



Q1-2021 Market Observations in Relation to Covid-19 Impacts

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Market Observations, As of March 1, 2021:

1. Overall Market:

- a. *Fiscal* Year Premium (Dec-Feb) is up 36% over Q1'2020.
- b. Early estimate for *Fiscal* Year 2021 Premium indicates an \$11.1B year.
- c. The market continues to harden: Transactions are up 14%, but premium is up 36%. If we remove the large outliers of unexpected new business in December, premium is still up 24% in fiscal year 2021.

2. Industry-Specific Observations:

a. Industries on the Rise and Recovering:

- i. **Retail Trade** is up 18.4% over the last 6 months compared to the same period in prior year.
 1. Non-store retail (i.e. Internet eTailers), Food/Bev, Health/Beauty are pushing up the average growth.
 2. Clothing, General Merchandise, Furniture/Appliances are pulling it down.
- ii. **Hospitality and Food Services** are up 50.1%.
 1. Hotels and Food/Drink appear to be recovering.
- iii. **Construction** is up 17% across the board, with specialty trades at the top of the sub-category.

b. Industries that continue to be **negatively** affected by the Pandemic:

- i. **Arts and Entertainment** are down 18.1% in all categories, however, is on the rise compared to the (-36) % decline in the middle of 2020.
- ii. **Transportation and Warehousing** is down 24.5%.
 1. Trucking is up 40%, but air, rail, and passenger is pulling the entire sector down.
- iii. **Mining and Oil** is down 20% with oil and gas extraction bringing down the entire sector.