



DISRUPTION AHEAD

Disruptions: Two Collapsing Markets, One Growing Market, and the Mystery of Tech

1



Name your favorite vacation spot.

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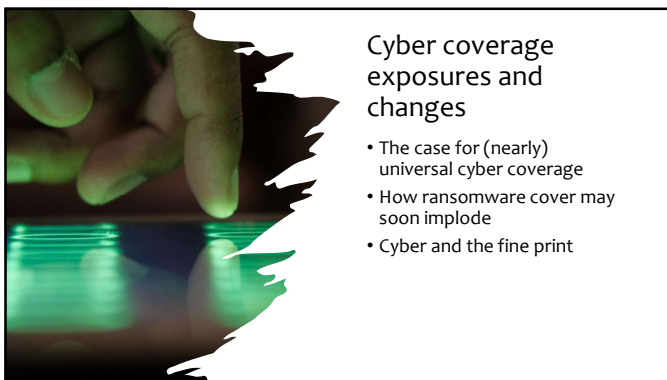
Where are we going today?

- Cyber coverage exposures and changes
- Cannabis coverage exposures and changes
- Issues in technology
- Litigation funding
- Florida, and why you care

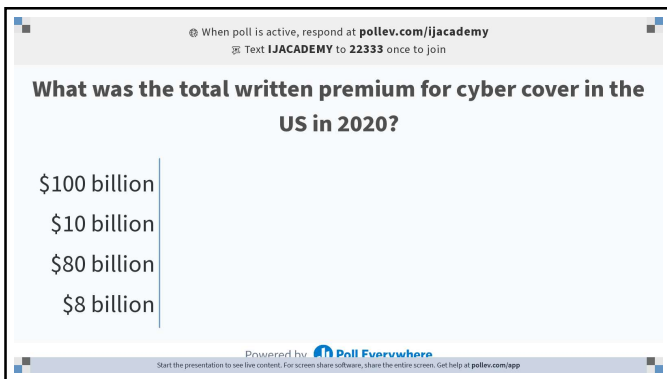
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The case for (nearly) universal cyber cover

- Operates a website
- Sends and receives email
- Uses a point-of-sale system
- Has internet access

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How ransomware cover may soon implode

- Increase in attacks
- Repeat attacks
- Changes in underwriting requirements
- Sublimits
- Increased retentions

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Cyber cover and the fine print

THE SECURITY BREACH LIABILITY INSURING AGREEMENT CONTAINED IN THIS POLICY PROVIDES COVERAGE FOR DEFENSE EXPENSES WHICH ARE **PAYABLE WITHIN**, AND NOT IN ADDITION TO, **THE LIMIT OF INSURANCE**. PAYMENT OF DEFENSE EXPENSES UNDER THIS POLICY **WILL REDUCE THE LIMIT OF INSURANCE**.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

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Cyber cover and the fine print

The most we will pay for all "loss", and "defense expenses" if covered, under this Policy is the Policy Aggregate Limit Of Insurance shown in the Declarations.

The Policy Aggregate Limit of Insurance shall be reduced by the amount of any payment made under the terms of this Policy.

Upon exhaustion of the Policy Aggregate Limit of Insurance by such payments, we will have no further obligations or liability of any kind under this Policy.

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Cyber cover and the fine print

We may, upon the written consent of the "insured", make any settlement of a "claim" which we deem reasonable.


If the "insured" withholds consent to such settlement, our liability for all "loss" resulting from such "claim" will not exceed the amount for which we could have settled such "claim", plus "defense expenses" incurred, as of the date we proposed such settlement in writing to the "insured".

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Cyber cover and the fine print

Upon refusing to consent to a settlement we deem reasonable, the "insured" shall, at its sole expense, assume all further responsibility for its defense, including all additional costs associated with the investigation, defense and/or settlement of such "claim".

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Cyber underwriting

- Multi-factor authentication
- Password management
- Individual security training

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What is the status of cannabis in Kansas?

- fully legal
- medicinal use only
- fully illegal
- I don't know

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Cannabis exposures and changes

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Updates to the legal landscape

- Illegal
- Legal
- Decriminalized
- 6 states
- Schedule I

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Updates to the coverage landscape


- Growth in available lines of business
- Approaching soft market
- Expanded territory
- Maturing market and clientele
- State regulation

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Issues in technology


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Insurtechs and their impact

- Personal lines
- Parametric insurance
- Embedded insurance

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How the app-only agency and company work

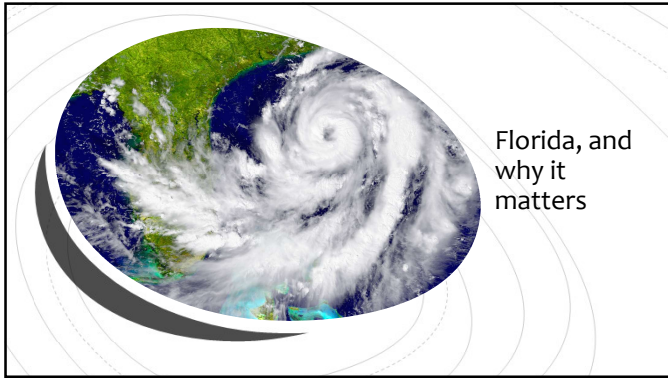
- App-only and app-first
- Algorithms
- Machine learning
- Artificial intelligence
- ChatGPT

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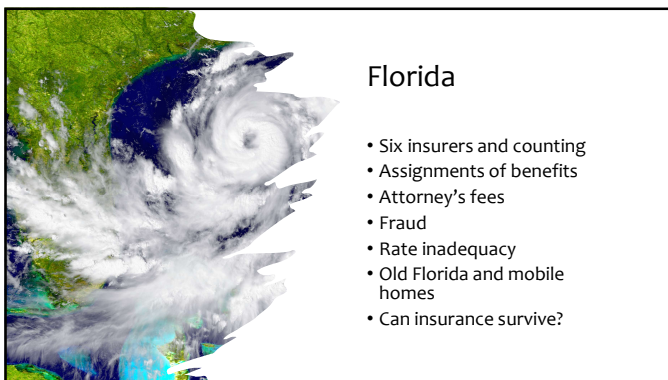


Litigation funding

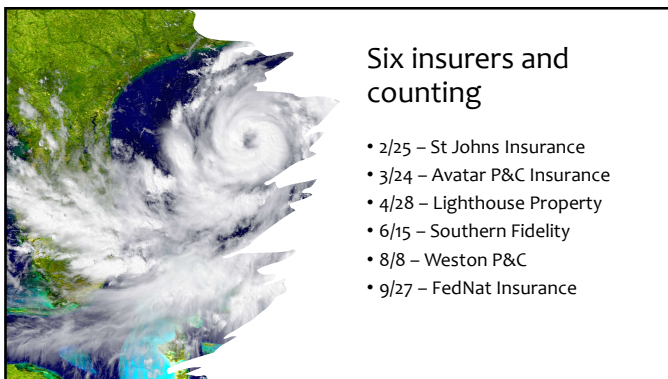
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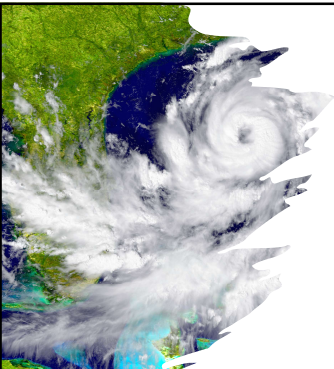
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Assignments of benefits

- Third-party
- Contractor talks with company
- Update: Banned in 2023

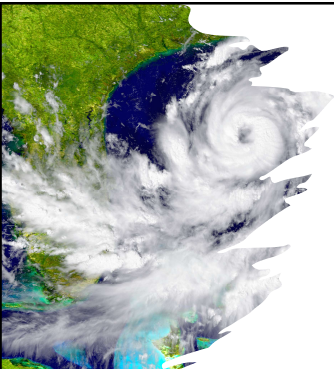
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Attorney's fees

- <20% = nothing
- 20-50% = 20-50%
- >50% = 100%
- Update: Banned in 2023

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Insurance premium dollars

- Operations
- Paying claims
- Future claims
- Profit

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Insurance and politics

- Insurance is expensive
- Each fix requires another fix
- Us vs them

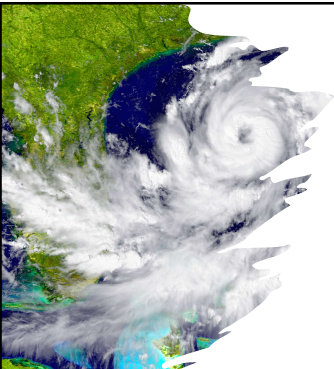
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Residual markets

- FAIR plans
- Citizens Property Insurance
- Wind-only
- Mobile homes
- HO-3

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Rate issues

- Rate rollbacks
- Rate cap 10%
- 20% rate comparison
- Take out program

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Creating a healthy insurance market

- Expand coverage
- Invest in state-run residual markets
- Encourage a robust surplus-lines market
- Encourage reinsurance investment
- Watch for the bad actors

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Where have we been?

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What are your questions?

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