San Diego’s business insurance sector is open for business and working to serve customers during the COVID-19 crisis and beyond, according to industry experts.

While the pandemic and its attendant economic downturn have put pressure on the industry and led to significant changes in how companies operate, San Diego’s top insurance brokerages have not only kept their doors open, but worked quickly to adapt to their clients’ changing needs.

Increased Reliance on Technology

Even as the economy continues to reopen, San Diego’s insurance market is definitely not back to “business as usual,” with extra steps involved to communicate and meet with clients, and an increased reliance on technology and video-conferencing, said Peter Carpenter, chief operating officer for Alliant Insurance Services, Inc., which splits its headquarters between San Diego and Newport Beach.

But Carpenter said the industry responded quickly to the new normal brought on by COVID, and is doing a “good job of being there for clients.”

Among the trends facing the insurance industry, said experts, is a “hardening” of insurance markets, meaning that premiums are rising. Rates were facing upward pressure before COVID, but the pandemic has amplified the trend. That in turn has caused business insurance customers to look for cost efficiencies.

“It’s a very intense time. Everybody is looking at every dollar very hard,” Carpenter said.

Alliant Insurance Services, Inc.
Chief Operating Officer
Peter Carpenter

COVID-19

For example, property insurance rates have gone up due to a series of natural disasters, and liability rates have risen due to some large awards in civil cases, Reeves said.

“These are two factors that have driven the market to an increasing rate environment,” she said. “COVID has accelerated this.”

Brokerages such as Marsh & McLennan help clients find the right insurance program to fit their needs, and they interact with both businesses and insurance carriers, said Reeves.

“Those are two factors that have driven the market to an increasing rate environment,” she said. “COVID has accelerated this.”

During COVID, brokers have educated themselves on a variety of topics, from new government regulations to risks related to the virus in the workplace, so they can pass the information along to their clients.

“Our job is to really understand the business and ask the questions, and advise clients on the best (and most economical) way to handle the risks,” she said.

Stepped Up

Along with their traditional role of advising clients on their insurance needs, brokers have stepped up in new ways. For example, when the economy began to open up, MMA helped its clients put together videos to train their employees on new safety procedures as they began to come into the office to work.

“That’s something we would never have done before,” Reeves said. “It has nothing to do with insurance, it’s just helping them in this really distressed time.”

Also related to COVID, MMA has created a checklist for its business customers to use in case of a virus outbreak in their plant or business facility. The purpose is to help clients navigate through challenges, whether COVID-related, or some other type of risk, she said.

Providing that service to clients requires skilled employees, and MMA has continued hiring during the outbreak.

SPECIAL REPORT: INSURANCE

Insurance Brokerages Work to Adapt to Clients’ Changing Needs

As Economy Reopens, Sector Seeing ‘Very Intense Time’

BY JOE TASH

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PETER CARPENTER

Marsh & McLennan Agency LLC
Chief Sales Officer and Principal
Trindl Reeves

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TRINDL REEVES
Insurance

“We’ve definitely added headcount during this time,” she said.

“Things are changing so quickly from week to week and month to month, that it’s just requiring the insurance industry to be very nimble and creative, in order to continue to meet clients’ needs.”

DOUG OBESENHAIN

Covid, and the fast-changing nature of business conditions, have kept the insurance industry on its toes, said Doug Obenshain, senior vice president with Lockton Insurance Brokers LLC, of San Diego.

The pandemic has also helped fuel price increases, he said.

“Covid-19 created a lot of uncertainty in the insurance carrier community and they are having to price for that uncertainty,” Obenshain said.

Obenshain said businesses are doing their best to keep their employees safe during the pandemic.

“My clients are trying very hard to create the right environment for their employees as people are returning to the office,” he said.

Throughout the pandemic, said Obenshain, his firm has watched with admiration as businesses in his hometown have made “lemonade out of lemons,” and overcome the hardships imposed by the covid crisis.

“I have been so impressed with the resilience and ingenuity of so many businesses, who have been able to keep it together through this extraordinary turn of events,” he said.