

State of the Market: Garage

Competitive Garage and Auto Dealers Marketplace to Continue in the Short Term

Consensus in the Garage and Auto Dealers marketplace is that while tough conditions are expected to improve long term, competition remains fierce with significant pricing pressure and standard carriers working hard to fight for and win business. That said, there are opportunities, particularly in markets such as California, where Admitted Carriers are pulling back or leaving altogether. At the same time, cleaner, smaller risks are getting much more attention as many carriers turn away from larger, higher risk operations in need of true E&S solutions.

CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local [Amwins Access Garage Underwriter](#).

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Market Remains Competitive

Overall, Garage marketplace remains highly competitive. We have begun to see mid-size to larger agents buying wholesalers and jumping into the space themselves – a trend that complicates matters in an already difficult segment and suggests that a narrower (or specialty) focus would be more beneficial than saturating the market.

Insureds will be better served partnering with a team of specialists and underwriters who work exclusively in the sector and can provide critical insight and expertise. This will enable insureds to face market challenges head on, better understand coverage forms and what makes a complete submission and receive the support they need from a dedicated Garage practice with a long-term strategy.



Carrier Appetite is Narrowing

As rates increase, carrier appetite is narrowing. Factors such as weather losses, particularly in states that have not historically been problematic for the industry, as well as unreported drivers and auto-related property damage and business interruption losses continue to impact the market.

Rate increases are occurring more quickly on the E&S side of the business than they are on the standard side. And while most agree that gradual increases would be more palatable for insureds than the sticker shock of increases of 20% to 30% percent, there is little indication that rate increases will slow anytime soon.



Regulation Can Impact Renewal

The regulatory environment is also complicating Garage and Auto Dealers coverage. Restrictions in some jurisdictions prevent writing auto dealers on a non-admitted basis, resulting in a higher number of risks being non-renewed as standard markets exit the space. Until regulatory agencies can make changes or updates to current laws, these high-risk insureds may be forced to obtain coverage through states' assigned risk programs, adding another layer of difficulty to an already challenging marketplace.



Timing is Everything

When it comes to re-shopping accounts in this environment, retailers should be patient – timing is everything. The so-called “sweet spot” of 90 days from renewal can enhance opportunities for success. Submit too early and there isn't enough data to tell the whole story. Go in too late, or push submissions to within days of a renewal, and there's undue pressure to renew and not enough runway to obtain competitive coverage.

Doing the homework upfront will save valuable time. Talk with insureds about factors involved in mitigating risk and managing losses, and work with specialists like those at Amwins whose expertise is critical as standard markets exit the space.



Amwins Helps You Win

Amwins Access is the only wholesale insurer with a dedicated team of Garage and Auto Dealers specialists. Together, they have more than 150 years of experience in this unique line of business – offering incomparable service and knowledge.

The markets we work with rely on our expertise and recognize our unique capabilities. With specialists across the country, we have the flexibility to not only offer Garage and Auto Dealers coverage forms, but related property, traditional GL (premises), Dealers Physical Damage (Dealers Open Lot) and Garagekeepers coverage.

Our team is ready to help you identify the best possible placement for your insureds. We know exactly what it takes to provide a complete submission. **Click here to learn more** about the coverages available and the classes we target.

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