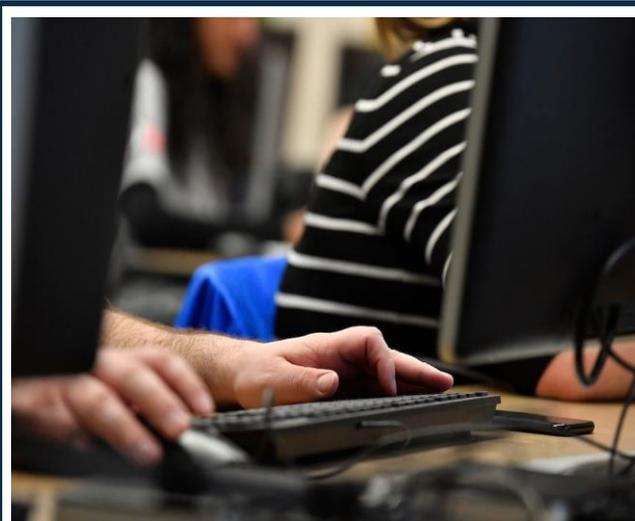
Hard market conditions continue

Commercial Multi-Peril

Rising replacement costs

- ❑ Steel mill products up 112 percent
- ❑ Plastic construction products up 35 percent.
- ❑ Diesel fuel up 56.5 percent.
- ❑ Aluminum mill shapes up 32.7 percent.
- ❑ Copper and brass mill shapes up 24.8 percent over the year.
- ❑ Architectural coatings” (includes paint) up 24.3 percent.
- ❑ Lumber and plywood up 21.1 percent.
- ❑ Insulation up 19.2 percent.
- ❑ Trucking up 18.3 percent
- ❑ Construction machinery and equipment up 11.4 percent.

Delays replacing technology equipment



**Global chip shortages,
Supply chain issues**

Constrained premium growth

**Due to uncertainty and
postponing capital
investments**



Key Industry Risks

Key Risks

Cyber



Catastrophes



Employment Practices Liability

Pandemic & Its Impacts



Supply chain issues

Key Risks

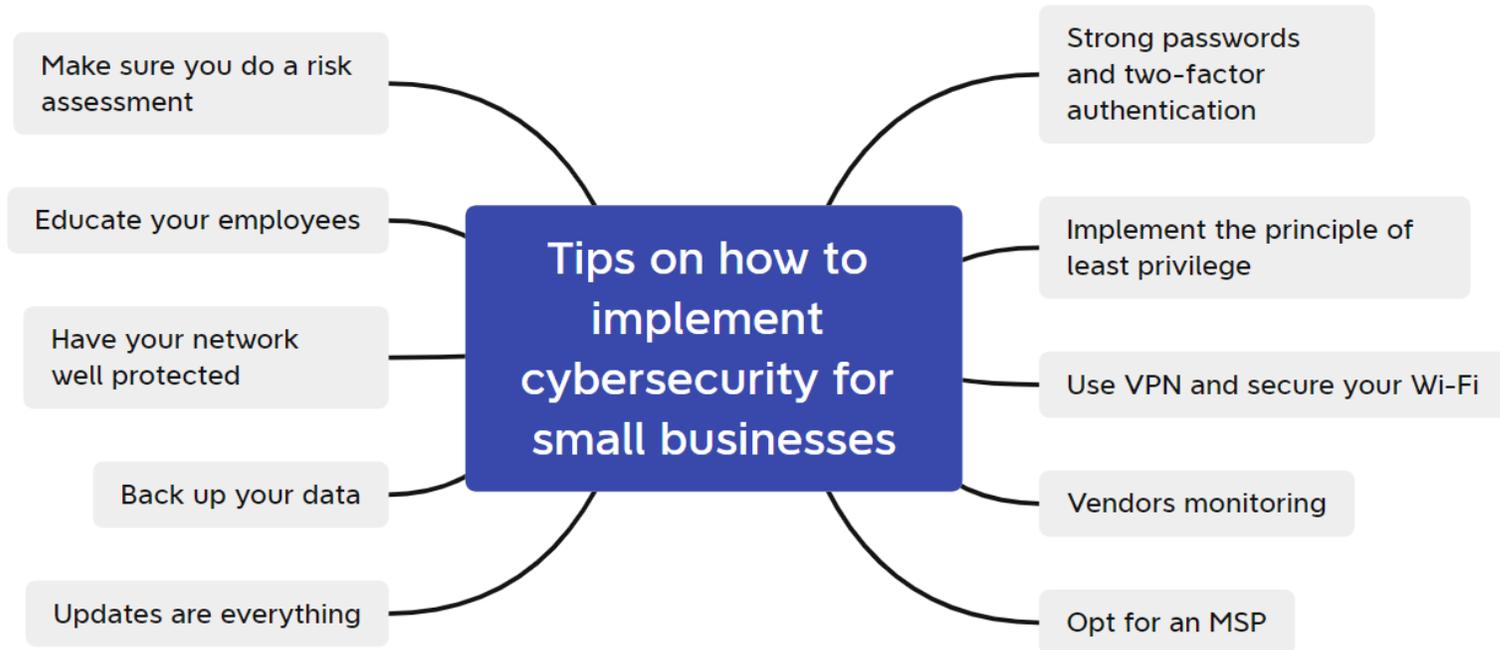
Cyber



Key Risks

Cyber

TIPS TO MAKE YOU SMALL BUSINESS MORE SECURE



Pandemic Risks

COVID-19 and economic recession and recovery have changed how we live and work, with impacts across most insurance product lines including areas such as business interruption.

Business Interruption

- Insurance industry defended commercial policy contract language, but lawsuits continue



Chip shortage likely to keep car prices sky-high through 2023

UPDATED ON: SEPTEMBER 8, 2021 / 12:47 PM / CBS/AP



Employment Practices Liability

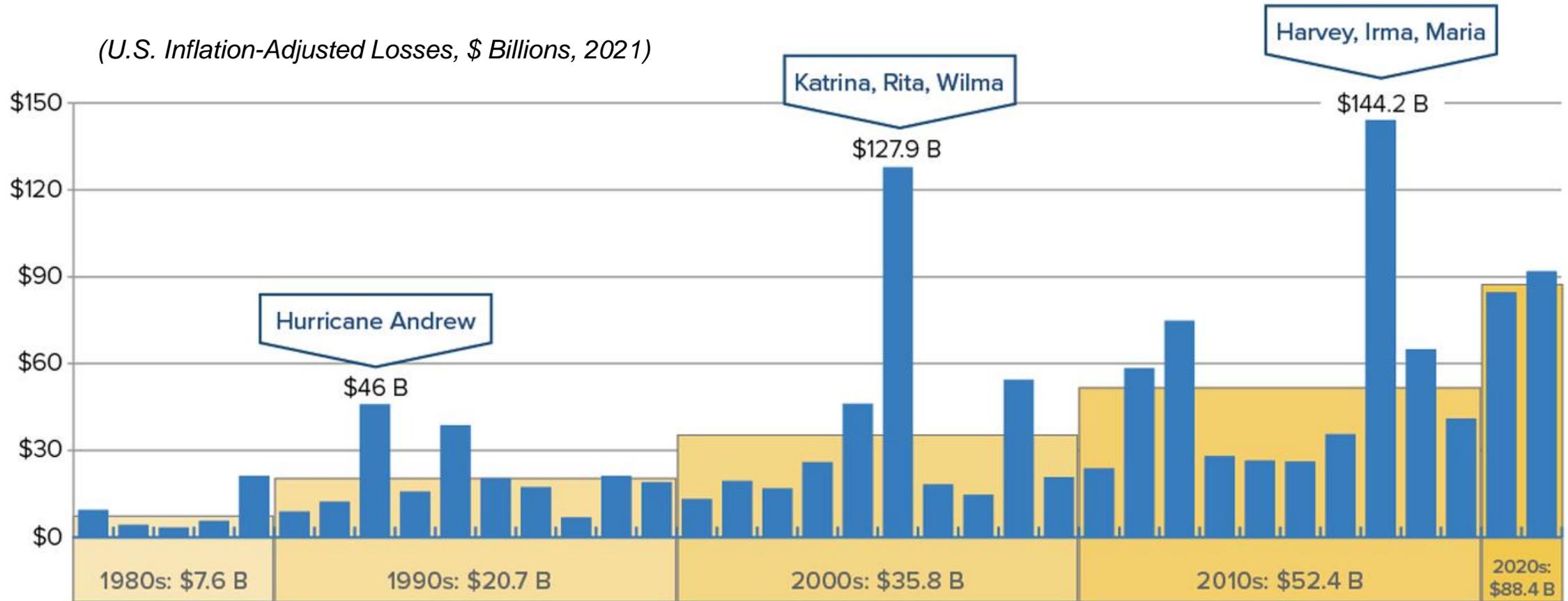


Catastrophes



U.S. Catastrophe Losses Steadily Climbing

(U.S. Inflation-Adjusted Losses, \$ Billions, 2021)



*Includes insured losses from all natural perils.

Source: Aon (Catastrophe Insight)

Insured Cat Losses are Increasing at an Alarming Rate – Nearly 700% Since 80's

People are Living More In Harm's Way

That Includes Businesses

Miami Beach: 2022



Miami Beach: +3'



2021 Is a Preview of Evolving Climate Risk



2000 to 2009 Hurricane Track



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Peril Maps

Hurricanes [Floods](#)

Track **Losses** Forecast

Select a storm from the dropdown button or scroll over a state to see the path and shifting strength of historical hurricanes and tropical storms. Storms are listed chronologically starting with the most recent. Same-named storms are differentiated by year.

Storm:

Years: FROM: TO:

[View Forecasts](#)

n/a
n/a

[Learn more about the data](#)

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What does this all mean for small businesses?

- Business success and risk are inherently intertwined. Small businesses have an opportunity to make risk management — from better understanding of their exposures to updating their risk mitigation strategies and insurance program — a priority, so if they do have a loss, they can build back stronger.





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INFORMATION
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Thank you!

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