



Actuaries & Insurance Management Advisors

CLLAS

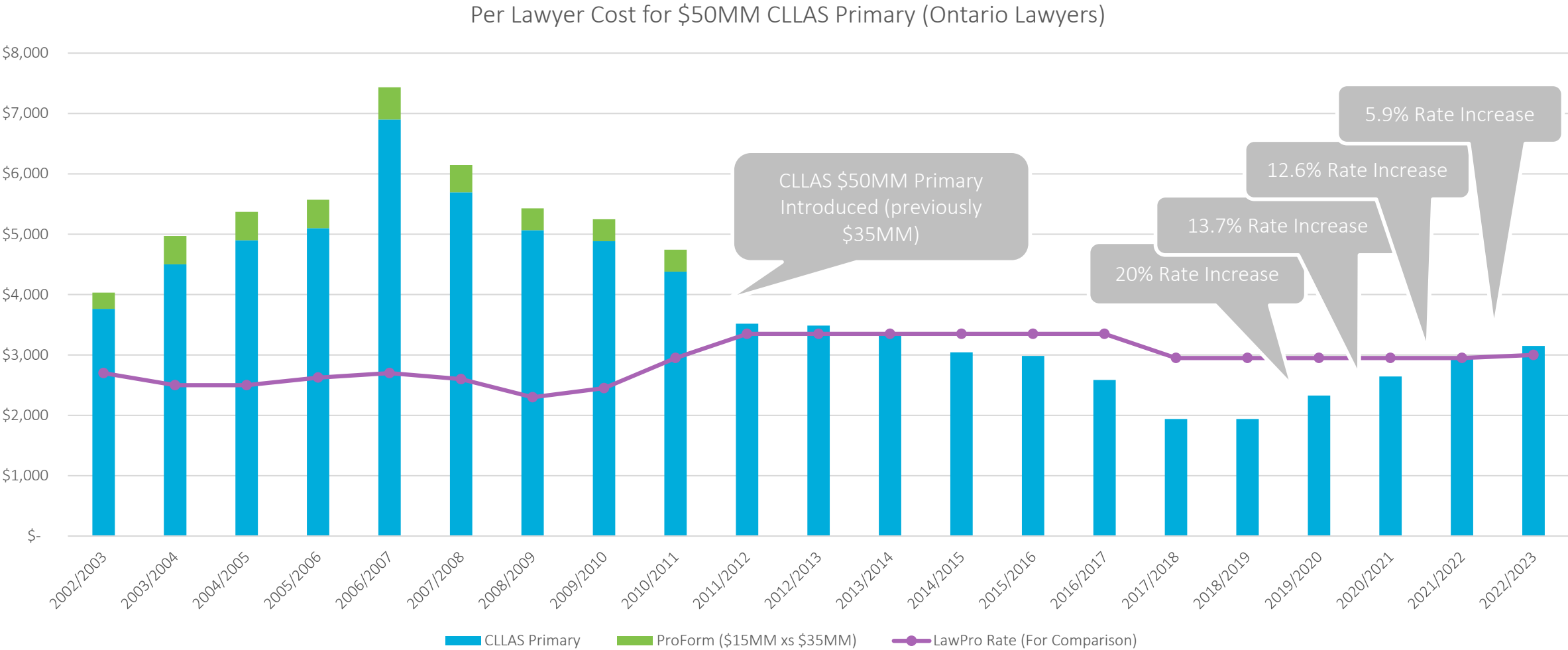
Renewal Summary and Programs Update

September 20, 2022

Agenda

- CLLAS Renewal
 - Background
 - Overview
 - Reinsurance Markets and Capacity
 - Reinsurance Rates
 - CLLAS Rates
 - Conclusion
- ODL Program Update
- Cyber Program Update
- CLLAS Associate Member Program Update

Background



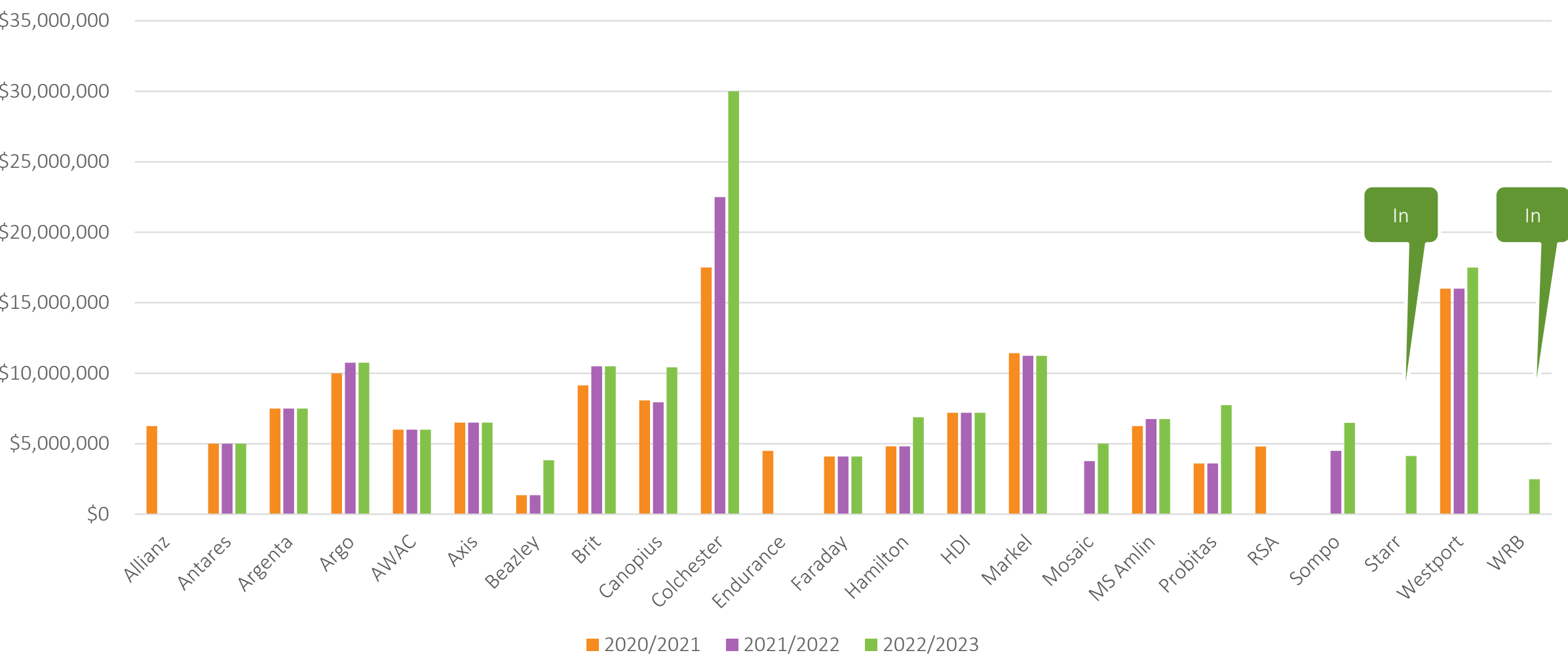
Overview

- Renewal negotiations were smoother with our markets than in the last three renewals, but upward pressure on rates remains, especially as a result of rising inflation.
 - 5.0% increase in rates on the \$49MM x \$1MM primary layer.
 - On the excess layers, we agreed to 20% and 16% on the optional excess and umbrella layers, respectively.
- Stable capacity

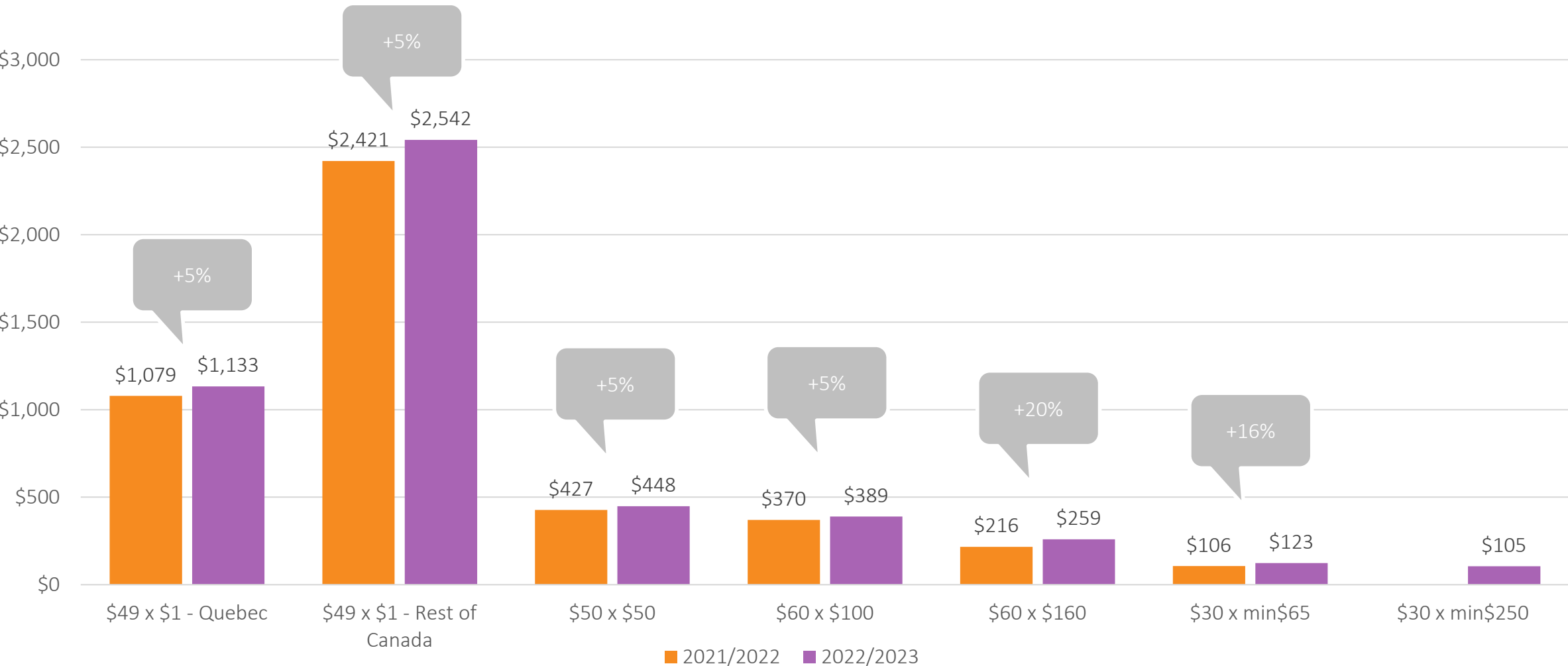
We did not lose any capacity for 2022/2023, in fact we gained two new markets (Starr and WRB syndicates) which is the best indication of the improved stability in the market relative to past renewals.
- New umbrella layer

A new \$30MM optional umbrella layer, supported by London, was introduced. 7 of the 9 firms for whom the limits were available elected this coverage.

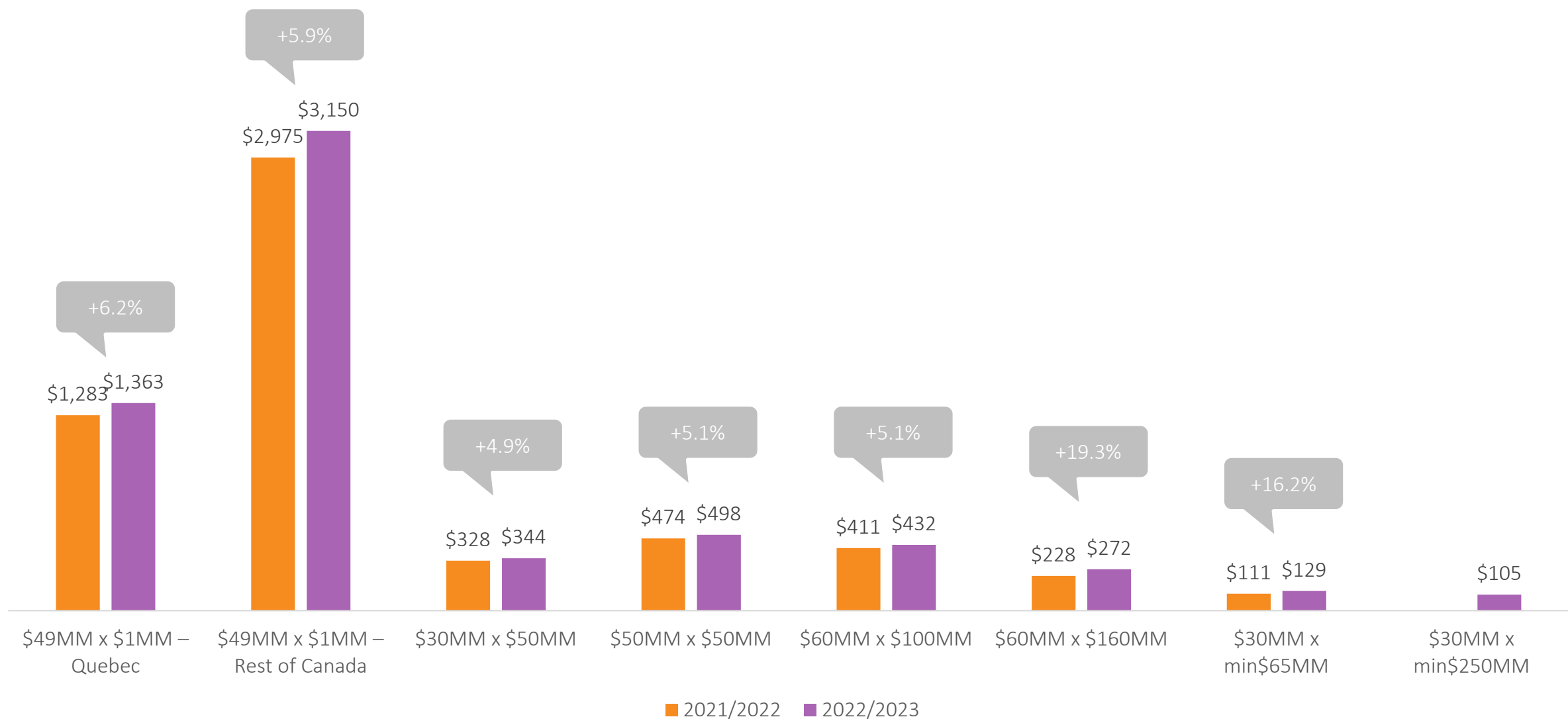
Reinsurance Markets and Capacity



Reinsurance Rates per Lawyer



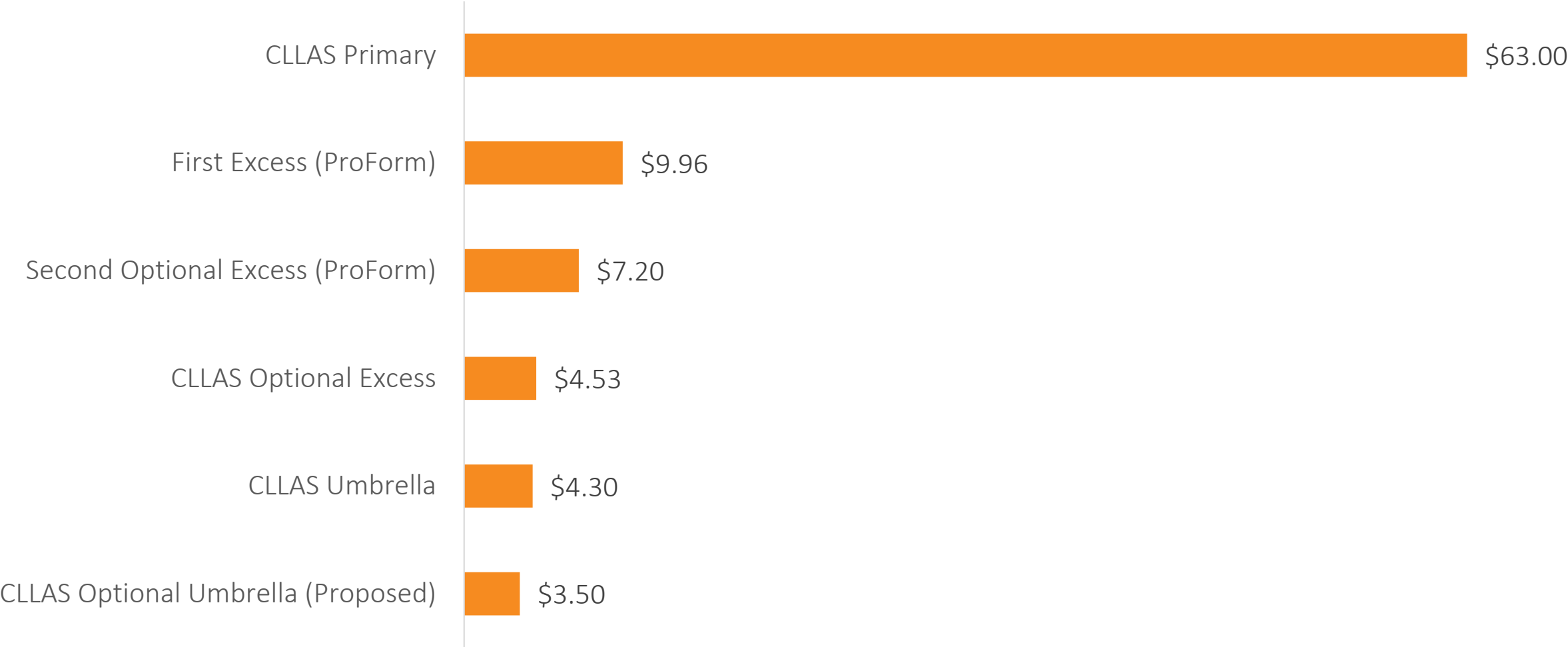
CLLAS Rates per Lawyer



CLLAS Rates per Lawyer - Total



CLLAS Rates per \$1MM of Limit per Lawyer



Conclusion

- While the market continues to seek rate adjustment, this has been tempered somewhat this year and we seeing signs of softening. CLLAS continues to prove its value by delivering relative stability and control, both in terms of pricing and coverage.

ODL Program Update

- The D&O market overall has stabilized relative to recent years, but pricing and coverage remains a challenge for certain industries (i.e. healthcare, oil and gas).
- The ODL program continues to provide stable renewal terms over the standard marketplace with rate increases in the 5% range overall.
- Though capacity for ML/EPL continues to be a challenge with very few markets willing to write this business (particularly with US exposure), new markets are starting to be attracted as a result of pricing increases in recent years.

Cyber Program Update

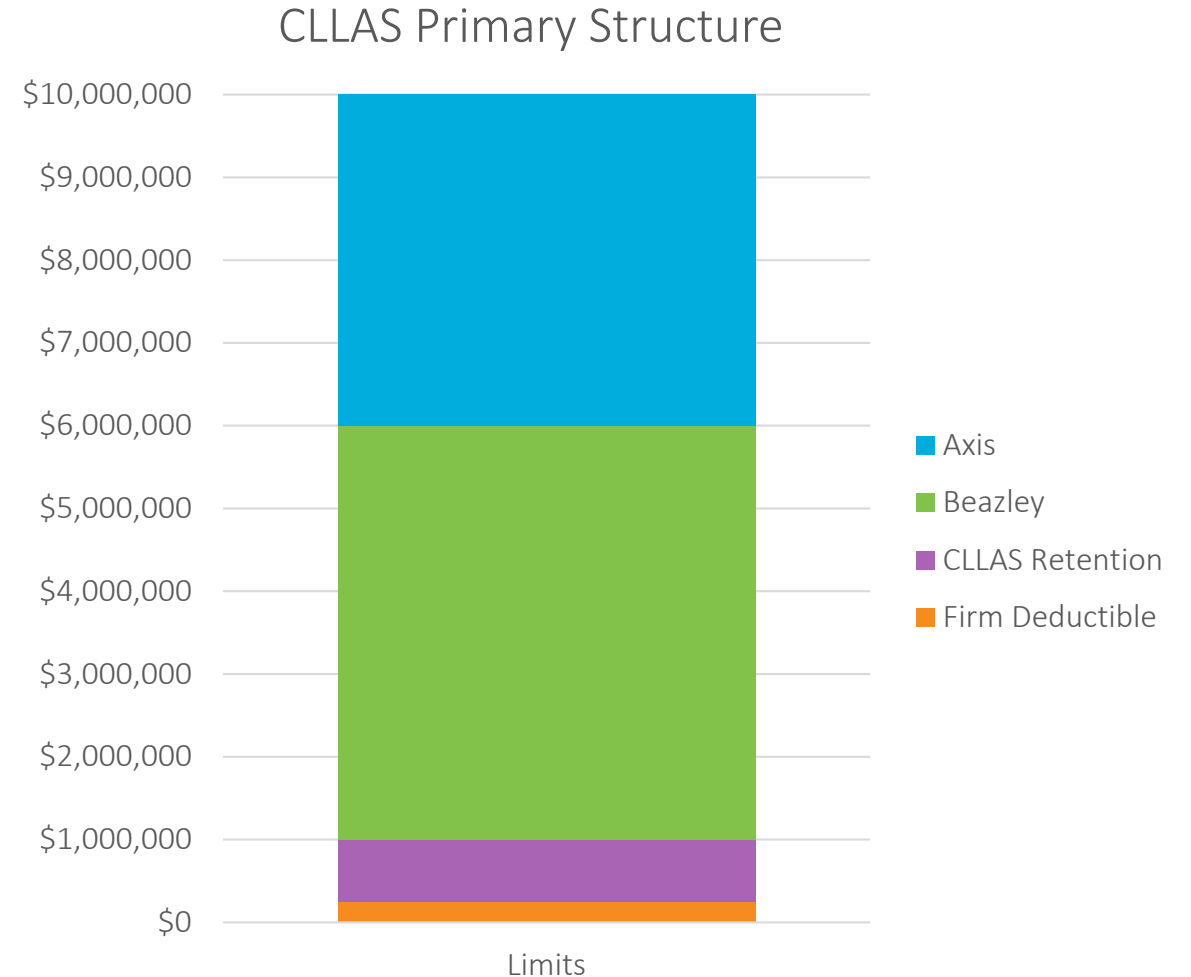
- Marketplace
 - Market for cyber continues to evolve - underwriting guidelines shifting to align with losses
 - Many markets exiting or reducing capacity/coverages
 - Significantly reduced appetite for large risks (especially > \$1B, but threshold is reducing)
 - Rates and retentions are still on the rise
 - Expecting 20-30% rate increase in the coming year
 - Coverages are disappearing and being reduced
 - SEF coverage is largely unavailable in the broader marketplace
 - Ransomware and reputation risk coverages are being sub-limited and/or carries massive retention

Cyber Program Update

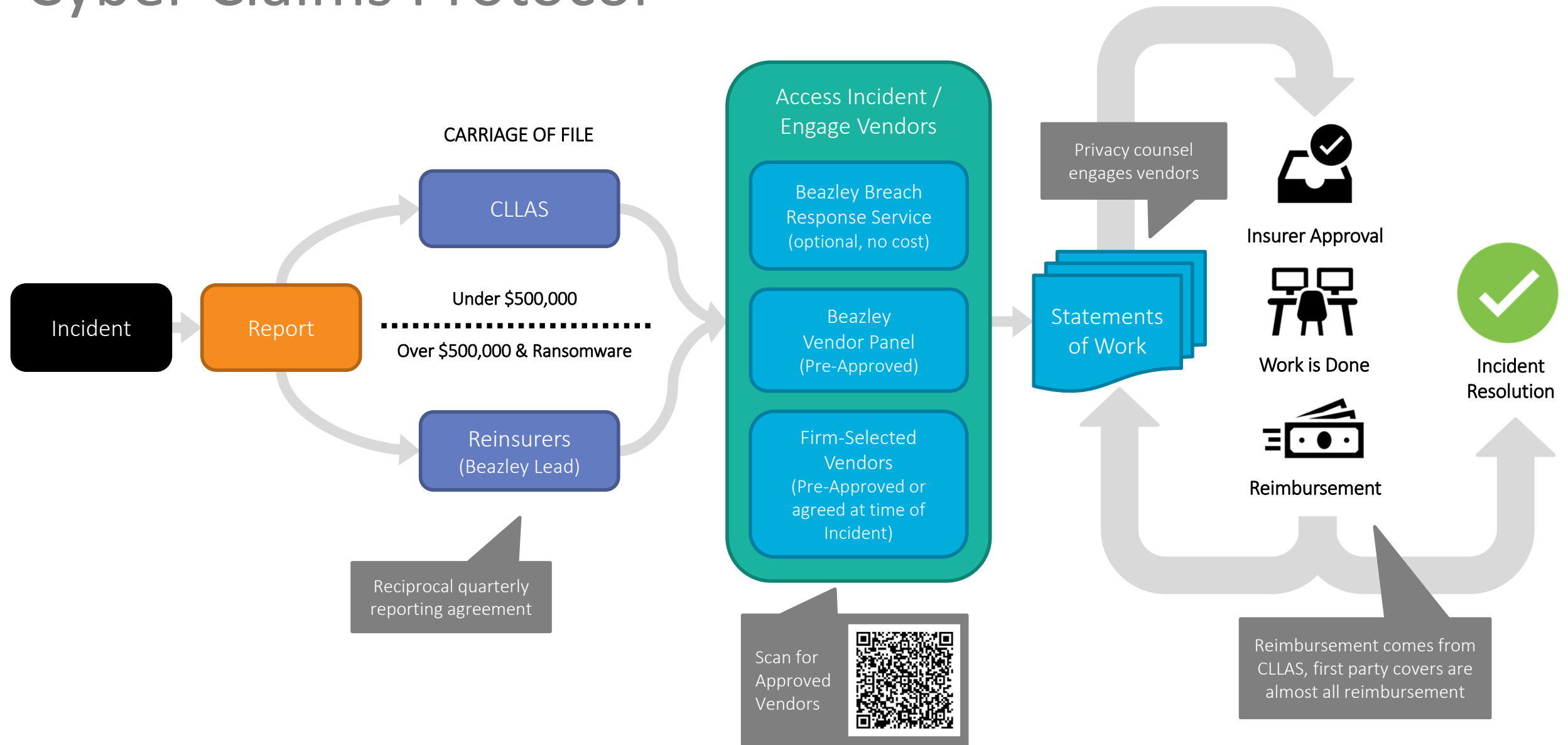
- CLLAS Program Update
 - CLLAS cyber program is up and running, our first cyber insured joined July 1, 2022
 - Applications are out for October 15, 2022 renewals
 - All firms expected to join
 - First firm incepted effective July 1, 2022
 - 8 CLLAS firms are expected to incept October 15, 2022
 - 1 Associate Member firm is being approached to join CLLAS formally for October 15, 2022
 - 1 CLLAS firm is working through internal processes for incepting in November 2022

Cyber Program Update

- Reinsurance placement
 - Beazley is reinsuring \$5MM excess of \$1MM for each firm
 - Long negotiations to select second layer reinsurer
 - Quotes from Hamilton and Axis were considered for \$4MM excess of \$6MM, but Axis placement is being completed as it provides better cover at a modest premium increase
- Excess layers will be placed commercially



Cyber Claims Protocol



CLLAS Associate Member Program Update

- Both Lenczner Slaght LLP and Stockwoods LLP renewed for 2022/2023
- Rates for 2022/2023 increased by 5% on the \$30MM primary under that program, and the \$20MM xs \$30MM saw a similar increase.
- Lencznors also purchases Cyber coverage through CLLAS