

# FOOD & AGRIBUSINESS

## MARKET TRENDS

While challenging market conditions remain, there are some positive indicators for businesses. In the second half of 2021, the scale of rate increases decelerated. While insurance prices are still above their historical averages, we expect to see a continual softening of the insurance market for many lines.

more prone to double-digit rate increases and increasingly restrictive underwriting standards, as well as experience significant difficulties securing or maintaining higher coverage limits.

### IMPACTS ON TRENDS

The following are additional factors that are currently influencing insurance rates in the towing and transportation industry:

### SUPPLY CHAIN & INFLATION ISSUES

Since the onset of the pandemic, a range of supply chain disruptions have taken place. The majority of these issues stemmed from increased demand for various items and materials amid a slowdown in production and subsequent lack of availability during pandemic-related closures. Even as organizations have resumed their normal operations and increased production levels, consumer demand for certain items and materials has continued to outweigh inventory. This is likely attributed to a greater number of consumers making large purchases from accumulated savings throughout the pandemic. Creating further supply chain bottlenecks, an ongoing shortage of warehouse workers and truck drivers has slowed shipment and delivery times for high-demand goods.

Several economic experts believe these supply chain issues will continue into at least the first half of 2022 before eventually subsiding.

LINE OF COVERAGE	PRICE PREDICTION FORECAST
COMMERCIAL PROPERTY	<b>Overall:</b> Flat to +10%
GENERAL LIABILITY	<b>Overall:</b> Flat to +10%
COMMERCIAL AUTO	<b>Overall:</b> +5 to +15%
WORKERS' COMPENSATION	<b>Overall:</b> -5 to +5%
CYBER LIABILITY	<b>Overall:</b> +15 to +50%
DIRECTORS AND OFFICERS LIABILITY	<b>Private/nonprofit entities:</b> +5 to +15% <b>Public companies:</b> +5 to +25%
EMPLOYMENT PRACTICES LIABILITY	<b>Overall:</b> +5 to +15%

In 2022, we predict that most policyholders will encounter another year of modest rate increases. Renewal results will likely depend on an organization's exposures, class, and loss history. Policyholders who operate in sectors with elevated general liability exposures may be

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## LABOR SHORTAGES

Filling jobs with experienced workers has been a challenge for organizations across industry lines due to ongoing labor shortages. There are several factors that may be contributing to these shortages, including a growing percentage of workers entering retirement (and doing so earlier) and workers leaving the workforce due to caregiving responsibilities. As a result, there were more job openings available in 2021 than there have been in the last two decades. Because of these shortages, many employers have begun hiring a larger number of inexperienced workers.

## HOW KAPNICK CAN HELP

Despite challenges to the industry, Kapnick can help. We have a variety of resources, partnerships, and strategies to ensure you have the right program in place for your needs and long-term goals.

### SOME OF THESE TOOLS INCLUDE:

- Provide education on key market changes affecting your rates and how to respond using loss control measures.
- Provide risk assessments to recommend safety training and injury-prevention methods.
- Begin the renewal process early. Many insurers are seeing an increased submission volume. Timely, complete, and quality submissions are vital to ensure your application will be reviewed by underwriters.
- Recommend telemedicine options, and workplace wellness initiatives aimed at preventing or treating chronic health conditions and improving the overall well-being of your staff. These initiatives can help reduce the risk of your workforce developing co-morbidities.
- Determine whether you will need to adjust your retentions or limits to manage costs.

For more information, reach out!



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