

SAPPHIRE

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Discussion Topics

- Commercial Auto Industry Trends
- IAT Commercial Truck – Strategic Update
- Strategic Priorities
- Roundtable Discussion

Meet the Team



Pete Matthews
SVP, Commercial Truck



Ross Primack – AVP WEST

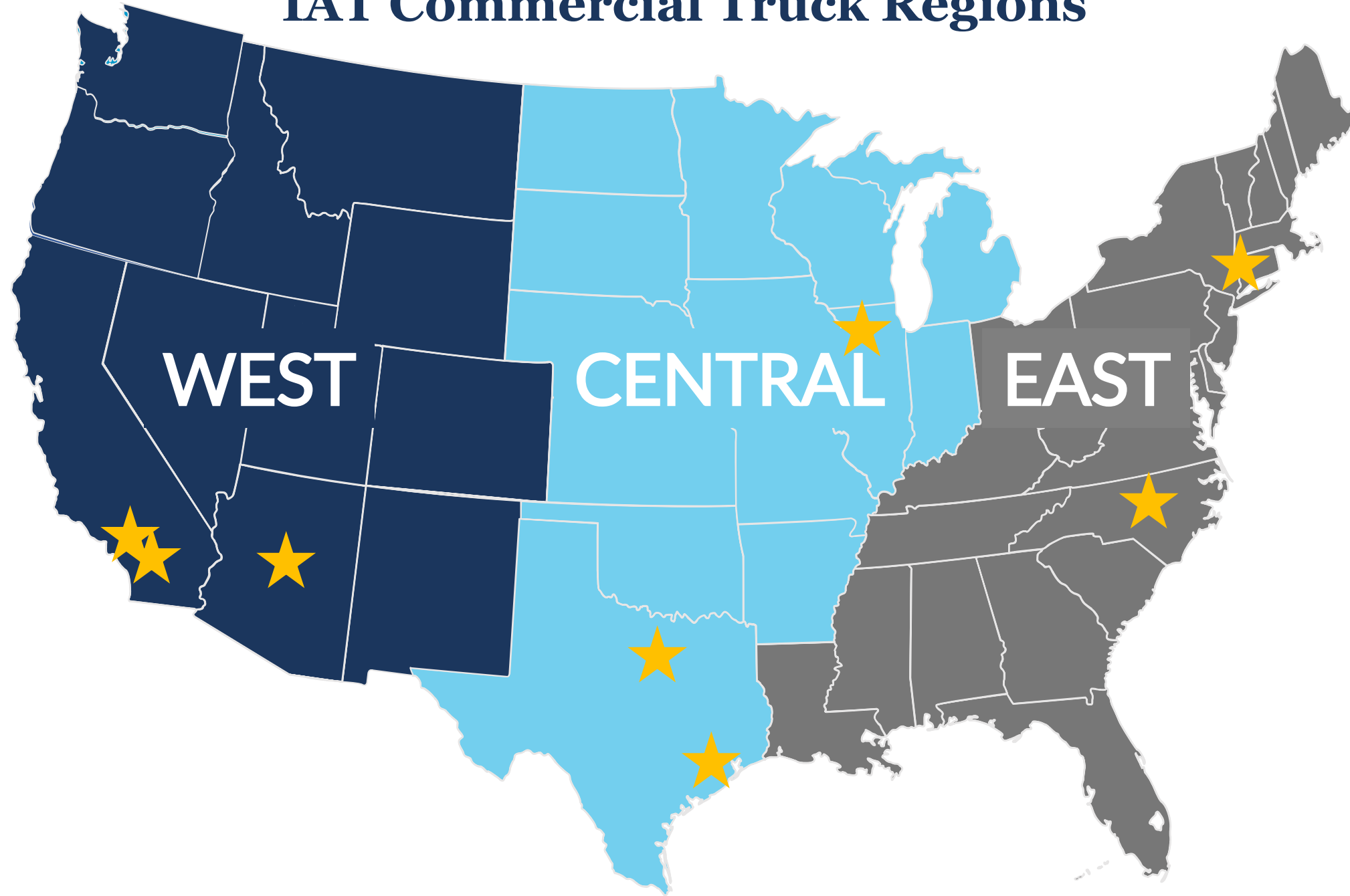


Crystal Laux – AVP CENTRAL



Jason Carter – AVP EAST

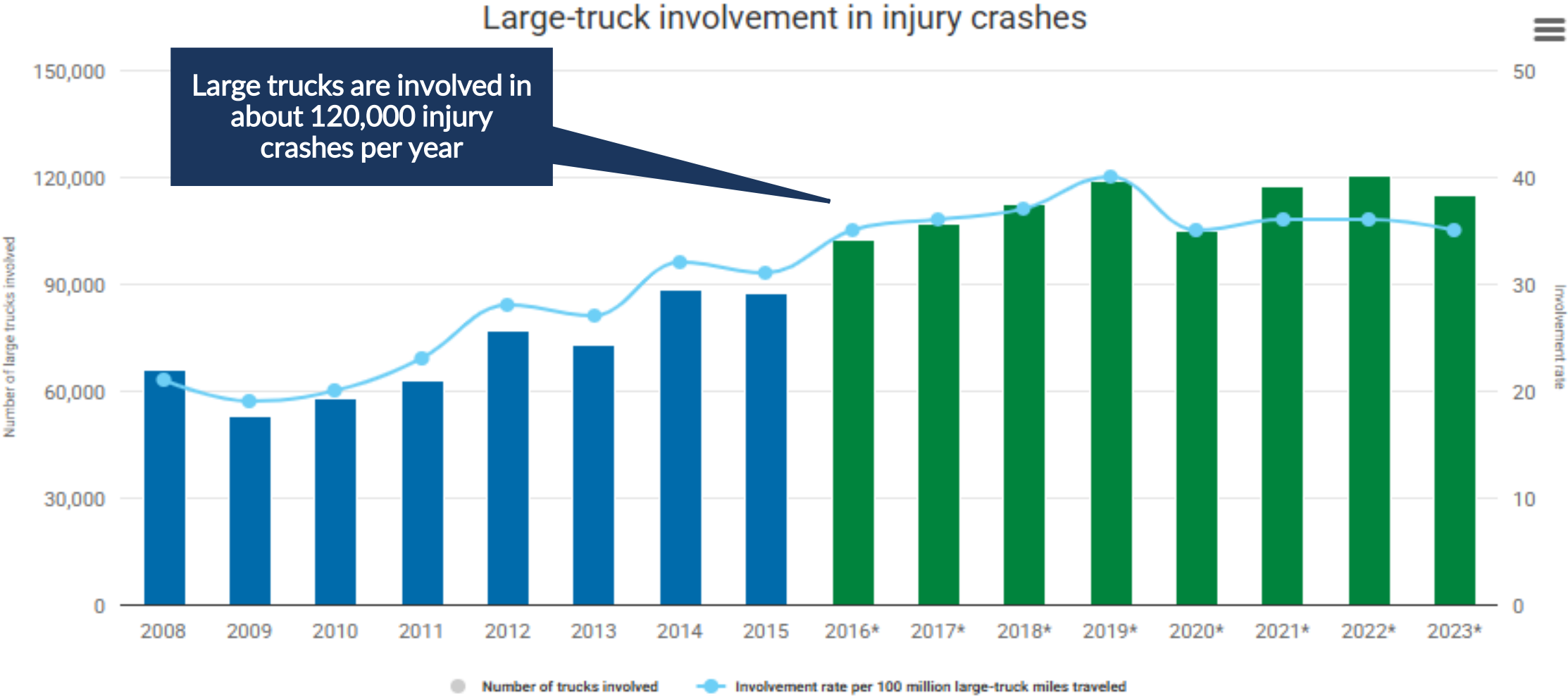
IAT Commercial Truck Regions



 Primary UW Office Locations

Industry Trends

Large Truck Involvement in Injury Crashes 2008 – 2023*



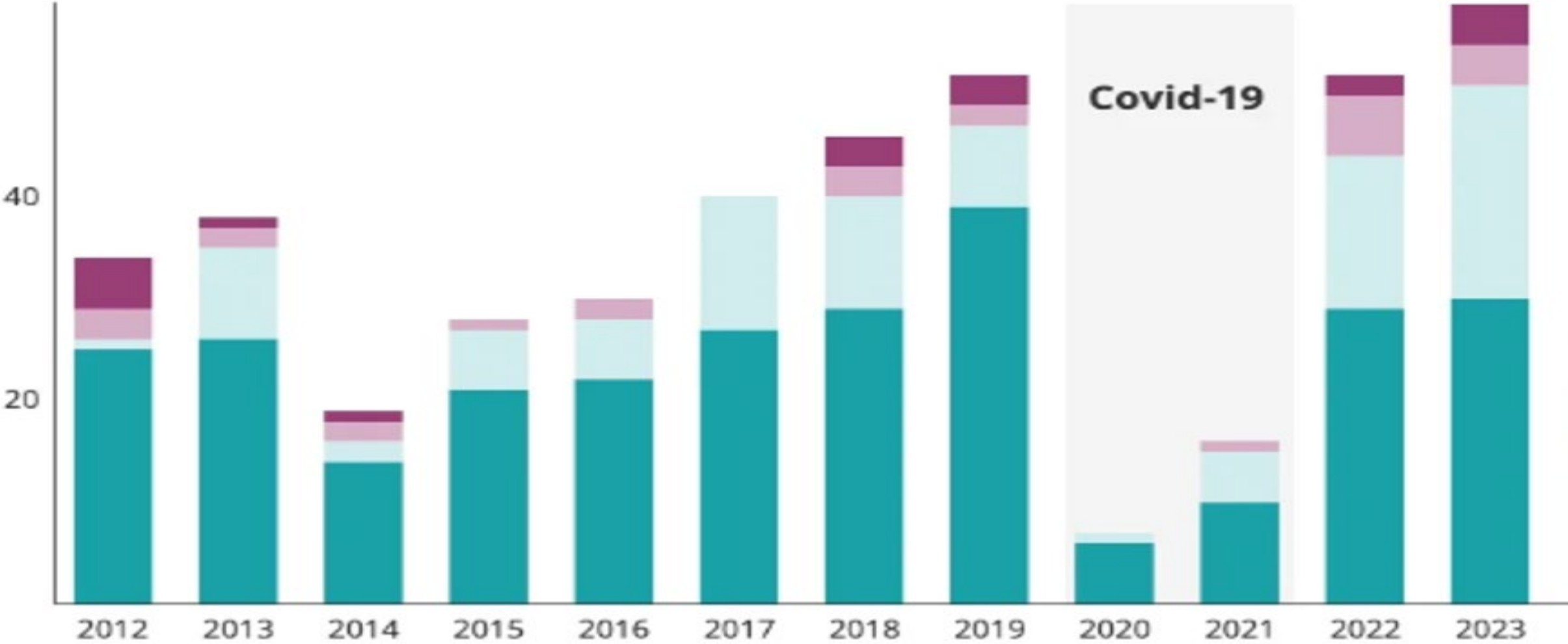
Large trucks are involved in about 120,000 injury crashes per year

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*2016 – 2023 injury estimates are not comparable to previous years.
 Sources: NHTSA from National Safety Council. Available at: <https://injuryfacts.nsc.org/motor-vehicle/road-users/large-trucks/>;
 Risk and Uncertainty Management Center, University of South Carolina.

Nuclear Verdicts

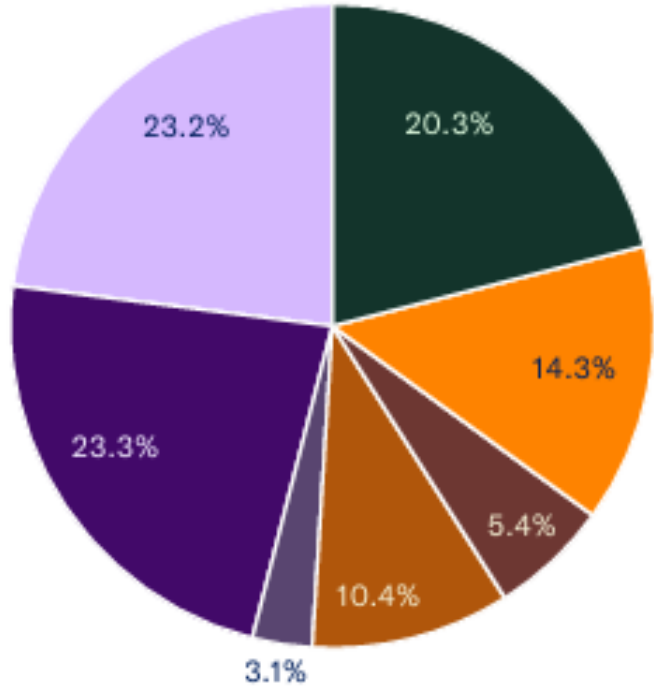
■ \$10mn-\$25mn ■ \$25mn-\$50mn ■ \$50mn-\$100mn ■ \$100mn+



Source: TransRe Insurance Insider US

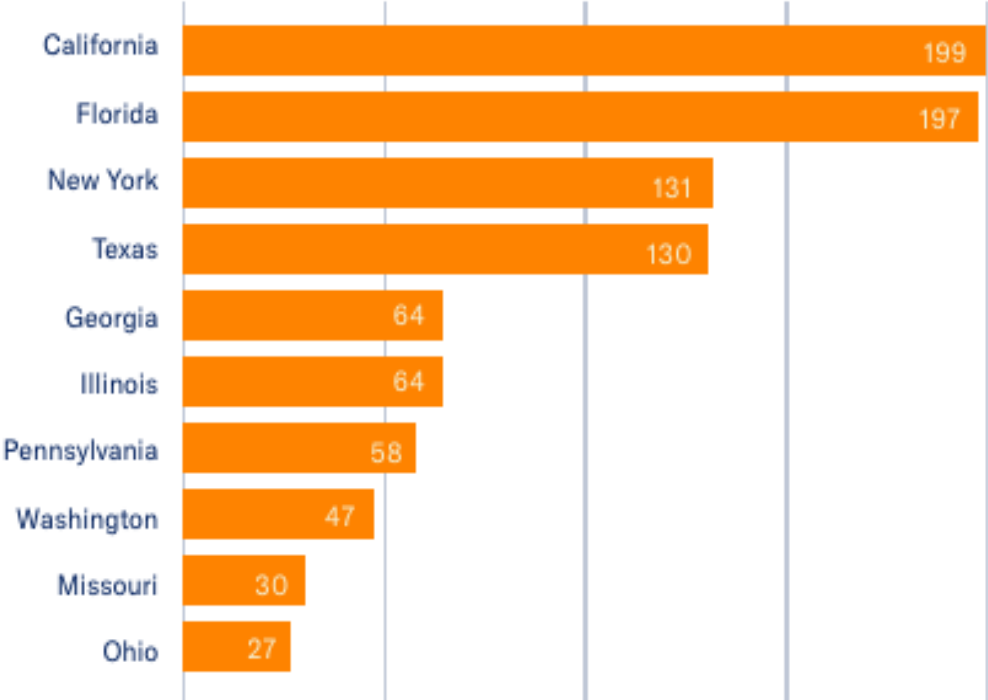
Nuclear Verdicts 2013-2022

By Case Type



- Product Liability
- Auto Accident
- Medical Liability
- Premises Liability
- Intentional Tort
- Other Negligence
- Miscellaneous

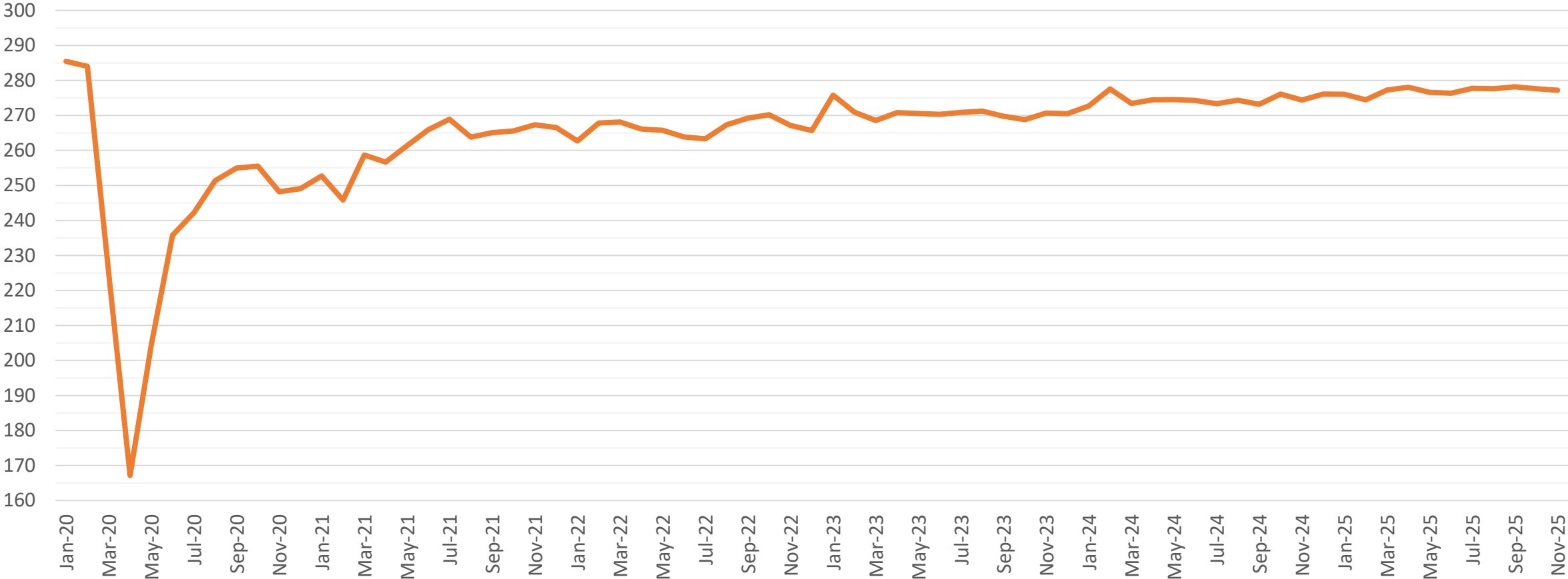
Top 10 States



Source: Nuclear Verdicts, An update on trends, causes and solutions, U.S. Chamber of Commerce Institute for Legal Reform, May 2024

Vehicle Miles Traveled Continues to Trend Upward Post-Pandemic

Monthly Seasonally Adjusted Vehicle Miles Traveled (VMT 000s) from 01/01/2020 - 11 /30/2025



Trucking Industry Trends and Outlook

Freight Recession

Trucking Industry has been in a Freight recession since 2022 impacting both freight volume and the spot rates. Truck tonnage has declined from 11.46 billion tons in 2022 to 11.27 billion tons in 2024. 2025 was estimated to be flat with 2024. Some forecasts long range forecasts indicate freight volumes will increase to 13.99 Billion Tons by 2035.

Carrier Oversupply and Market Imbalance

Excess capacity coming out of the Pandemic, driven by new entrants, caused low rates and carrier exits, with regional tightness in some areas. Spot rates have remained below operating costs. Spot rates have been suppressed and have not kept pace with operating costs. Spot rates in Nov. 2025 were approximately \$2.09/mile. In early 2026 spot rates have increased to \$2.27-\$2.43 as carriers exit and demand gradually recovers.

Rising Cost Pressures

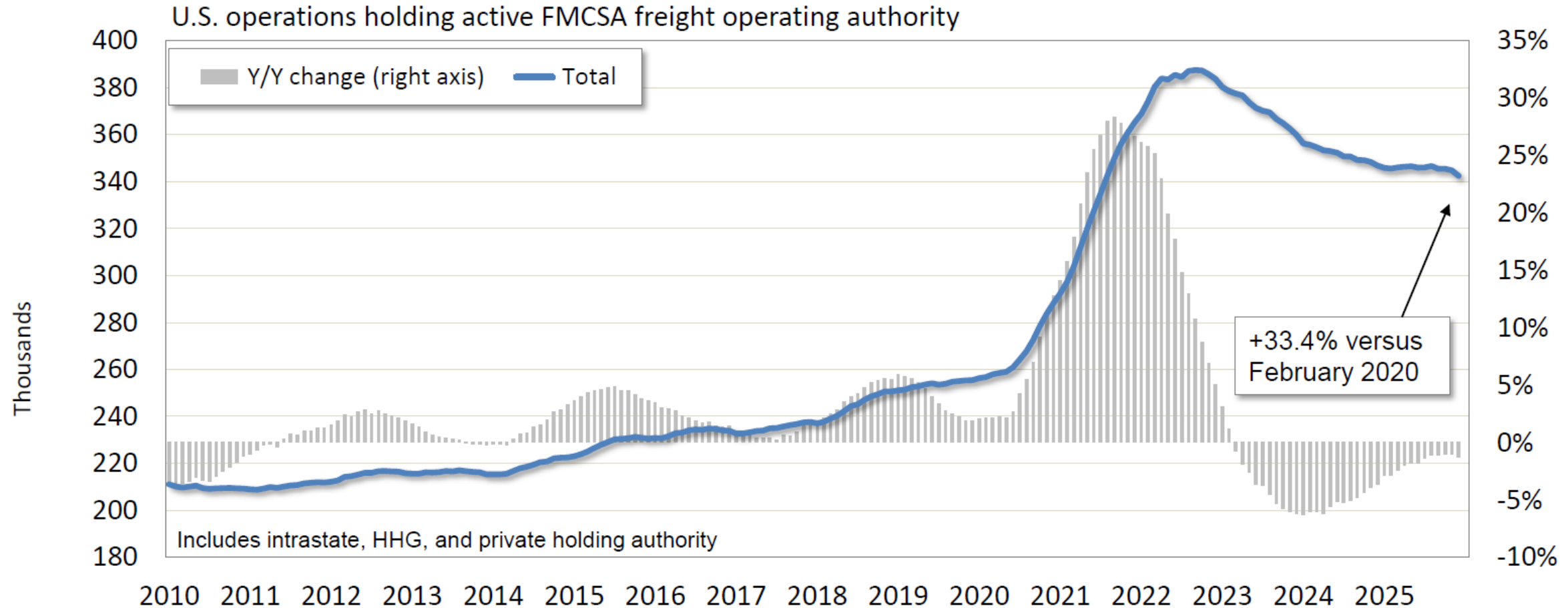
Non-fuel costs continued to increase despite lower fuel prices, squeezing margins and driving industry consolidation. The estimated cost/mile is approximately \$2.26 and has been trending up. Recent increases in fuel prices will put more pressure on margins and has the potential to future reduce capacity.

Outlook for 2026

Stabilization expected with steady demand, continued capacity rebalancing, and modest rate growth amid ongoing volatility. Gradually improving demand, fewer carriers are driving improving spot rates. Global geo-political issues have driven up diesel fuel costs putting additional pressures on margins. Longer term could impact freight volumes as well as fuel costs.



Authorized For-Hire Trucking Firms



Source: Federal Motor Carrier Safety Administration
Analysis by FTR Transportation Intelligence

Commercial Truck – Strategic Update

Key Strategic Priorities

2025

Regionalized Truck Business

Unity to Unity Renewals

CA Non-Fleet into Unity

Implemented new predictive model

Unity enhancements:

- Pre-populated filing request form
- Transaction availability after Non-Renewal
- Non-Fleet IFTA
- Decline button
- Updated Risk Segmentation Scoring Model

2026-2027

Major Unity enhancements delivered:

- Terminal state field name change
- System defined Stated Values
- Duplicate Vin Recognition Tool
- Ability to amend terminal state on vehicle risk schedule
- Pending Renewals Function - No longer locked and changes can be made
- Removal of pricing indication button

Marketing Organization Engagement

Unity Projects In-flight

- Simplification of referral rules
- CA Fleet non-admitted – 10/1
- Streamlined Renewal capability 12/1

2027-2028

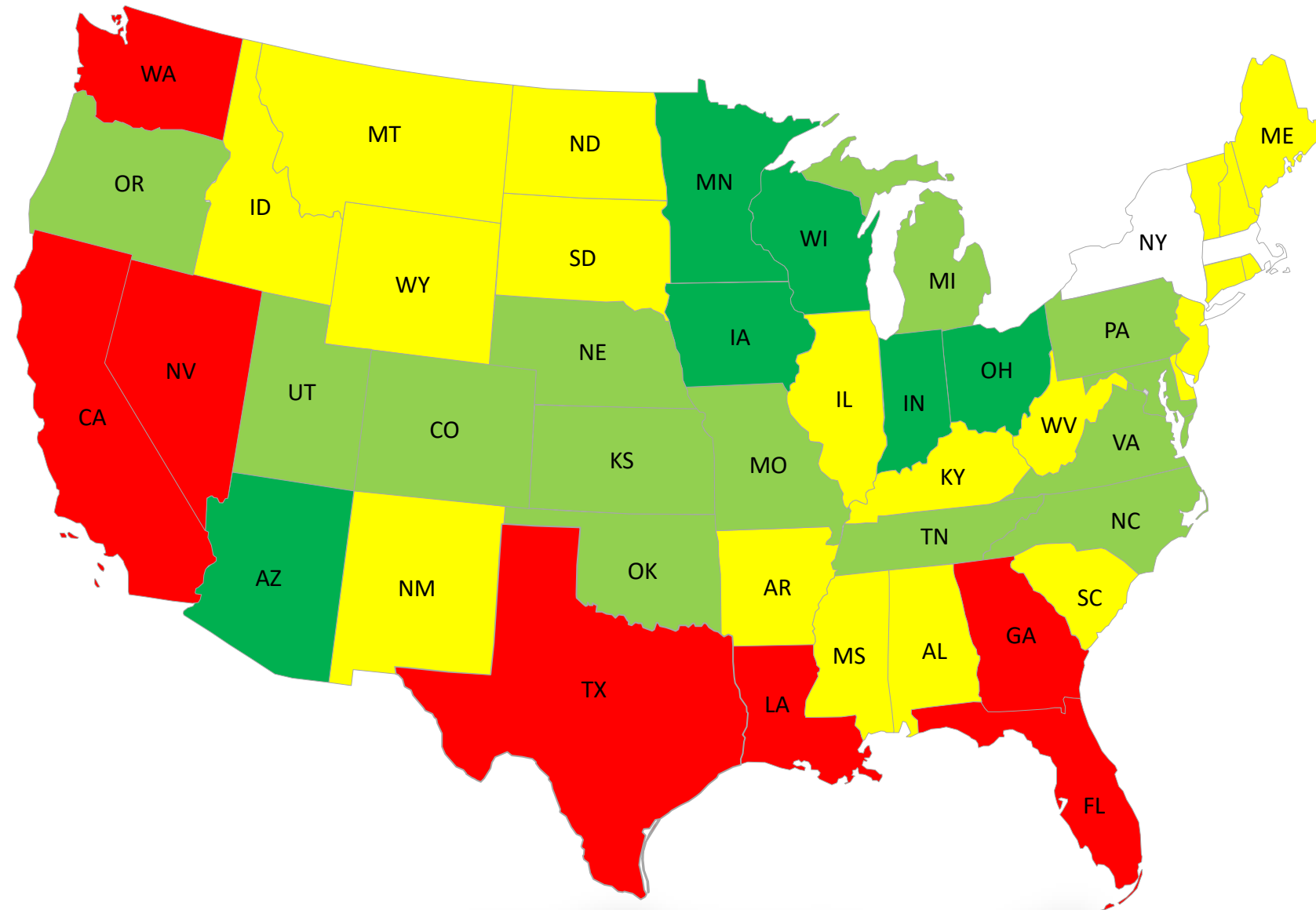
Full refresh of predictive model

Build Non-Trucking Liability into Unity

Talent Development – Attract, Develop and Retain Industry Leading Talent

Target State Strategy

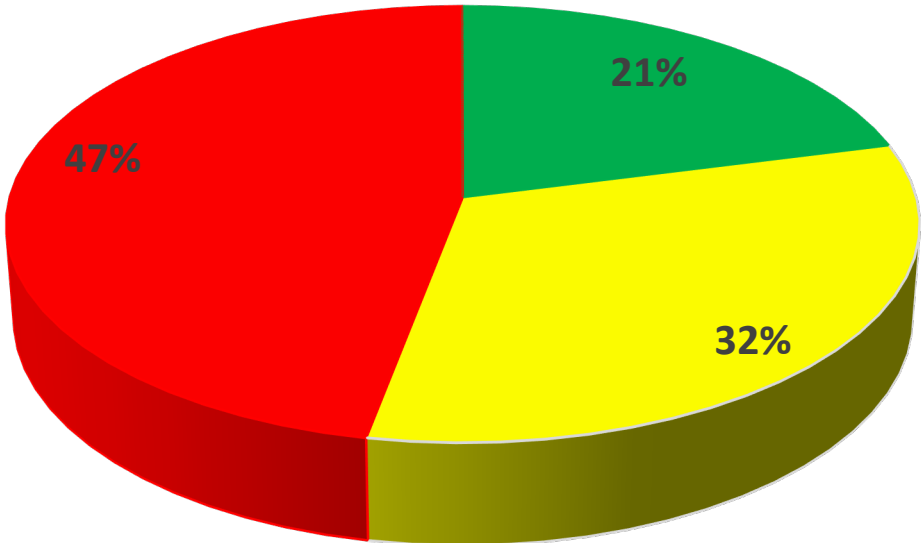
- Truck is currently overweight in California relative to the industry average, and the book overall is heavily weighted to challenging states. Our goal is to change the mix as follows:
 - Green states are more favorable from a tort and/or regulator standpoint, and we would desire to achieve a greater share than the industry average.
 - Yellow states are neutral from tort and/or regulatory standpoint, and we would desire to be in line with the industry average.
 - Red states are challenging from a tort and/or regulatory standpoint, and we desire to be underweight relative to the industry average.
 - Implementing strategies in 2026 to target **AZ, IA, IN, MN, OH, and WI.**



State Mix of Business

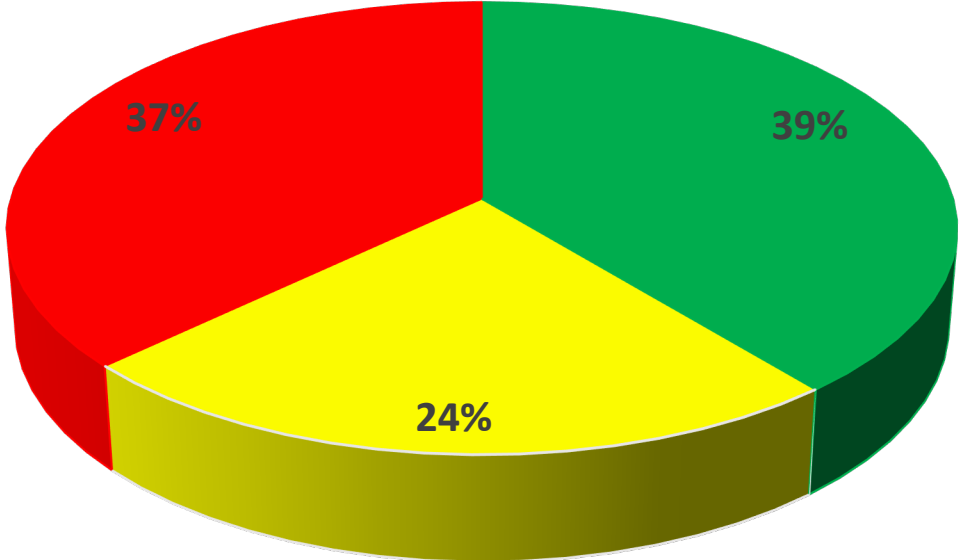
IAT 2025 Inforce Premium

Green Yellow Red



Unique DOT's

Green Yellow Red



Thank you!
Questions?

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Discussion Topics

- Overview of Commercial Truck
- Commercial Truck Appetite & Capabilities

Meet the Team



Pete Matthews
SVP, Commercial Truck



Ross Primack – AVP WEST



Crystal Laux – AVP CENTRAL



Jason Carter – AVP EAST

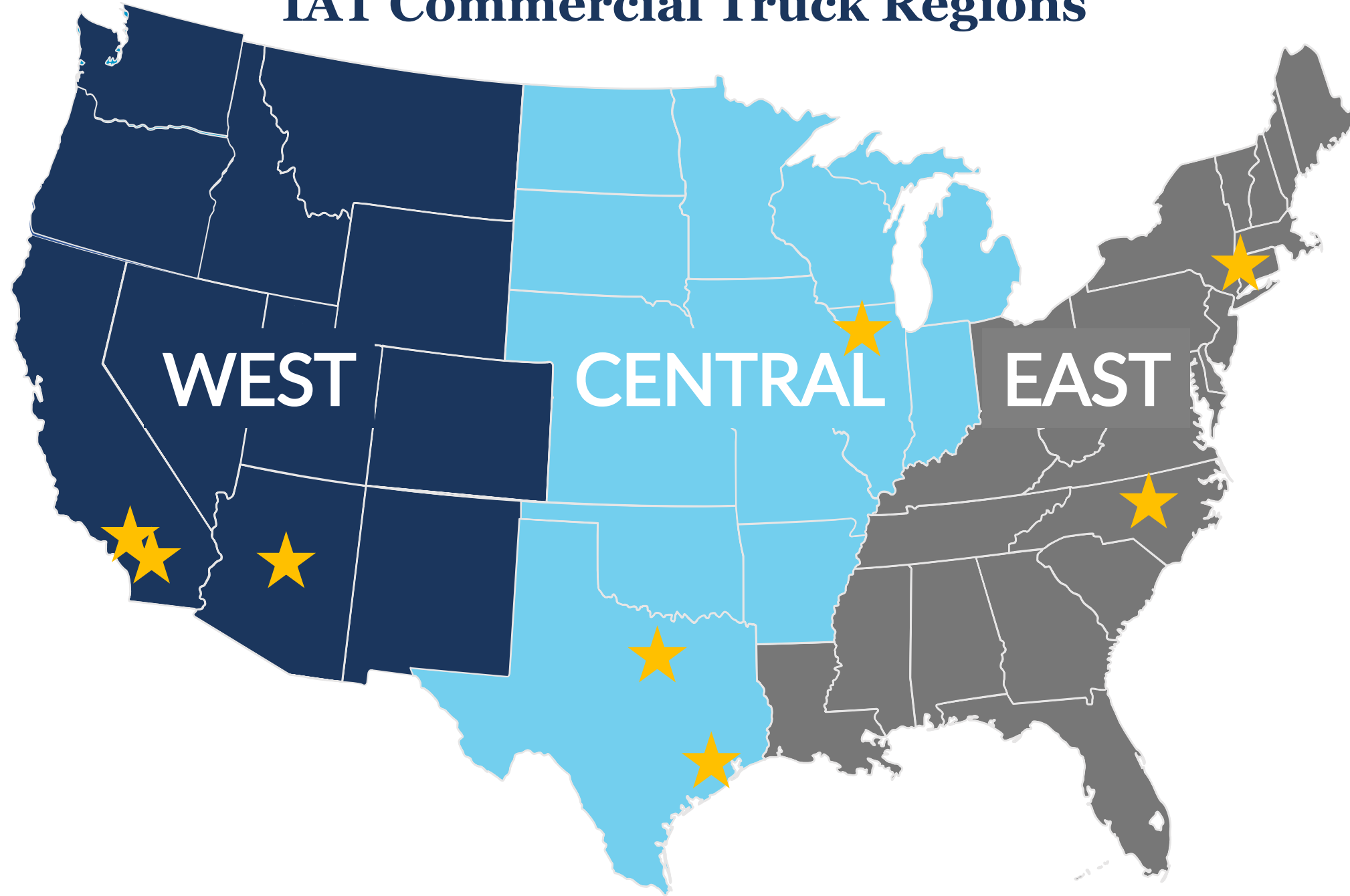


Angela Harrison– Sr. Manager WEST



Woodrow Guidry– Sr. Manager CENTRAL

IAT Commercial Truck Regions



 Primary UW Office Locations

Commercial Truck Vision

To be the **premier** provider of truck insurance for **customers** seeking a **guaranteed-cost product** while delivering **target returns** to the organization.



Premier – Provide competitive products and best-in-class service to our agent partners and our insured customers through our knowledgeable and responsive team.



Customers – We seek to provide products and services to meet the needs of a broad range of customers.



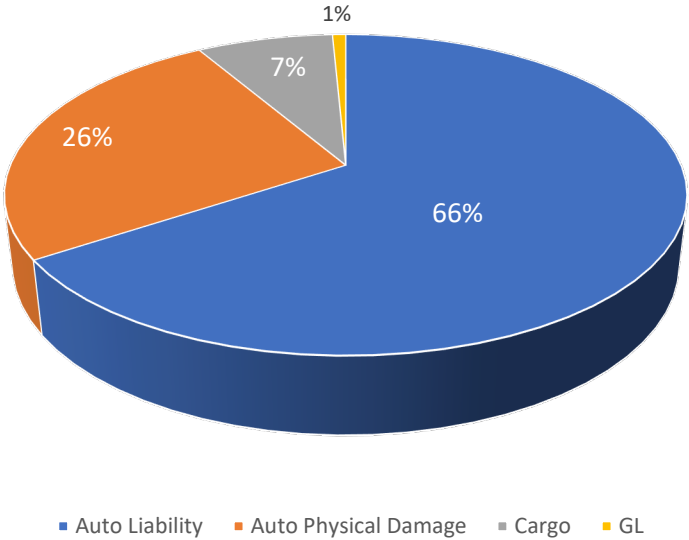
Guaranteed-Cost Product – We provide insurance solutions on a first dollar basis or with small to medium-sized deductibles.



Target Returns – We will be a stable and reliable long-term partner to our agent partners and customers.

Snapshot of the Business

2025 Written Premium By Annual Statement Line



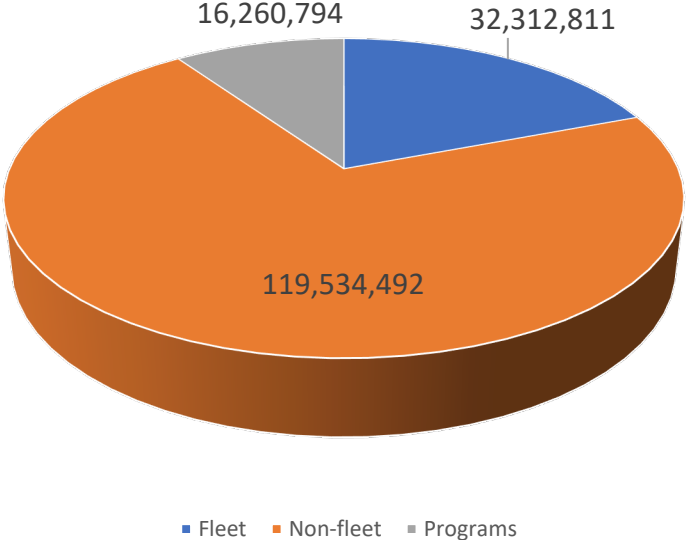
Premium by Line of Business:

- Auto Liability is always the lead line.
- We prefer to write a package policy with one or more additional lines.

Mix Of Business:

- 79% of the non-program business is 1-10 power units.
- Program business is APD and deductible buyback coverages.

Premium By Segment



2025 Gross Written Premium of \$168M

Coverage Available

Commercial Auto

Primary Auto Liability

- Primary limits up to \$1M non-fleet*; up to \$2M fleet (except CA and TX)
- AL deductibles up to \$25k (fleet only).

Non-Trucking Liability

Auto Physical Damage

- Trailer Interchange
- Combined deductible

Extras endorsement (NF)- Providing additional coverages such as towing, full glass coverage, diminishing APD deductible, loss of use/rental, loan gap/lease gap, waiver of subrogation, blanket additional insured, etc.

* Limits in NJ up to \$1.5M

Commercial Inland Marine

- Motor Truck Cargo Up to \$500K

Includes additional coverage extensions for earned freight, debris removal, pollutant removal, reward payment reimbursement, loss to tarps, chains, and binders.

General Liability

Trucker's Class with \$1M / \$2M Limits

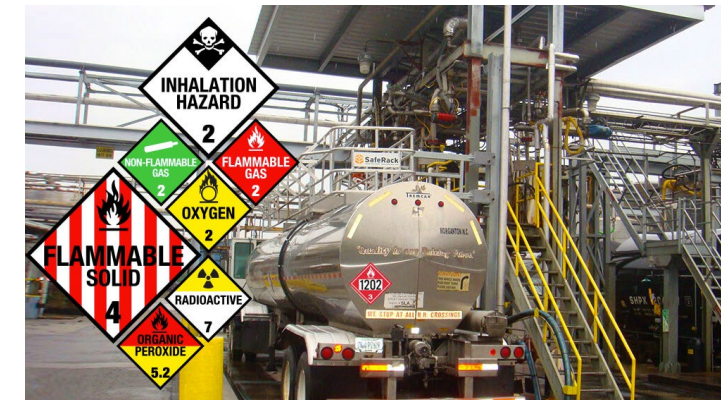
Must be packaged with Auto Liability

Commodities & Operations

- Auto – new/used (dealership to dealership or auction)
- Beverage including Beer & Wine
- Building Materials & Lumber
- Canned Goods
- Sand, and Gravel- Limited
- Refrigerated Food
- Clothing
- Dairy Products & Eggs
- Frozen Foods
- Furniture – New
- General Freight
- Groceries – Dry
- Intermodal
- Livestock
- Paper & Paper Products
- Machinery
- Milk

What We Leave to Others

- Local last mile delivery operations
- Logging trucks and operations
- Tow trucks
- Service vehicle fleets
- Contractor vehicles & equipment
- Hot asphalt and/or ready mix
- Fuel haulers
- Waste material or trash haulers, including dirty dirt, dirty frac water/sand
- Buses/passenger
- Hazardous materials (requiring \$5M filing)
- Drive-away/haul-away
- Household goods (see *Moving & Storage* division)
- Rolling stores (e.g., *food trucks*)



Key Capabilities & Services

- Market-competitive products supported by a state-of-the-art technology platform
- Experienced underwriting teams specializing in our Non-Fleet and Fleet products
- Dedicated Auto Claims teams (Auto Liability, Auto Physical Damage, Cargo, Major Case Capabilities) supported by a Special Investigations Unit
- Experienced Loss Control team providing consultative Loss Control service
- Motor Carrier Filings team that handles all our customers' filing needs
- Reporting form capability for Fleet customers, including Unit, Mileage, and Revenue reporting
- Premiere Access Customer Team (P.A.C.T.) – An extra level of service for our largest Fleet customers


To learn more about becoming a Trucking Agent,
please contact Nicole Kirby.



NICOLE KIRBY

AVP, Marketing Analytics

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 847.321.4830

Thank you!
Questions?