



Juan Salazar

UFG Insurance Vice President of Specialty

What's the biggest challenge for wholesale and specialty insurers in the next 12 months?

In the casualty space, the unpredictability of the legal environment will remain one of the biggest challenges we face in the next 12 months. Nuclear verdicts and broad interpretations of coverage are increasing in frequency, particularly in certain jurisdictions. Social inflation trends, including nuclear verdicts, third-party litigation, and the expansion of plaintiff-friendly courts, are posing greater challenges in the casualty lines space. Additionally, increasing frequency and severity in claims is impacting a line of coverage that, historically, was never intended to regularly experience loss. As for property, rates appear to be leveling off for the time being, but exposure to catastrophic events resulting from changing weather patterns is cause for concern. We are seeing more severe storms and weather-related events. Managing our catastrophe exposure is something we will consider when expanding our property portfolio.

What's your unique approach to addressing it?

Our underwriting approach uses lower limits, higher attachment points, and quota share opportunities that reflect our understanding and respect for the current market environment while remaining open to opportunity. We also promote the diversification of our book, spreading our risk over various classes of business and risk hazards. Strong relationships with our partnering brokers and actuary and claims teams enable us to stay ahead of trends, while our increased ability to leverage data analytics for trend mitigation, benchmarking and, eventually, predictive modeling remains key.

What makes UFG Specialty optimistic about the future?

At UFG Specialty, we are tremendously optimistic for the future and confident in our ability to overcome the industry's challenges. With our strong leadership team, robust strategic vision, solid business partnerships and a dedicated team, we are well-positioned for growth and profitability as we continue to expand our business and our technological capabilities for the future.



ABOUT UFG SPECIALTY

UFG Specialty is the excess and surplus lines (E&S) unit of UFG Insurance, providing property and casualty insurance solutions for a broad range of classes. The company writes business exclusively through wholesale brokers on both an admitted and non-admitted basis in all 50 states plus D.C.

Established in 2014, the specialty business unit is headquartered in Phoenix, Arizona, with a team of professionals dedicated to delivering responsive service, underwriting expertise and innovative solutions to broker partners in an evolving E&S marketplace.

The members of United Fire & Casualty Group have been assigned a financial strength rating of "A-" (Excellent) from AM Best with a stable outlook, reflecting the company's long-term balance sheet strength.

To learn more about doing business with UFG Specialty, visit ufgspecialty.com.