



2025 Performers of the US & Vendors of the US Renewal Newsletter

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Greetings, Everyone!

It's insurance renewal time! Last year, we wrote about how turbulent the insurance industry was, with extreme weather and natural disasters causing market losses to the point that some carriers became insolvent. Well, guess what? Same stuff, different year. I wish we had better news, but as weather-related claims and the general litigious nature of the US continues to impact insurance carriers' bottom lines, those same carriers continue to scramble and recoup losses in other areas.

What that means: Insurance rates are increasing. Again. Read on for more details below.

PERFORMERS (see page 2 for VENDOR news)

Rate increases: Performer option 1 (\$1,000,000/\$2,000,000 plan) had a relatively marginal rate increase of approximately \$10, but our carrier sprung a truly unprecedented (for us) rate increase at the last minute on our option 2 (\$3,000,000/\$5,000,000 plan). Our option 2 rates have almost doubled.

Their reasoning for the option 2 increase: "[We] realize that this is a significant increase, but the per occurrence limit available is \$3M and [we have] only earned \$2.5M in premium for this program over the last ten years. [Our] concern is that just one policy limits claim (\$3M) would be catastrophic for that policy due to the overall lower premium earned year-over-year and that is why [we are requiring] a significant renewal increase this year."

Our recommendation for those with option 2 \$3M/\$5M limits: If you don't need option 2 limits, consider dropping to the option 1 limits for your renewal. However, before switching limit options, look over your contracts for your specific needs. Your invoice will show a renewal for your current coverage, but you *always* have the choice to change your coverage at renewal. Simply write on the enclosed invoice that you'd like to drop to option 1 coverage (or fill out an online renewal application for option 1 coverage). Enclose payment for that plan instead of the amount shown on your invoice. If you need any confirmation of what that amount should be, contact us. We've included updated rates below.

Change for those with Inc or LLC in their dba: Our carrier has informed us they will no longer accept dba's with LLC or Inc at the end, even if it's for a sole proprietor. This is because including Inc or LLC could elude coverage being extended to employees, board members, or others involved with the business, which this policy does not. Nothing in the policy has changed (it's always been an individual policy that insures one person), but they would like to prevent increased legal fees should someone argue there's additional coverage because of the addition of Inc or LLC.

Performer Insurance rates

Commercial General Liability Premiums	Option 1: \$1M/\$2M	Option 2: \$3M/\$5M	Rider Premiums	
Group 1: 1-19 performing days	\$304	\$850	Inland Marine \$10K	\$242
Group 1: 20+ performing days	\$314	\$860	Inland Marine \$25K	\$455
Group 2: 1-19 performing days	\$326	\$900	Equipment Leased/Rented \$10K	\$197
Group 2: 20+ performing days	\$336	\$910	Assistant, each	\$100
Group 3: 1-19 performing days	\$408	\$1,015	SAM \$100K/\$300K	\$150
Group 3: 20+ performing days	\$418	\$1,025	SAM \$1M/\$2M	\$750

Please note that if you're a performer that had Option 2 coverage last year but would like to drop down to the Option 1 coverage limits this year, that's fine with us! Give us a call for your new rate, or go online and edit your renewal application accordingly, selecting the Option 1 policy. If you need to return to Option 2 limits at any time during your policy period, you can do that by giving us a call and paying the price difference over the phone.

VENDORS

Rate increases and Inland Marine changes: The loss ratio for this program is at 74%, which is, frankly, atrocious. (40-60% is considered an acceptable loss ratio, for reference.) We've had some rather large liability claims the past few years, but the Inland Marine rider alone has losses at 307%. Yes, three-hundred and seven percent. That wasn't a typo.

What does a loss ratio mean? The carrier piles all the cash they've collected from premiums and compares that to how much they've paid out in losses. A 74% loss ratio means that, yes, they still have 26% of the money they've collected as profit, but out of that remaining profit, they have to pay underwriters, claims examiners, lawyers, etc. This doesn't leave much left over to appease their shareholders that this program is good business, nor does it leave much left over to pay any future claims that may arise.

As a result of these loss ratios, the following changes are taking place. See detailed rates in the table below:

1. **Liability premiums** for the Vendor liability coverage are increasing again as the carrier continues their endeavor to right-side-up this program. Rates are increasing by \$80 for most Vendors of the US members.
2. The carrier offered us a choice on the **Inland Marine coverage**: not offer it all, or offer \$10K of coverage with a \$2,500 deductible at a drastically higher premium of \$605. Additionally, both wind and theft are now excluded.
 - a. We do *not* feel this is a good buy with the increased premium, increased deductible, and added exclusions. However, we'll offer it in case someone out there feels it's worth the money. Know that if you're on the fence, you can always purchase your liability coverage now and add Inland Marine coverage later by calling the office.
 - b. We *can* quote individual Inland Marine coverage outside of the Vendor insurance program. The minimum deductible would be \$1,000, and wind/theft coverage would likely be available. Additionally, we can quote for higher levels of coverage if needed above \$10K. However, the total due would depend on each individual business's risk and property covered and coverage limits. Rates + taxes + fees would *start* at \$650. Additionally, these quotes take time, so plan accordingly.

If you would like to get an **individualized quote for Inland Marine** coverage outside of the Vendor insurance program, email us at info@specialtyinsuranceagency.com.

Vendor Insurance rates

Commercial General Liability \$1M/\$2M	\$490
Optional Riders:	
NYC + 5 Boroughs coverage	\$205
Inland Marine \$10K (\$2,500 deductible, no wind/theft coverage)	\$605
Equipment Leased & Rented \$10K	\$605
Sexual Abuse & Molestation \$100K/\$300K	\$150
Cyber Liability \$25K	\$95
Cyber Liability \$50K	\$150

In Closing

Last year, we did shop these programs in search for a new carrier, but our current broker was unable to find a market offering the same coverages at anywhere near the same prices.

This year, we're trying again. Most carriers will only talk to a wholesaler (a broker) and won't talk directly to a retailer (that's us). However, there are some that will. While we value the relationship with our current broker, it's time to see what markets other wholesalers have access to and reach out to carriers who will work directly with us as well. There are carriers out there that we haven't approached yet. We will share more news about our search for a new carrier as we are able.

Our dedication remains to our clients, and to provide reliable, affordable coverage. Thank you for your business this past year and for considering family- and veteran-owned Specialty Insurance Agency for your insurance needs.

Heather Weiss Zenzen, Noah Zenzen, and the Specialty Insurance Agency Team