

Insights with Lauren Tredinnick

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Q: How has the Public Entity market evolved over the past decade, and what are some of the opportunities you see in that space?

A: We have found the current environment has forced public entities to adapt to new and emerging exposures, including, but not limited to: cyber challenges; the effects of climate change on wildfires, tornadoes, and other natural disasters; the impact of social inflation on our industry, and nuclear verdicts – jury awards that surpass \$10 million. Importantly, these issues are giving us a tremendous opportunity to partner with our clients, to influence and educate the market, and to provide the lasting solutions our brokers and clients have come to expect from us.

Q: What are some of the misconceptions regarding risks within public entities? How do you deal with them?

A: We find that many public entities are operating on tight budgets and, as such, we need to design and implement creative solutions that are a win-win for both Munich Re and our clients.

What makes this so exciting for us is there are no one-size-fits-all approaches. And the good news for our clients is that Munich Re offers subject matter expertise and industry-leading solutions that span a diverse range of exposures, jurisdictions, and risk appetites.

Q: Where do you see the public entity space in the next five years, 10 years, and what will be some of the challenges we'll all be facing?

A: Over the next five to 10 years, public entities will be working on securing adequate insurance-to-values and continuing to be mindful of climate change concerns surrounding such secondary perils as wildfires and severe convective storms.

They will also have to navigate the rising costs of social inflation, while mitigating nuclear verdicts and, of course, establish robust security infrastructures to ward off the continuous threat of cyber attacks. It's also critical for public entities to adapt to a changing labor force that wants to work where they live, and not the other way around. People are leaving cities for more affordable housing and remote or hybrid opportunities.

Specifically, municipalities will need to focus efforts on managing law enforcement challenges, including recruiting, training, and public perception. Further, educational entities should emphasize their efforts toward managing sex abuse challenges, including hiring practices, robust training, and increased awareness of this issue.