

SAPPHIRE

S u m m i t

Moving & Storage

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Agenda

Industry Trends

2025 IAT Financial Results

Unity Launch

Value Proposition & Appetite

Q&A

Moving & Storage Industry Trends

Industry Trends

Challenging Economic Environment

- Household goods moves challenged
- Military household goods moves reduced

Impact Across the Moving & Storage Industry

- Reduction in fleet, labor, and warehousing footprint
- Closing doors / going out of business
- Acquisitions
- Diversifying operations



Industry Trends

- **Moderate improvement expected from the prior year**
 - Gradual sales growth expected
 - Flatter price appreciation improving house affordability
- **Market trajectory heavily relies on interest rate movements**
 - If 30-year mortgage rates fall below 6%, sales volume is expected to trend back toward historic norms
 - Mortgage rates over 6% will continue to constrain the number of transactions
 - A 10-year Treasury yield over 4% is a growth impediment
 - Less than 4% is a leading indicator for growth
- **Commercial Auto Liability is the most under-reserved and challenged line**
 - Industry pricing lags loss cost trend for most carriers
 - Initial AY 2025 loss pick is 74.5%
 - Upward pricing pressure expected

IAT Results

2025 IAT Financial Results

- **Topline shrunk due to exposure reductions**
 - Business closures
 - Acquisitions
 - Reduction in warehouse locations
 - Fleet reductions
- **Auto line of business is the worst-performing line**
 - Frequency higher than expected
 - Auto severity continued to increase
 - Continued increased attorney representation

Transforming Our Moving & Storage Business: Unity Launch

The What & Why of Unity

Unity houses all Policy, Billing, and Data Analytics under one roof.



We've made it easier to do business with IAT:

- Updated Products
- More quickly evolve with the market
- Updated submission needs
- Streamlined the UW process
- Streamlined reporting transactions, change requests and endorsements

Unity Launch Details

- Starting 5/1/26, effective dates, new and renewal business will move to Unity
- If the primary location sits in California, Washington, or New York, the risk will not be included in the initial launch
- Adoption of ISO OCP Plan
- New policy Prefixes: MAS and MXS
- There is no change in how you currently submit business – continue to use premier@transguard.com

Unity Update: Terrorism

- Removed the need to obtain signed forms for terrorism coverage selection
- Terrorism Coverage will now automatically be provided for General Liability, Inland Marine, and Property lines of business in all states
- Terrorism Coverage for GL, IM, and Property is built into the base rate
- Terrorism Coverage for Auto is automatically excluded in all states except for FL, VA, NY and GA, as coverage is mandatory in these states.

Unity Update: Excess

- Risks with umbrella coverage will be offered and quoted with excess coverage automatically
- No change in available limit options: \$1M - \$5M; same current appetite
- Excess policy follows the forms of the scheduled underlying policy, with the same terms and same exclusions
- Excess policy does not carry a \$10k SIR (self-insured retention) as umbrella does today
- Since Excess mirrors the underlying policy, minimal required endorsements are needed, fewer moving parts to manage, removes the need to add additional exclusions, and is easier to interpret coverage

Unity Update: Equipment Breakdown

- Starting 5/1/26, we will automatically offer Equipment Breakdown Coverage if building and/or BPP coverage is on the policy
- Coverage will pay for direct physical damage that is the result of an accident, such as Mechanical Breakdown or Electrical Arcing, in addition to steam explosions
- Equipment that falls under EB includes Switchboards, Air Conditioning Motors, Fans, Pressure Vessels, Communications Equipment, Solar Panels
- Coverage includes an \$25k sublimit for added coverages with the option to increase the sublimit up to \$250k for the following:
 - ➔ Expediting Expenses
 - ➔ Hazardous Substances
 - ➔ Spoilage
 - ➔ Data Restoration
- Inspection Services required by state jurisdiction are included free of charge, **managed by Hartford Steam Boiler**. Note that the jurisdiction will charge the insured for the certificate itself

Unity Update: Crime Endorsement

- Developed new Moving & Storage Crime Coverage Endorsement, attaches to the property coverage form
- The Crime Endorsement is a bucket of coverages under one combined single limit
- Coverages include the following:
 - ✓ Fidelity (incl. Employee Theft, ERISA Dishonesty, and Employee Theft of Client Property)
 - ✓ Fidelity also includes Warehouse Receipts Coverage at a fixed \$10,000 limit of insurance
 - ✓ Money and Securities (including Robbery & Safe Burglary)
 - ✓ Forgery and Alteration (including Charge Card Forgery)
 - ✓ Money Orders and Counterfeit Money
 - ✓ Computer and Funds Transfer Fraud
 - ✓ Fraudulent Impersonation
 - ✓ Independent Contractors as Employees
- Coverage limit options range from \$10k up to \$500k
- Additional crime coverages available, including warehouse receipts coverage and unauthorized reproduction of computer software

Unity Update: MVR Ordering

- Save time and money and stop ordering MVRs – leave that to us!
- Starting with 5/1 effective dates, for both new and renewal – MVRs are no longer needed with the submission (still needed for CA, NY and WA risks)
- IAT will order MVR's, incurring the state MVR cost for all NB and all subsequent renewals
- All that is needed on an annual basis is an updated list of drivers, including driver name, DOB, license number, and license state
- The insured is protected by privacy laws, and IAT will not be able to provide a copy of the pulled MVR or specific driver violation information

Value Proposition and Appetite

Value Proposition

- **Providing M&S insurance for over 50 years**
 - Bringing consistency, stability, and expertise to you
- **Dedicated M&S underwriting team staffed coast to coast**
 - Enabling a direct relationship with agents and clients
 - Providing deep knowledge of the M&S industry to ensure your clients are protected
- **Loss control expertise**
 - Online resources
 - DOT compliance support
- **Claims availability and experience**
 - 24/7 availability
 - 200+ experienced claims staff with 20+ years of average claims experience
- **Available M&S coverage grant differentiators**
 - Insured authorized to adjust and settle small cargo and warehouse liability claims
 - Transit and Storage Gap Coverage to comply with Department of Defense (DoD) military household moves
- **Unity Deployment**
 - Increase response time
 - MVR ordering

Target Appetite



- Risks in business five or more years
- Household Goods Movers
- Military Household Goods Movers & Storage
- Household Goods and Office Furnishing Logistics
- Office & Industrial Movers
- Van Line Affiliated or Independent
- Unit Size: 1-1,000
- Sweet Spot: 10-20 units
- Primarily guaranteed cost but will consider higher deductibles up to \$100K
- Umbrella / Excess limits up to \$5M

Support Evolving Risks

We work with best-in-class household goods moving and storage companies across the U.S. to find solutions to their ancillary operations, such as:

- Self-storage
- General freight
- Hospitality logistics
- Shredding
- Final mile delivery
- Day movers
- Warehousing
- Record storage

Thank you!

Questions?