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Sausage, Legislation & Commercial Auto Insurance in Forge's Footprint

You might ask what these have in common and why it matters to you?

Underwriting commercial auto insurance is much the same as making sausage and legislation. It begins with an insurer making evaluations of the core ingredients to *FORGE* them into a competitive insurance product for businesses.

Let us explain how and why Forge Insurance wants to grow.

Business Auto Insurance & Sausage!!

Think about the different sausages and how they are made. You have link sausage, patty sausage, bratwurst, kielbasa, andouille, chorizo, polish, hot, mild and regular Italian sausages and more. Some are beef, some pork and some turkey.

Business auto insurance is like sausage. Commercial auto is a broad category of small business vehicles like pickups, box trucks, panel trucks, vans and SUVs. It encompasses long haul trucking, LTL trucking, last mile delivery, fuel oil trucks, tow trucks and more. You get the idea.

Insurers, rating agencies and statistical agencies lump them together, analyze and report results as a category. That said, every company has a different underwriting appetite and selection guidelines.

Forge has a very specific appetite to support you focused on small business vehicles that are "Tools of the Business" and "Light and Local."

Business Auto Insurance & Legislation

Similar comparisons of commercial auto insurance and making legislation can be made. Legislation begins with a mission and specific wording. It goes through legislative bodies with continuous negotiation, compromise, editing until at some point it may come to a vote for use. Commercial auto insurance is the same.

Industry loss costs, insurer results, actuarial analysis and management judgement are all inputs to deciding what commercial auto niches, types of vehicles, limits, territories coverage and more are the points of discussion that lead to a product offering.

There is input and negotiation from all sides including agent feedback, claims, business development, marketing, actuarial and underwriting to determine coverage, limits, product terms, conditions, pricing and territorial considerations. It is only then that product and executive leadership decide what to underwrite and where to focus on being one of the most competitive markets in that niche.

"Tools of the Business" and "Light & Local"

Forge Insurance completed an evaluation and is committed to insuring small business commercial vehicles that are **"TOOLS of THE BUSINESS"** in specific business segments as provided here and, on our website, www.forgeinsurance.com.



The Forge Footprint is where we can support agents with small commercial auto competitively with consistency and stability.

- Vehicles used by nurseries, landscapers, contractors, and more are **“TOOLS of THE BUSINESS”** meaning they do a specific job and are on the road less and at jobs much of the time.

This is what Forge Insurance underwrites and we seek to be a preferred and competitive market for these segments.

- Over the road trucking, long haul and LTL trucking, last mile delivery, fuel oil delivery, for-hire dirt, sand, and gravel-haulers, and tow trucks are **“THE BUSINESS”**. The business revenues increase as the number of vehicle miles traveled increases and therefore the vehicles tend to have higher mileage.

This is not what FORGE Insurance underwrites.

- Forge underwrites vehicles that are **LIGHT and LOCAL**

We believe that by targeting our geographic footprint, we can manage our results over time and by doing so become a competitive insurer of monoline commercial auto placements. Managing results will benefit you as the agent and your policyholders over time with stability and commitment to this class of business. Consistent appetite and reliable product delivery are important considerations for agencies when determining where to place their small business client's insurance coverage.

At Forge we have long specialized in public autos and we firmly believe the growth in small business commercial auto niches will help us continue to strengthen further as a long-term, stable priced, high claim service insurer for you and your clients.

In our analysis, we have a strong loss ratio results relative to the industry at year end 2023. In 2024 we continue to see favorable loss ratio trends continue. Concurrently, as a measure of success, we are binding about one-third of submissions quoted.

Forge continues to invest in professional staff, processes and systems to grow and these investments require us to continue growing our policyholder base to offset and decrease our expense ratio. We are systematically driving down our expense ratio with the help of our agencies and the profitable business you place with Forge. We thank you for your support and continue to humbly ask for your help to increase business opportunities. Grow with us and FORGE ON!

