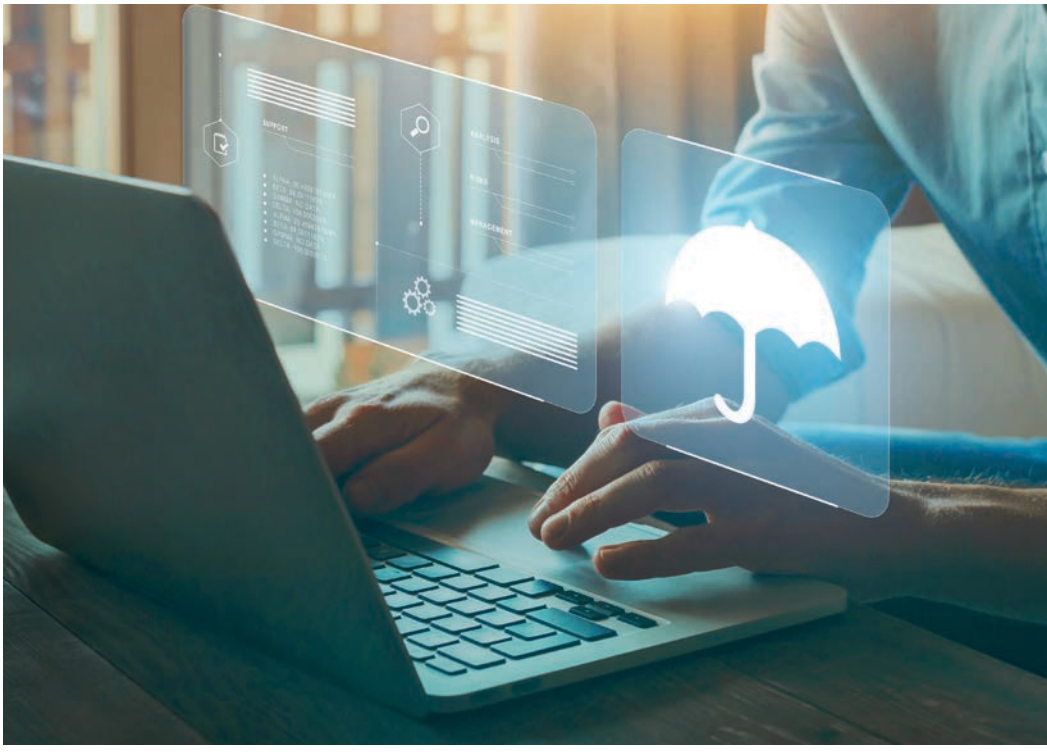
INSURANCE
ROUNDTABLE

BRENDA ALLISON
CEO
Coast General
Insurance Brokers

MARTY LEVY
Principal
CorpStrat Insurance &
Employee Benefits

DAVID POMS
Founder and CEO
Poms & Associates

In this special section, we turn to the expertise of some of the leading business insurance thought leaders in the Valley to gain insight and perspective on the state of insurance today and what businesses need to know. Here are the unique expert responses offering a glimpse into the state of insurance in 2026 — from the perspectives of those in the trenches of our region today.



What are the most common mistakes businesses make when purchasing insurance, managing risk, or filing claims, and how can they avoid them?

ALLISON: Businesses need to understand that they are purchasing a promise on paper. They should read the policy, including how the insurance company defines "the insured" and what risks are excluded. The least expensive of the most expensive if often not the best insurance policy to align with that company's exposure. Another common mistake is making a material change to your business operations without first consulting your broker. Clients will all use to discuss changes when they are still in the evaluation phase, and the insurance is one of the factors. Businesses must evaluate the impact on the current insurance portfolio and risk management plan. I highly recommend a quarterly check-in with your broker or a semi-annual for stable, more benign risks.

POMS: The most common mistake is treating insurance as a commodity and focusing primarily on price. A less expensive policy can become very costly when limits, exclusions or valuations do not reflect the organization's actual exposures. Businesses also wait too long to involve their broker, fail to update coverage as operations change and provide incomplete information during a claim. Insurance should be reviewed as part of a broader risk-management strategy. Companies should meet with their broker throughout the year, document safety practices, maintain accurate property and payroll information, report claims promptly and preserve all relevant records.

How have employee expectations around health benefits, mental health resources, wellness programs, and financial well-being evolved over the past five years?

LEVY: Five years ago, employees wanted a good health plan. Today they expect the plan to actually work — easy access, telehealth, real mental health coverage, and a network that includes their doctor. The pandemic permanently normalized behavioral health as part of medical, not a side benefit, and employees now ask about it directly in interviews. The bigger shift is a financial one. Rising deductibles and premium contributions mean employees feel the cost of healthcare personally, so they're asking about HSAs, employer contributions, and what happens if they have a real claim. They also want help with money in general — 401(k) matching, student loan support, disability and life coverage they don't have to buy themselves. My advice to employers: stop guessing. Survey your people. I've seen companies spend heavily on benefits nobody values while ignoring the two or three things employees would genuinely change jobs over.

Commercial property insurance premiums continue to rise across Southern California. What are the biggest factors driving those increases, and what can businesses realistically do to reduce their costs?

ALLISON: Avoiding claims and having the broker shop for insurance early is the best way to mitigate premium increases. Shopping early gives insight into the evolving market, that's one reason why we provide our clients with a one-page summary of all the quotes and carrier responses. Carriers decline risks due to their internal underwriting appetites. Understanding that factor allows the client to mitigate or remove the risk for reconsideration. One practical example is for the company to develop a driver selection standard that aligns with the insurance company's appetite such as minimum years of experience and zero or a maximum of one point on the license in the last 3 years.

What are the biggest changes shaping the overall insurance market in 2026, and how are those changes affecting California businesses?

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–BRENDA ALLISON

POMS: The insurance market is becoming increasingly divided. Some commercial lines are benefiting from greater capacity and more competitive pricing, while California property risks remain challenging because of wildfire exposure, rebuilding costs and insurers' continued scrutiny of risk quality. Cyber threats, rising liability awards and economic uncertainty are also influencing underwriting decisions. California businesses should expect insurers to request better data and more documentation of their risk controls. Organizations that begin renewals early, accurately value their property and demonstrate meaningful loss-prevention efforts will be in the strongest position to secure favorable coverage, pricing and terms.

Businesses today face increasing pressure from rising insurance costs, employee benefit expenses, cybersecurity threats, litigation, and regulatory compliance. Where should business leaders focus their time and resources over the next three to five years to reduce risk while continuing to grow their organizations?

ALLISON: The single best investment a business can make is in its employees. Success starts by having the right employee in the right role. I often refer people to the book "Who" by Geoffrey Smart. The right person in the right role will carry out the mission in their piece of the company. Only then can a business focus on growth while managing the myriad of risks. Mistakes are costly in the short-term and can be devastating long-term. Educating employees to avoid cyber breaches and to avoid workers' compensation and auto claims. With the right team, leaders can build a culture of organizational ambassadors internally and externally.

LEVY: Focus on two line items you can actually control: people and health plan design. Health insurance and benefits are usually a company's second-largest expense after payroll, and most owners renew it the same way every year without ever testing the market or the funding structure. That's where the money is. Over the next three to five years, I'd put my energy into three places. First, understand how your plan is funded — fully insured, level funded, or self-funded — because that single decision drives cost more than carrier choice. Second, build a benefits package that keeps your best people, since turnover costs far more than a richer plan. Third, get your compliance house in order before somebody else audits it for you. Everything else — cyber, property, litigation — matters, but those are risks you transfer. Benefits and payroll are costs you manage every single day, and small changes compound quickly.

Artificial intelligence is rapidly changing how organizations operate. What new liability, regulatory, and insurance risks should business leaders be preparing for?

POMS: AI creates tremendous opportunities, but businesses remain responsible for how the technology is used. Leaders should prepare for risks involving privacy, intellectual property, inaccurate or discriminatory outputs, cybersecurity, employment decisions and confidential information entered into public platforms. California's evolving regulatory environment makes governance especially important. Every organization should establish an AI-use policy, approve appropriate platforms, train employees and maintain human oversight for consequential decisions. Businesses should also review their cyber, professional liability, employment practices, media, crime and directors and officers policies. Traditional policies may not clearly address every AI-related loss, making a careful coverage review essential.

ALLISON: The most common risk a business faces with artificial intelligence is the exposure of proprietary corporate information and protected client data. Companies have a responsibility to protect themselves, their vendors, employees, and clients. Technology errors and omissions policies are a form of professional liability, also known as malpractice. Technology errors and omissions insurance protects a company from external liability and can help mitigate losses associated with an employee mistakenly exposing a client's data online. All companies should have a realistic, monitored, and enforceable artificial intelligence policy that is communicated to employees more than once and beyond the employee handbook. This must be an active policy that incorporates privacy policy, acceptable use, and transparency policies. More developed companies include ethics policies surrounding artificial intelligence.

Beyond medical coverage, what employee benefits are becoming most valuable in recruiting and retaining top talent?

LEVY: Medical gets you in the game; everything else wins it. The benefits I see moving the needle right now are a well-designed 401(k) with a real employer match, employer-paid life and long-term disability, and flexible time off. Disability is the most overlooked — most people's largest asset is their future income, and almost nobody insures it individually. Employers who cover it are giving a meaningful benefit at a modest cost. I'm also seeing growing interest in discriminatory solutions for executives and key employees, often funded through the business as a selective benefit. That's an extremely effective retention tool, because the value is real and the coverage typically follows the employee. Add supplemental products like AFLAC, critical illness, and legal plans that cost the employer nothing but give employees options. The theme is choice. A package that looks generous and flexible retains people better than one expensive line item.

What insurance coverage gaps do you most frequently see among middle-market

businesses, and how can companies proactively address them before a claim occurs?

POMS: Middle-market businesses frequently underestimate business-interruption losses, cyber exposure, employment-related claims and the cost of replacing property after a major event. We also see gaps involving contractual liability, dependent properties, crime and social-engineering fraud, professional services and inadequate umbrella limits. These gaps often develop because the business has grown or changed while its insurance program has remained largely the same. Companies should conduct an annual exposure review that includes operations, contracts, property values, technology, vendors, revenue dependencies and expansion plans. Coverage should reflect where the organization is going—not simply where it was at the previous renewal.

ALLISON: The three common coverage gaps we see most frequently in commercial insurance are cyber liability, employment practices liability, and errors and omissions coverage for contractors. Cyber can have limited coverage or be a hard exclusion on some policies. Regardless, we recommend a cyber liability policy for any business that uses email, accepts credit cards, or collects data on paper or online. EPLI is the only insurance policy that will mitigate a company's loss from a wrongful termination, wage and hour, harassment, or discrimination claim. The best strategy to mitigate against these claims is to have a positive corporate culture that includes excellent communication, training, employee engagement, and benefits. Contractors and their clients often assume that the general liability policy will cover losses arising from their work. Many policies exclude the work the contractor performs. An endorsement or a separate errors and omissions policy can mitigate against that potentially devastating loss.

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–MARTY LEVY

How has remote and hybrid work changed employers' approach to employee benefits, workers' compensation, and workforce risk?

"EVERY ORGANIZATION SHOULD ESTABLISH AN AI-USE POLICY, APPROVE APPROPRIATE PLATFORMS, TRAIN EMPLOYEES AND MAINTAIN HUMAN OVERSIGHT FOR CONSEQUENTIAL DECISIONS.

–DAVID POMS

LEVY: Remote work quietly broke a lot of benefit plans. Employers who once hired within twenty miles now have people in three states, and suddenly their network doesn't reach them. A PPO that's excellent in Los Angeles can be useless in Idaho. If you're hiring remotely, you need a plan with national network access, and you need to confirm carrier eligibility rules for out-of-state employees before you make the offer, not after. Flexibility, choices, communication – and all must be digital: Employers using paper for benefit enrollment are in the stone ages.

For companies with multiple locations or expanding operations, what insurance issues are often overlooked during periods of growth?

ALLISON: Auto and workers' compensation insurance is statutory. It is common for a business to overlook the need to endorse its workers' compensation policy or obtain a new one when an employee moves to another state. Another common oversight is adding a storage location without adding it to the policy. Many local companies do not realize they have international exposure if they buy materials overseas. They need to read the contract to determine when the product becomes theirs and when their risk begins. There are international management liability policies available for the business operations and inland marine policies for the products in transit.

What compliance challenges related to ERISA, the Affordable Care Act, HIPAA, and California employment laws should employers be paying the closest attention to today?

LEVY: The compliance items that cause the most damage are also the most boring. ERISA requires a written plan document and a summary plan description for your health plan, plus a Form 5500 once you cross the participant threshold. Many small employers have never filed one and don't know they were supposed to. ACA reporting — Forms 1094-C and 1095-C for applicable large employers — carries penalties that add up per employee very quickly, and the IRS does send letters. Watch your full-time equivalent count carefully if you're near 50. On the California side, pay attention to paid sick leave, final pay rules, and the state retirement mandate, which now reaches small employers. HIPAA matters mainly in how you handle employee health information internally; managers should never see it. None of this is complicated. It's just unforgiving if you ignore it, and a good advisor should be watching it for you.

What role does proactive risk management play in obtaining better insurance terms and pricing, and what investments typically deliver the greatest return?

POMS: Proactive risk management gives underwriters confidence that an organization understands its exposures and is actively working to prevent losses. It cannot eliminate every market increase, but it can improve carrier interest, coverage terms, deductibles and long-term pricing stability. The highest-return investments are often practical: employee training, documented safety procedures, cybersecurity controls, property maintenance, driver management, contractual review and prompt correction of identified hazards. Businesses should also track incidents and near misses so they can address patterns before a serious claim occurs. The goal is not simply to purchase insurance—it is to reduce the frequency and severity of losses.

ALLISON: Businesses should have key metrics in the most impactful risk areas. Businesses that proactively research and implement strategies to manage these risks tend to grow faster and stronger than their competitors. Some obvious ones are safe driver training for companies with vehicles. Some of the risks that fly under the radar are the risks associated with human interactions. Discrimination, anti-harassment, and workplace violence policies and training are essential. Businesses need to invest in iron-clad biometric time-keeping technology that proactively monitors missed breaks and overtime in real time. There are time-keeping devices that display a pop-up timer when an employee is about to reach their five-hour mark without taking their lunch break.

If you could give every Southern California business owner one piece of insurance advice that could save them significant money—or prevent a major loss—what would it be?

LEVY: Stop treating your renewal as paperwork. Every year we meet owners who have quietly absorbed double-digit increases for a decade because the renewal arrived, someone approved it, and everyone moved on. That's real $$$ — often tens or hundreds of thousands over time — and it's recoverable. Start the conversation 90 days out, not two weeks. Ask your broker to show you what alternative funding arrangements would look like at your size and claims history, even if you ultimately stay put. Ask what the plan would cost if you changed the contribution structure. Then look at the rest of your coverage the same way: is your life insurance still priced correctly, is your disability coverages current? Insurance rewards attention and punishes auto-pilot. The businesses that save the most money aren't the ones with the cheapest policies; they're the ones that actually look every year.

ALLISON: Read the book, "Who" by Geoffrey Smart.