

"Rosenberg, Silbey & Norton":

Sociology, Politics and Money
in the underwriting of emerging liability risk

Casualty insurance is synonymous with progress

- With progress you inevitably take risks
- Society figures out different ways to monetize the downside of that
- Insurance is a financial solution to help people and corporations deal with that

Emerging Issue List

- ISO 2012 watch list:
 - Has mat, supply chain vulnerability, water quality, alternative energy production, artificial intelligence, bed bugs, class action lawsuits, climate change, construction defects, car sharing, drywall, E waste, food related issues, GMO, green movement, hazardous products and recalls, atrazine, BPA, PAH, perchlorate, phthalates, social media, cyber security, medical marijuana, nanotechnology, space debris

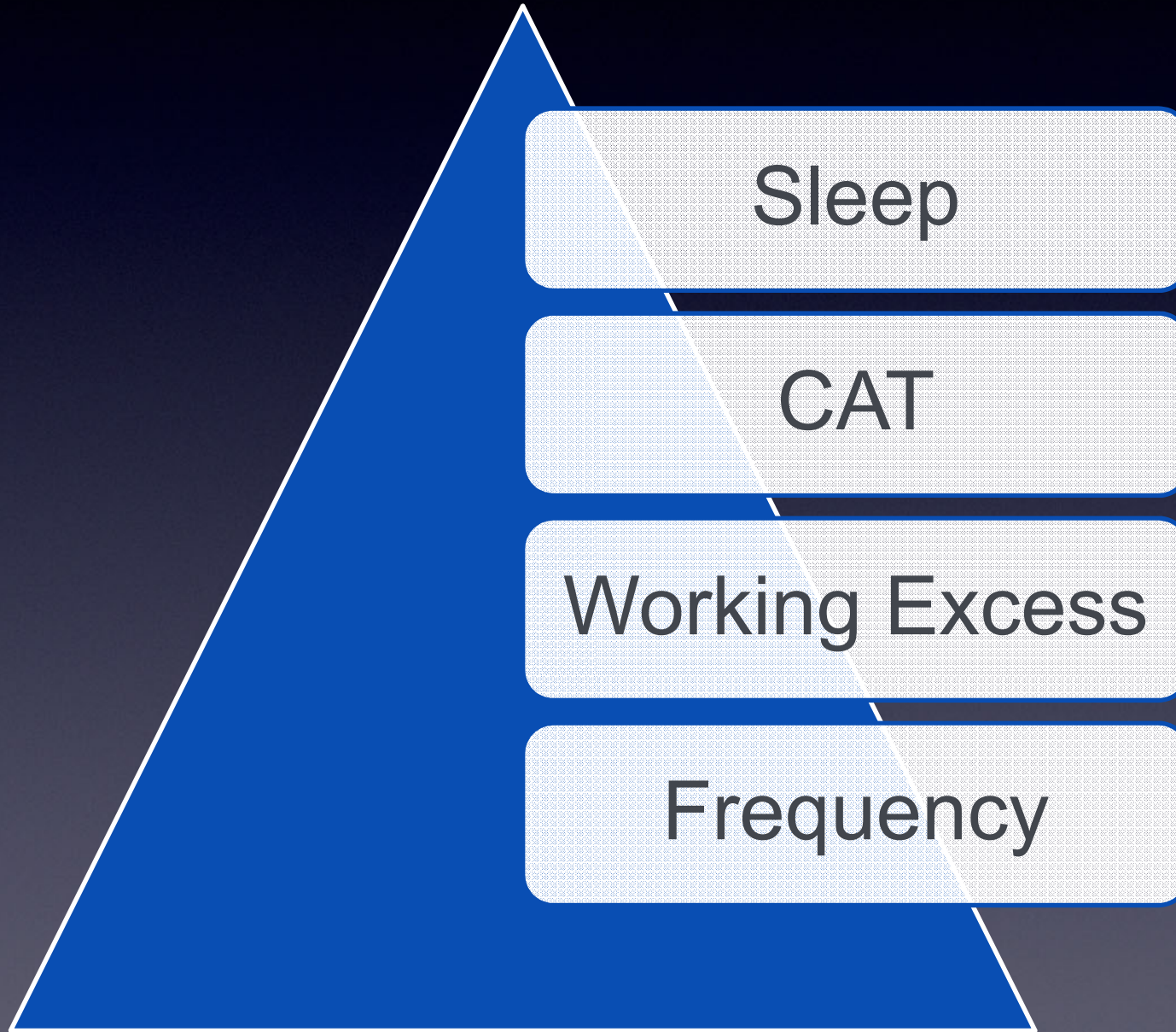
Sources of information

- How do I learn about these things?
 - Internet,
 - peers,
 - publications,
 - news

Where am I?

- Jobs
- Judge v jury
- Litigation system
- Costs
- Policy interpretation, how secure do I feel?

Where am I?



Trigger and exclusions

- Real or future time underwriting - occ; cm; or
- One limit or many
- Stacking
- Reinsurance

Costs

- Getting out with just your stake lost
 - Ultimate Net Loss
 - Right not Duty
 - Aggregate limits
 - In over out

What's the MFL?

- Frequency v severity
- Aggregation management
- How much am I prepared to stake - one account and all accounts
- What type of loss am I paying?
- Trigger and tail

Fracking example

- Self sufficiency in gas? Tax boon?
- Job creator/ how's my economy?
- Addition to core industry? Anathema?
- Public relations and the media

Generic drug example

- Genericisation of a drug
- Pre-emption
- Joint and several liability and deep pockets
- Off patent usage – mixed use eg. Fen-Phen
- Internet forums
- Trigger and tail
- Jurisdiction

Questions?

