

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, reaching towards a clear blue sky. The perspective creates a sense of height and scale. The buildings are primarily composed of dark glass and metal frames, reflecting the sky and each other.

# **Risky Business: Properly Protecting Your Clients in an Increasingly Risky World**

Presented by: Abby Lopez

**SwingleCollins  
& Associates**

# Swingle Collins & Associates

Established in 1982, Swingle Collins & Associates is one of the largest privately owned insurance agencies in Texas. Our size and ownership structure allow us to provide innovative solutions for even the most unique and complex risks, while still offering the tailored experience our clients desire.

We sincerely believe a client's trust is the greatest award any insurance agency can garner. At the same time, we're also honored that our expertise, performance, and commitment to service have been consistently and repeatedly recognized by some of the industry's most respected organizations and publications.



# Current State of the Market Property & Casualty



# Property – It's Actually (Slightly) Getting Better!

| Period  | Global Property Rate Change    | U.S. Property Rate Change | Source                              |
|---------|--------------------------------|---------------------------|-------------------------------------|
| Q4 2024 | -3% globally                   | Flat                      | Marsh Global Insurance Market Index |
| Q1 2025 | -8.52% overall                 | Continuing negative trend | Aon Property Market Dynamics        |
| Q2 2025 | -7% globally / -12.62% per Aon | -9% U.S.                  | Marsh / Aon                         |
| Q3 2025 | -8% globally                   | -9% U.S.                  | Marsh Global Insurance Market Index |
| Q4 2025 | -9% globally                   | Continued decline         | Marsh / Aon                         |
| Q1 2026 | -5% globally                   | -1% U.S.                  | Marsh Global Insurance Market Index |



# Property – It's Actually (Slightly) Getting Better!

## **The Four Drivers:**

1. Expanded Reinsurance Capacity
2. New Market Entrants
3. Favorable Catastrophe Loss Year
4. Improved Underwriting Results

## **Dealers Specifically:**

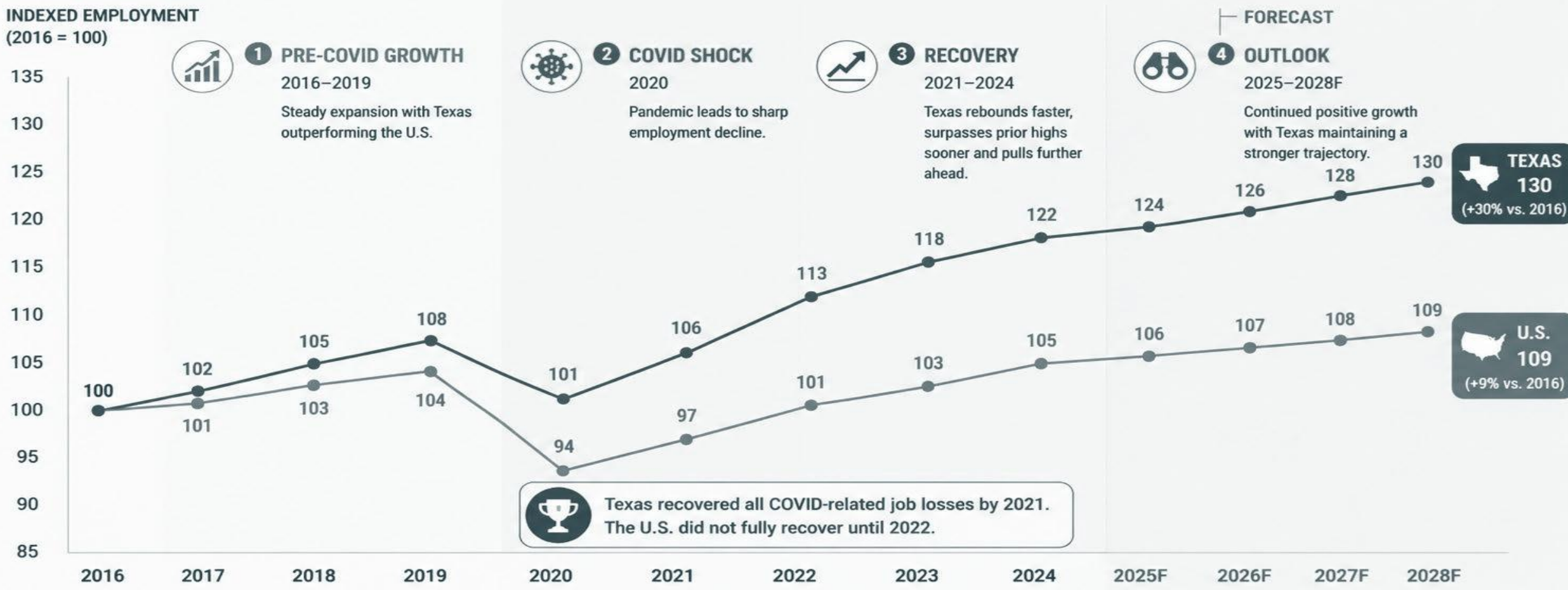
1. Where you live matters
2. Losses make an impact
3. Dealers Open lot coverage – some changes – new vs. pre-owned dealerships



# TEXAS VS. U.S. EMPLOYMENT GROWTH CYCLE (2016–2028)

*Texas Recovered Faster and Continues to Outgrow the Nation*

## INDEXED EMPLOYMENT (2016 = 100)



 **TEXAS CONTINUES TO LEAD. MORE JOBS. MORE GROWTH. MORE OPPORTUNITY.**

Stronger growth drives more payroll, more fleets, more construction and more liability exposure.

Sources: U.S. Bureau of Labor Statistics (BLS) – Total Nonfarm Employment (CES); Federal Reserve Bank of Dallas – Texas Employment Forecast (May 2024)

Note: Historical data through 2024. Forecasts 2025–2028.

# CONNECTING ECONOMIC GROWTH TO INSURANCE CONCERNS

| COVERAGE                                                                                                              | KEY GROWTH DRIVERS                                                                                                                                                                                              | TOP RISKS                                                                                                                                                                   | SMART RISK SOLUTIONS                                                                                                                                                                                                 | BUSINESS OUTCOMES                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>WORKERS' COMPENSATION</b>         | <ul style="list-style-type: none"><li>• Accelerated growth across all industries</li><li>• More payroll, more locations, more employees</li><li>• Labor shortages increase injury frequency</li></ul>           | <ul style="list-style-type: none"><li>• High claim frequency</li><li>• Severe injuries</li><li>• Rising medical and indemnity costs</li></ul>                               | <ul style="list-style-type: none"><li>• Invest in safety training and culture</li><li>• Strengthen return-to-work programs</li><li>• Use data to identify trends and prevent injuries</li></ul>                      | <br><b>HEALTHIER WORKFORCE.<br/>LOWER COSTS.<br/>STRONGER BUSINESS.</b>        |
|  <b>COMMERCIAL AUTO LIABILITY</b>     | <ul style="list-style-type: none"><li>• More vehicles, fleets and miles</li><li>• Congestion in major metros increases accidents</li><li>• E-commerce and delivery growth increase road exposure</li></ul>      | <ul style="list-style-type: none"><li>• High claim frequency</li><li>• Severe auto accidents and property damage</li><li>• Nuclear verdicts and litigation</li></ul>        | <ul style="list-style-type: none"><li>• Implement driver safety programs and training</li><li>• Use telematics, dash cams and real-time monitoring</li><li>• MVR monitoring &amp; action</li></ul>                   | <br><b>SAFER DRIVERS.<br/>FEWER ACCIDENTS.<br/>LOWER TOTAL COSTS.</b>          |
|  <b>GENERAL LIABILITY</b>            | <ul style="list-style-type: none"><li>• More businesses, locations and operations</li><li>• Growth in construction, retail and services</li><li>• Increased foot traffic and third-party interactions</li></ul> | <ul style="list-style-type: none"><li>• Premises liability claims</li><li>• Bodily injury and property damage</li><li>• Contractual liability exposures</li></ul>           | <ul style="list-style-type: none"><li>• Maintain contracts and insurance requirements</li><li>• Train employees on customer and vendor safety</li><li>• Implement incident reporting and claims management</li></ul> | <br><b>REDUCED LIABILITY.<br/>STRONGER DEFENSE.<br/>BUSINESS CONFIDENCE.</b>   |
|  <b>UMBRELLA / EXCESS LIABILITY</b> | <ul style="list-style-type: none"><li>• More assets, revenues and operations</li><li>• Larger verdict environment in Texas</li><li>• Greater reliance on contractors and third parties</li></ul>                | <ul style="list-style-type: none"><li>• Large loss severity and verdicts</li><li>• Auto and GL limits that exceed underlying limits</li><li>• Reputational damage</li></ul> | <ul style="list-style-type: none"><li>• Purchase adequate umbrella limits</li><li>• Manage underlying auto and GL risks proactively</li><li>• Implement risk transfer and indemnity strategies</li></ul>             | <br><b>FINANCIAL PROTECTION.<br/>PEACE OF MIND.<br/>BUSINESS CONTINUITY.</b> |

# WORKERS COMPENSATION: THE ANCHOR LINE IN CASUALTY PORTFOLIOS

*Why Carriers Still Want WC — Even When Auto & Umbrella Are Challenging*

## WHY IT MATTERS STRATEGICALLY

| Workers Comp Helps Balance the Casualty Portfolio                                                     |                     |                     |
|-------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| LINE OF COVERAGE                                                                                      | MARKET CONDITION    | CARRIER PERSPECTIVE |
|  WORKERS COMPENSATION | Profitable / Stable | Anchor Line         |
|  COMMERCIAL AUTO      | Severity Challenged | Volatile            |
|  GENERAL LIABILITY    | Selective / Mixed   | Mixed               |
|  UMBRELLA / EXCESS    | Capacity Stressed   | High Risk           |
| “ Carriers often view Workers Comp as the stabilizer inside a broader casualty relationship. ”        |                     |                     |

## WHY CARRIERS WANT WC WITH TOUGHER LINES

- 1



**Diversification of Loss Profile**  
Workers Comp behaves differently than Auto and Umbrella.
- 2



**Better Client Retention**  
Multi-line accounts improve long-term carrier relationships.
- 3



**Premium Scale**  
WC often represents large premium volume on middle-market accounts.
- 4



**Underwriting Leverage**  
Strong WC performance can improve broader account economics.
- 5



**Data & Risk Visibility**  
WC gives insight into hiring, turnover, safety culture and management quality.



**KEY TAKEAWAY:** Workers Compensation often gives carriers the confidence to stay on challenging casualty accounts.

**FOR AGENTS:** Agents who bring profitable WC business may create:

  
Better umbrella access

  
More stable renewals

  
Stronger underwriting relationships

  
Better negotiation leverage

# TEXAS ROADS ARE CARRYING A 2035 ECONOMY ON INFRASTRUCTURE BUILT FOR AN EARLIER TEXAS.

## THE TEXAS OF YESTERDAY

Infrastructure Built for an Earlier Texas  
2000-2010 Era Roads



POPULATION  
20.9 MILLION



REGISTERED VEHICLES  
17 MILLION



DAILY VMT  
~160 MILLION



LANE MILES ON  
INTERSTATE HIGHWAYS  
~3,000



THE GAP

DEMAND IS OUTPACING  
INFRASTRUCTURE

## THE TEXAS OF TOMORROW

A 2035 Economy  
Today's Congested Reality



POPULATION  
EXPECTED  
30+ MILLION



REGISTERED VEHICLES  
PROJECTED  
27+ MILLION

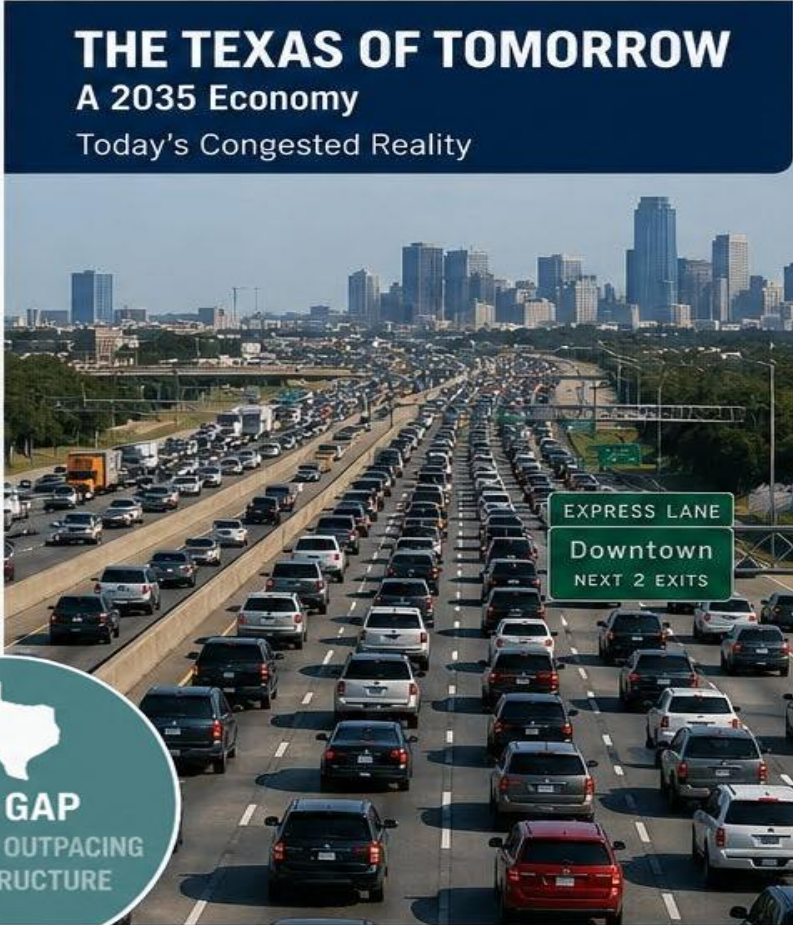


DAILY VMT  
PROJECTED  
~280 MILLION



LANE MILES ON  
INTERSTATE HIGHWAYS  
~3,300\*

\*Not keeping pace  
with demand



THE RESULT: MORE CONGESTION. MORE RISK. HIGHER COSTS.



MORE  
ACCIDENTS



LONGER  
DELIVERY TIMES



HIGHER FUEL  
& OPERATING COSTS



ECONOMIC GROWTH  
AT RISK



HIGHER INSURANCE  
COSTS

TO KEEP TEXAS STRONG, OUR INFRASTRUCTURE MUST CATCH UP WITH OUR FUTURE.



# IMPROVING THE PERFORMANCE OF AUTO LIABILITY IN TEXAS.

A 3-PART STRATEGY TO IMPROVE ROADS, REDUCE CRASHES AND STABILIZE INSURANCE COSTS



Safer Drivers



Safer Roads



Smarter Fleets

1

## BUILD THE DRIVER PIPELINE & RAISE TRAINING STANDARDS



Expand CDL training programs and technical school partnerships



Create apprenticeships and work-based learning



Set high standards for onboarding, training and road testing



Support driver retention and continuous safety education



**STRONG PIPELINE.  
SKILLED DRIVERS.**

Lower crash frequency and severity.

2

## ENFORCE DISTRACTED DRIVING AND IMPROVE ACCOUNTABILITY



Strengthen distracted driving laws for all drivers



Increase enforcement and penalties for violations



Hold commercial drivers and fleets to a higher standard



Launch education campaigns that change driver behavior



**STRONGER LAWS.  
GREATER ACCOUNTABILITY.**

Fewer distractions. Fewer crashes.

3

## ACCELERATE FLEET SAFETY TECHNOLOGY ADOPTION



Incentivize telematics, dash cams and real-time monitoring



Promote collision avoidance and active safety systems



Use data and analytics to coach drivers and reduce risk



Offer grants and tax incentives for small and midsize fleets



**SMARTER FLEETS.  
LOWER RISK. LOWER COSTS.**

Better outcomes for businesses and insurers.

# SOCIAL INFLATION & NUCLEAR VERDICT EXAMPLES

The New Reality Driving Casualty Severity and Umbrella Pricing



## WHY VERDICTS ARE RISING

- More plaintiff funding.
- Sympathy for plaintiffs.
- Higher medical costs.



## WHY UMBRELLA PRICING REMAINS STRESSED

- Follows underlying severity.
- Jury awards pierce limits.
- Reinsurance cautious on peak severity.



## TEXAS LITIGATION ENVIRONMENT

- Plaintiff-friendly climate.
- "File where you can win."
- Frequent filings in major counties.



## JURY TRENDS IMPACTING CASUALTY PRICING

- Larger non-economic awards.
- Nuclear verdicts more common.
- Verdicts not aligned with facts.



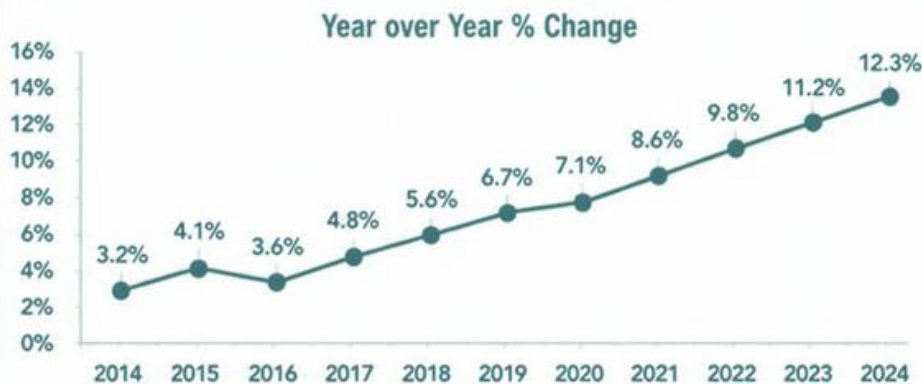
## ACTUAL VERDICT EXAMPLES (MORE RECENT)

- \$151.4 MILLION VERDICT (2024)**  
Dallas County, TX  
18-wheeler crash – catastrophic injuries.
- \$95.6 MILLION VERDICT (2023)**  
Harris County, TX  
Premises liability – forklift accident.
- \$71.6 MILLION VERDICT (2022)**  
Dallas County, TX  
18-wheeler rear-end collision.
- \$43.6 MILLION VERDICT (2021)**  
Harris County, TX  
Premises liability – fall.

Sources: Court records, industry reports, verdictsearch.com  
Results may vary. Past outcomes do not predict future results.



## COMMERCIAL CASUALTY SEVERITY TREND (ILLUSTRATIVE MARKET TREND)



**CUMULATIVE 10 YEAR INCREASE (2014–2024): 107%**

Note: Represents illustrative market trend of median paid loss severity across major commercial casualty lines.



## "\$1M IS THE NEW \$250K"

A decade ago, \$250K was considered a large verdict. Today, defense verdicts, nuisance value awards, and soft tissue claims routinely exceed \$1M.

### WHAT THIS MEANS:

- ✓ More claims are piercing primary limits.
- ✓ Umbrella and excess limits attach more frequently.
- ✓ Retention levels must increase.
- ✓ Carriers must price for severity.
- ✓ The old assumptions no longer apply.



SOCIAL INFLATION ISN'T HYPOTHETICAL — IT'S HERE, IT'S REAL, AND IT'S DRIVING TODAY'S CASUALTY MARKET.

# HOW TO DRIVE STRONGER UNDERWRITER DECISIONS



*Today's Market Rewards Well-Prepared Risks and Strong Partnerships*

## FOCUS AREAS THAT MATTER MOST TO UNDERWRITERS

### 1 STRONG NARRATIVE & COMPLETE SUBMISSIONS

- Start renewals early to allow adequate time.
- Complete all supplemental applications.
- Provide accurate, timely and consistent information.
- Explain operations and business model clearly.
- Tell the company story, including stability and growth.
- Highlight leadership, culture and differentiators.

### 2 RISK MANAGEMENT PHILOSOPHY

#### WORKERS COMPENSATION

- Documented safety program and regular training.
- Strong return-to-work and injury management.
- Loss trend monitoring and continuous improvement.

#### COMMERCIAL AUTO

- MVR monitoring and hiring standards.
- Drive training, coaching and ongoing evaluations.
- Use of telematics, dash cams and vehicle safety technology.
- Proactive maintenance and vehicle replacement standards.

#### GENERAL LIABILITY

- Contractual risk transfer: strong hold harmless, indemnity and additional insured language.
- Manage public exposure: premises safety, security and crowd control.
- Certificates of insurance tracked and documented.
- Incident reporting and claim reporting processes in place.

### 3 CLAIMS TRANSPARENCY AND RISK IMPROVEMENT

- Provide a complete loss history with context.
- Explain large losses and root causes.
- Show corrective actions and lessons learned.
- Demonstrate a culture of continuous improvement to reduce future losses.

## WHAT THIS CREATES



**BETTER UNDERWRITER  
CONFIDENCE**



**MORE COMPETITIVE  
TERMS**



**BETTER LONG-TERM  
RELATIONSHIPS**



**IMPROVED RENEWAL  
STABILITY**



**UNDERWRITERS ARE NO LONGER JUST PRICING ACCOUNTS – THEY ARE SELECTING LONG-TERM PARTNERS.**

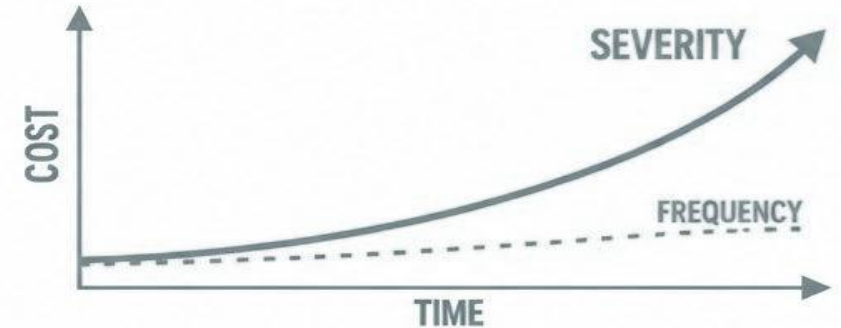
# FINAL TAKEAWAYS



- 1** | Texas growth is increasing casualty exposure.



- 2** | Severity — not frequency — is driving market stress.



- 3** | Risk quality and underwriting narrative now matter more than ever.



**STRONG RISK  
QUALITY**



**CLEAR  
NARRATIVE**



**BETTER  
OUTCOMES**

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# QUESTIONS?

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& Associates