



**SAHOURI**  
INSURANCE

# 2023 ANNUAL REPORT

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CORPORATE  
HEALTH & CASUALTY  
MARKET OUTLOOK

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# PART I

# CORPORATE HEALTH

# MARKET OUTLOOK





# CORPORATE HEALTH & BENEFITS

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In 2022, many employers were poised to regain their footing as the effects of the COVID-19 pandemic began to wane. Unfortunately, the year presented employers with many new and difficult challenges, including record-high inflation, unprecedented numbers of job openings and employee quits, an economic downturn and wide-ranging regulatory changes. These challenges and more will likely have a considerable impact on organizations in 2023.

Preparing for and building an organization that can weather a potential recession is critical for a successful 2023. Employers will need to ensure their organizations are adequately prepared for an economic downturn; this includes taking proactive steps to limit recession-related ramifications.

Employers also face the difficult task of addressing rising healthcare costs while trying to keep employee benefits coverage affordable. Bolstering voluntary benefits will be an effective way for employers to expand their benefits offerings without raising costs. Employers will also need to contend with inflation and anticipated regulatory changes.

Many employers are shifting to a holistic approach to employee well-being to address workers' physical and mental health concerns. The impacts of the pandemic may have started to wane in 2022, but challenges stemming from the pandemic continue to impact the workplace. Understanding and responding to these challenges will be essential for employers' success in 2023 and beyond.

[Click here for the full report.](#)

# 2023 OUTLOOK

## Corporate Health & Benefits



### Healthcare Costs will continue to rise...

Industry experts project a **6% to 8%** increase in employers' healthcare costs in 2023. Employers may see a greater increase should they fail to take effective action to curb rising costs, such as expanding telemedicine options and digital healthcare resources. Other cost mitigation strategies include:

- Modifying health plan designs
- Incorporating healthcare analytics
- Improving employee healthcare literacy

### Bracing for Recession

In 2023, it's critical for employers to consider how best to prepare for and build a resilient, recession-proof organization. A recession in 2023 could differ from past recessions, therefore, what employers have done in the past to brace for a recession may not necessarily work in 2023. To promote stability during an economic downturn, employers should consider the following:

- Revisit compensation and benefits strategies
- Automate internal processes and consider alternative staffing options
- Stay transparent and prioritize employee engagement
- Reduce healthcare costs

### Increased Pay Transparency

The tight labor market has led employees to make new demands, such as remote working arrangements, enhanced benefits and more. Chief among these workplace demands is pay transparency, which is a practice whereby employers openly communicate compensation-related information to current or prospective employees.

# 2023 OUTLOOK

## Corporate Health & Benefits



### **Renewed Focus on Reproductive Health Benefits**

The U.S. Supreme Court's decision to overturn *Roe v. Wade* brought the issue of reproductive health benefits to the forefront in 2022. This renewed focus on reproductive health benefits is likely to continue in 2023. To attract and retain employees, employers will need to assess their options for providing reproductive health benefits, which will be challenging due to legal uncertainties at the state level.

### **Updated Overtime Rule Creates New Compliance Challenges**

In its 2022 spring regulatory agenda, the U.S. Department of Labor (DOL) stated it would issue a proposed overtime rule in October 2022. However, the DOL recently announced it extended its timeline for issuing a proposed overtime rule to May 2023. This means employers must wait until May to see how the expected changes to the rule might impact their organizations in 2023.

### **Bolstering Voluntary Benefits Helps Meet Shifting Employee Needs**

Although individual needs vary, in 2023, employers can help ease financial pressures brought on by factors such as the COVID-19 pandemic and record-high inflation through expanded voluntary benefits offerings. The following is a list of voluntary benefits expected to be most popular in 2023 and beyond:

- Accident insurance
- Critical illness insurance
- Hospital indemnity insurance
- Life insurance
- Identity theft protection
- Pet insurance
- Student loan repayment assistance

# 2023 OUTLOOK

## Corporate Health & Benefits



### **The Battle Intensifies Over Remote and Hybrid Work**

While remote and hybrid work are here to stay, 2023 will likely see significant changes to these arrangements. This past year, employers have increasingly encouraged employees to return to in-person work; however, employees aren't giving up remote or hybrid work arrangements easily.

### **Employers Prioritize Holistic Well-being**

Many employers enhanced their mental health and well-being benefits during the COVID-19 pandemic and are expected to build on that in 2023.

According to a recent survey by the Kaiser Family Foundation, mental health is a serious concern for the majority of American adults; the findings revealed that an alarming 90% of adults feel the nation is experiencing a mental health crisis. Workplace initiatives are likely to be shaped by the U.S. surgeon general's new five-part framework for employers, which outlines how the workplace can promote employee mental health and well-being:

1. Protection from harm
2. Connection and community
3. Work-life harmony
4. Mattering at work
5. Opportunities for growth

# CONCLUSION

## Corporate Health & Benefits



### Looking ahead...

Employers continue to face familiar and unfamiliar workplace challenges many of which will likely continue through 2023 and beyond. Employers will need to find ways to build resilient organizations, accommodate employees' desires and protect workers' health and mental well-being while addressing rising health care costs and continued labor challenges. This won't be easy, especially as many organizations find their budgets shrinking.

While many of these challenges may seem daunting or even insurmountable, 2023 will be a year of opportunity for employers who are prepared and respond quickly and effectively. Proactive organizations will be able to position themselves for future growth and stability. The best strategies will vary by workplace but awareness of the trends and themes discussed herein can guide employers as they plan for 2023.

Contact us for more information and to request additional resources on these and other important workplace topics.



# PART II

# CORPORATE RISK

# MARKET OUTLOOK





# PROPERTY & CASUALTY

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Since 2019, the commercial insurance sector has been grappling with a hard marketplace—one that is particularly less friendly to insurance buyers. Industry experts anticipate that the property & casualty insurance space will remain challenging in 2023. It continues to be essential for businesses to take a proactive approach to bolster their risk management efforts and secure adequate coverage during this time.

Businesses have had to contend with a host of new and existing challenges over the past year. In particular, 2022 marked the third year of the pandemic, which has remained a driving factor in various workplace adjustments and associated operational difficulties.

Additionally, 2022 saw an acceleration of ongoing supply chain disruptions and labor shortages for businesses of all sizes and sectors.

Further complicating matters, record-setting inflation trends, the growing possibility of a recession and large-scale international events—namely, the Russia-Ukraine conflict—have only exacerbated commercial exposures. Altogether, these factors will likely continue to fuel an increase in claims and related costs, posing persistent coverage concerns.

Remember, in these challenging times, Sahouri Insurance is here to provide the insurance guidance and expertise your business needs.

[Click here for the full report.](#)

# 2023 CORPORATE RISK OUTLOOK FORECAST TRENDS

Price forecasts are based on industry reports for individual lines of insurance. Forecasts are subject to change and are not a guarantee of premium rates. Insurance premiums are determined by a multitude of factors and differ per organization. These forecasts should be viewed as general information and not insurance or legal advice.

	COVERAGE	PRICE INCREASE FORECAST
01	Commercial Property	+10% - +25%
02	General Liability	0% - +10%
03	Excess Liability	+30% - +50% (2021)
04	Commercial Auto	+3% - +15%
05	Workers' Comensation	-5% - +5%
06	Cyber Liability	+25% - +100%
07	Directors & Officers	-10% - +7.5%
08	Employment Practices	+10% - +15%

# WHY ARE PRICES INCREASING?

While a number of different factors affect insurance pricing, keep in mind that some market variables impact all insurance consumers, while other variables can be specific to your unique exposures and corresponding insurance needs.

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## **FACTORS IMPACTING THE MARKET**

The most common factors currently contributing to the rising rate in the insurance market:

- Catastrophic (CAT) Losses
- Inconsistent Underwriting Profits
- Mixed Investment Returns
- The Economy
- The Cost of Reinsurance

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## **FACTORS IMPACTING YOUR BUSINESS**

These additional factors typically influence insured's insurance premiums in different ways:

- The coverage you are seeking
- The size of your business
- The industry in which you operate
- The location of your business
- Your claims history
- Your risk management practices

# RISK MANAGEMENT TIPS

Did you know that businesses see a \$4 to \$6 return on every dollar invested in safety?

Now more than ever, it is essential for businesses to take a proactive approach in their risk management efforts and their insurance policies. Put another way, in an insurance and risk environment with many unknowns, businesses should focus on addressing the factors they can influence, as detailed below.

Coverage	RISK MANAGEMENT TIPS
Commercial Property	Start the renewal process early. Develop a business continuity plan (BCP). Reduce the potential for customer or visitor injuries.
General Liability	Ensure coverage limits match up with your insurance needs.
Excess and Umbrella Liability	Plan for increases and difficult renewals. Submit applications earlier.
Commercial Auto	Examine your loss control practices relative to your fleet and drivers. Consider technology loss control measures.
Workers' Compensation	Implement safety and health programs to address common risks. Conduct routine safety training for employees.
Cyber Liability	Train staff to prevent cybercrime. Keep your organizational devices secure.

[\*\*Download Full Report with Extended Tips\*\*](#)

# EXECUTIVE NOTE

Remember, in these challenging times, Sahouri Insurance is here to provide the insurance guidance and expertise your organization needs.

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Dear Valued Guest, the past year and the upcoming one will present challenges for most organizations looking to secure insurance coverage.

Rest assured, you are in good hands. Our Advocates will seek alternatives for all affected clients and will provide the best combination of coverage and pricing available in the current market.

On behalf of everyone in our organization, thank you for your continued trust in our people and services as we all continue to navigate a hardening market due to the market factors enclosed in this report.



We will advocate on your behalf and help you navigate the hardening market for optimal solutions.

Michael G. Sahouri  
Chief Executive Officer

In addition to helping you navigate the insurance market, Sahouri Insurance has resources to assist in your cost and risk mitigation efforts. Business owners who proactively address risk, control losses and manage exposures will be adequately prepared for changes in the market and will get the most out of each insurance dollar spent.

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