



Demystifying Insurance

Coverage, Claims, and Carriers: What You Need to
Know to Protect Your Organization

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HOLMES
MURPHY.

What We'll Cover Today

01

Identify Key Insurance Types

Discover essential coverages that protect your company from EHS risks

03

Handle Claims Professionally

Manage incidents and claims to protect your organization and employees

02

Build Broker Relationships

Create effective partnerships with insurance brokers and carriers for better service

04

Make Informed Insurance Decisions

Align insurance choices with your EHS risks, programs, and budget



A Brief History of Insurance

1750 BC - Code of Hammurabi

Ancient Babylon's "bottomry" loans - if the ship sank, debt was forgiven

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Medieval Times - Guilds

Early mutual aid societies pooled money to help members hit by disasters

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1666 - Great Fire of London

Half the city burned, sparking the explosion of fire insurance

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1688 - Lloyd's Coffee House

London merchants gathered over coffee to bet on ships' safe returns

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Industrial Revolution

Factories and new risks drove insurance evolution into today's powerhouse

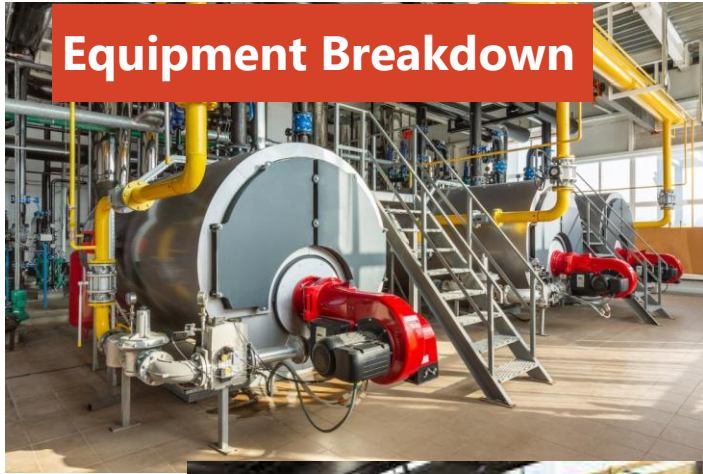


Basic Commercial Insurance Types

Property Insurance

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- A large, multi-story building is engulfed in intense orange and yellow flames at night. Thick black smoke billows from the fire. In the foreground, the silhouettes of firefighters are visible, some holding hoses. The scene is illuminated by the fire and streetlights.
- ☐ **Named Perils vs Open Perils**
 - ☐ **Total Insured Value?**
 - ☐ **Blanketing Coverage**
 - ☐ **Common Exclusions**

Additional "Property" Insurance



Equipment Breakdown



Inland Marine



Flood Insurance



Earthquake Insurance

Liability Insurance



General Liability



Pollution Legal Liability



Products Liability



Professional Liability

Workers Compensation Insurance

Part One

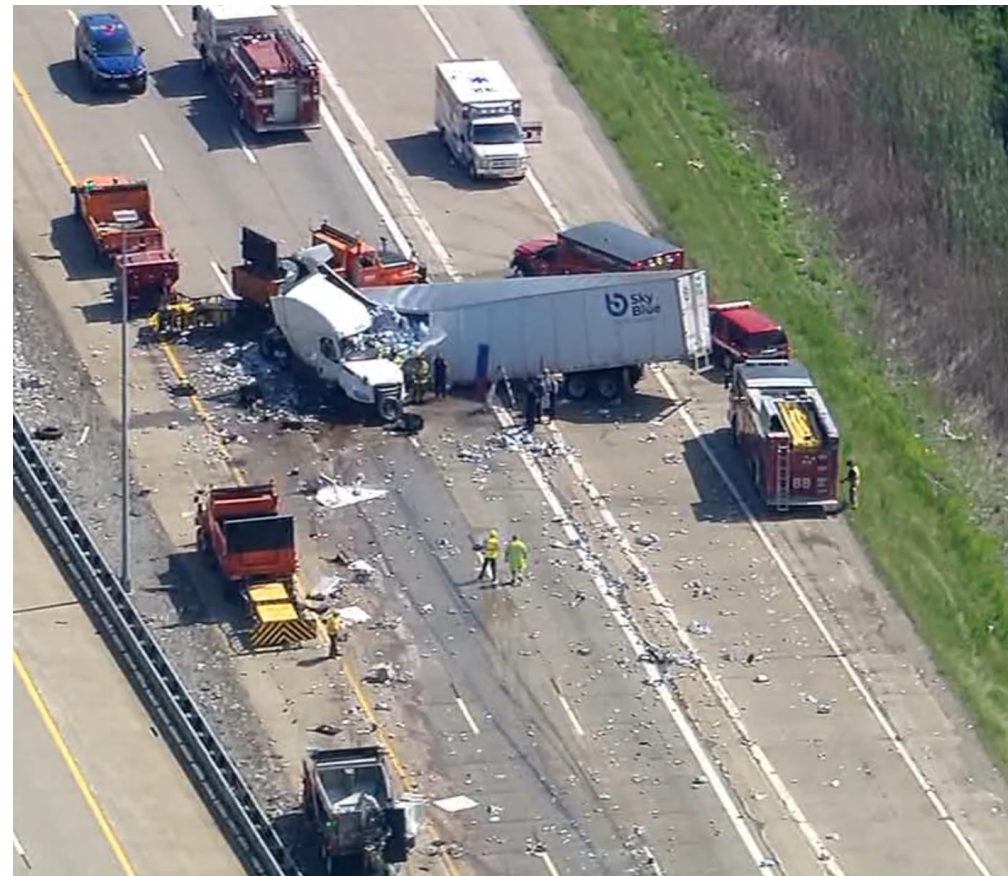
- Exclusive Remedy
- Medical bills
- Lost Wages
- Rehab
- Disability
- Death Benefits

Part Two

- Liability
- Negligence
- Third Party Claims



Commercial Auto Insurance



Liability

- Bodily Injury Liability
- Property Damage Liability

Physical Damage Coverage

- Collision
- Comprehensive

Medical Payments

Uninsured/Underinsured Motorist

Hired and Non-Owned Auto Insurance



Cyber Coverage

First Party Coverage

- Data Recovery and Restoration
- Incident Response
- Business Interruption
- Ransom Demands

Third Party Coverage

- Legal Defense
- Regulatory Fines
- Customer Notification



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Building Relationships with Brokers and Carriers



Matchmaker Matchmaker

Role of Brokers

Brokers connect organizations with suitable insurance carriers, acting as essential matchmakers.

Importance of Transparency

Sharing successes and challenges with brokers enables effective advocacy and stronger partnerships.

Demonstrate what you do best

Honesty and proactive communication lead to better service, pricing, and strategic alignment with carriers.

Recognize where you can improve

Recommendations aren't always a bad thing. Most carrier recommendations come from their experiences with worst case scenarios



Communication is Key

Consistent Communication

Regularly scheduled meetings foster open dialogue and build trust in insurance relationships.

Leveraging Broker Expertise

Brokers and carriers provide valuable resources like data analysis and training to support EHS efforts.

Don't Ignore Red Flags

Pushy or inattentive insurance relationships can put you and your company at risk.



Handling Claims Professionally

Start at the Beginning



Focus on the person

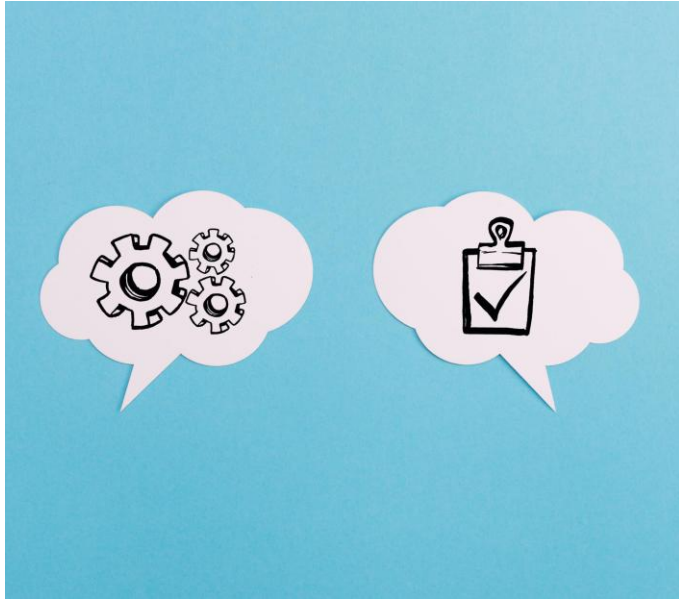
Remember if an employee or other party was injured that is the first priority in any claim is returning them to a pre-injury condition.

Understand your coverage

What policy responds? Is this an occurrence or claims made policy? Aggregates? Deductibles?



Claims Documentation & Regulatory Regs



Regulatory Reporting Requirements

OSHA mandates timely reporting of serious incidents and logging of all work-related injuries for compliance.

Insurance Notification and Claims

Immediate notification to insurance carriers is needed to manage claims and ensure proper coverage.

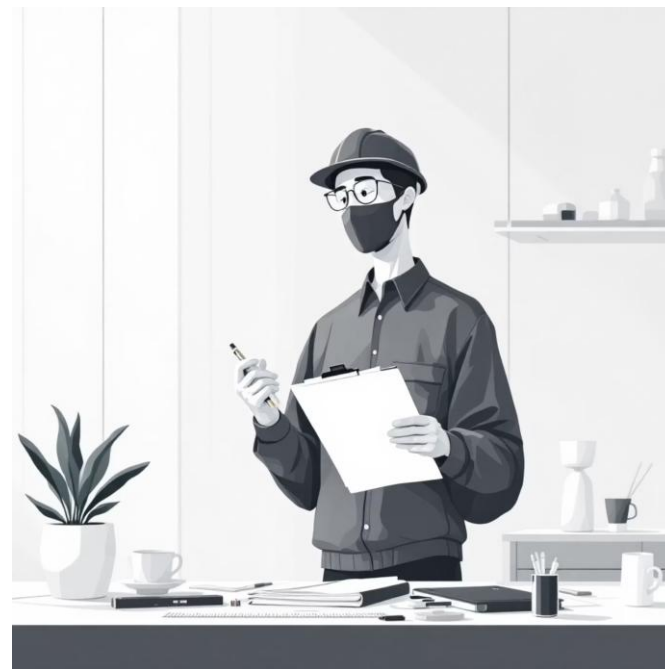
Objective and Confidential Documentation

EHS leaders must document facts objectively, maintain confidentiality, and follow legal standards in reporting.



Role of EHS Professionals with Claims

- **Advocate for the employees**
- **Prevent reoccurrence**
 - Root Cause Analysis
 - Lessons Learned
- **Protect the organization**
 - Light duty return to work programs
 - Property management and maintenance
- **Reducing exposure**
 - Avoid, transfer, or accept risk
- **Audit the process**



Pro Tip: Treat every claim as both a human story and a data point for prevention. Post-incident reviews strengthen your EHS program and future insurability.



Informed Insurance Decisions

Traditional Insurance vs Loss Sensitive



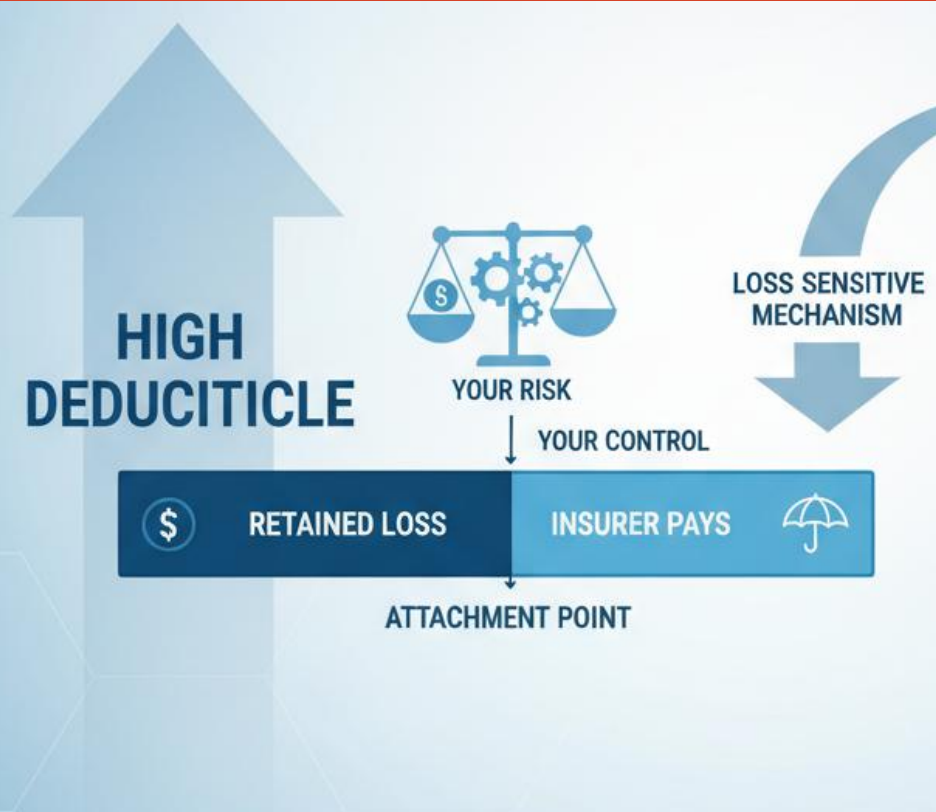
Dividend program

Benefits: Dividend plans are an attractive option because they offer a potentially lower premium if losses are low, and some dividend programs have no additional premium penalty if losses are high.

Considerations: In many sliding scale dividend plans, an insured may not earn dividends if the loss ratio is too high



High Deductible Program



Benefits: Fixed premium is substantially less because the insured assumes a portion of the loss before any risk transfer to the insurer. In addition, the direct impact of losses to the bottom line is easy to see and address.

Considerations: The final cost of a large deductible plan can vary widely, depending on losses and any aggregate stop-loss coverage purchased. Insurers also often require collateral, usually in the form of a letter of credit (LOC)

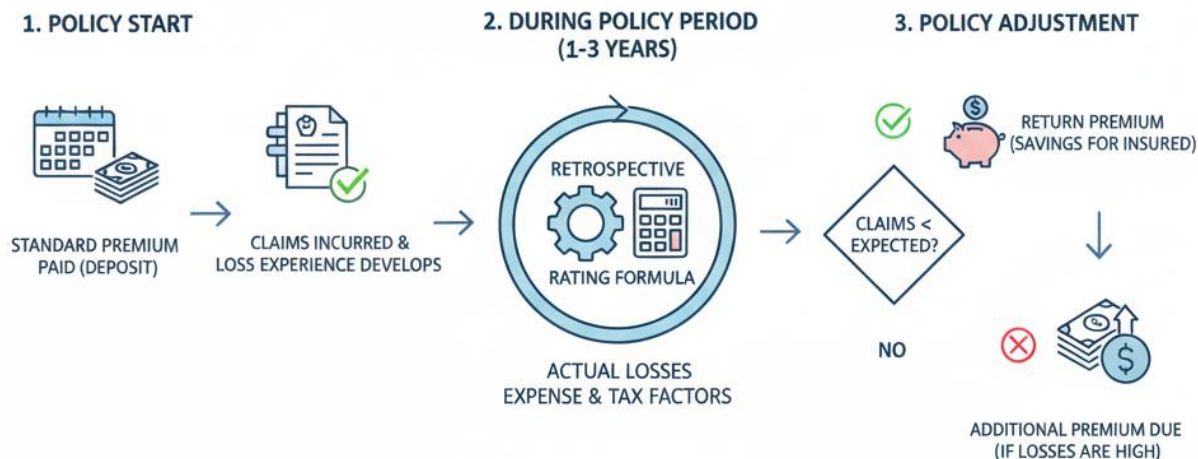
Retrospective Rating and Group Captives

Benefits:

Group Captives often have lower fixed costs and offer a more competitive maximum premium

Loss Retro Plans may have more liberal collateral requirements since the insured is prefunding losses.

Considerations: Losses that are prefunded in a group captive earn a more aggressive investment income return relative to an incurred loss retro



Self Insurance and Single Parent Captive

Benefits: Maximum control of your claims and responsibility. There may be tax and investment advantages as well.

Considerations: Extremely complex and may not be a good fit for many insureds. Highest risk tolerance and ability to finance large claims.

Lines of insurance suited
for a captive

Employee
Benefits

Workers'
Comp

Auto
Product
General
Liability

Severity-driven lines
not suited for a captive

Property

Cyber

D&O





Key Takeaways

Insurance is Your Ally

Not the enemy—your partner in managing chaos and protecting your organization

Relationships Drive Results

Strong broker and carrier partnerships unlock better service, advocacy, and pricing

Safety Performance Pays

Every prevented injury directly impacts your bottom line through loss-sensitive programs

 **Action Item:** Review your current policy this week and schedule a quarterly check-in with your broker!

Questions?

Thank
you.