

ReSource Pro

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Capture the Shift

**Because you can't fix what you
won't name, and you can't prevent
what you're not willing to measure**

The problem defined



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Premium leakage represents a silent financial crisis in the property and casualty insurance industry, draining more than **\$30 billion annually**

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“Measuring premium leakage is difficult. We are working with an unknown number that we are trying to reduce. We know it exists, and the challenge is finding where it exists and reducing or eliminating it.”

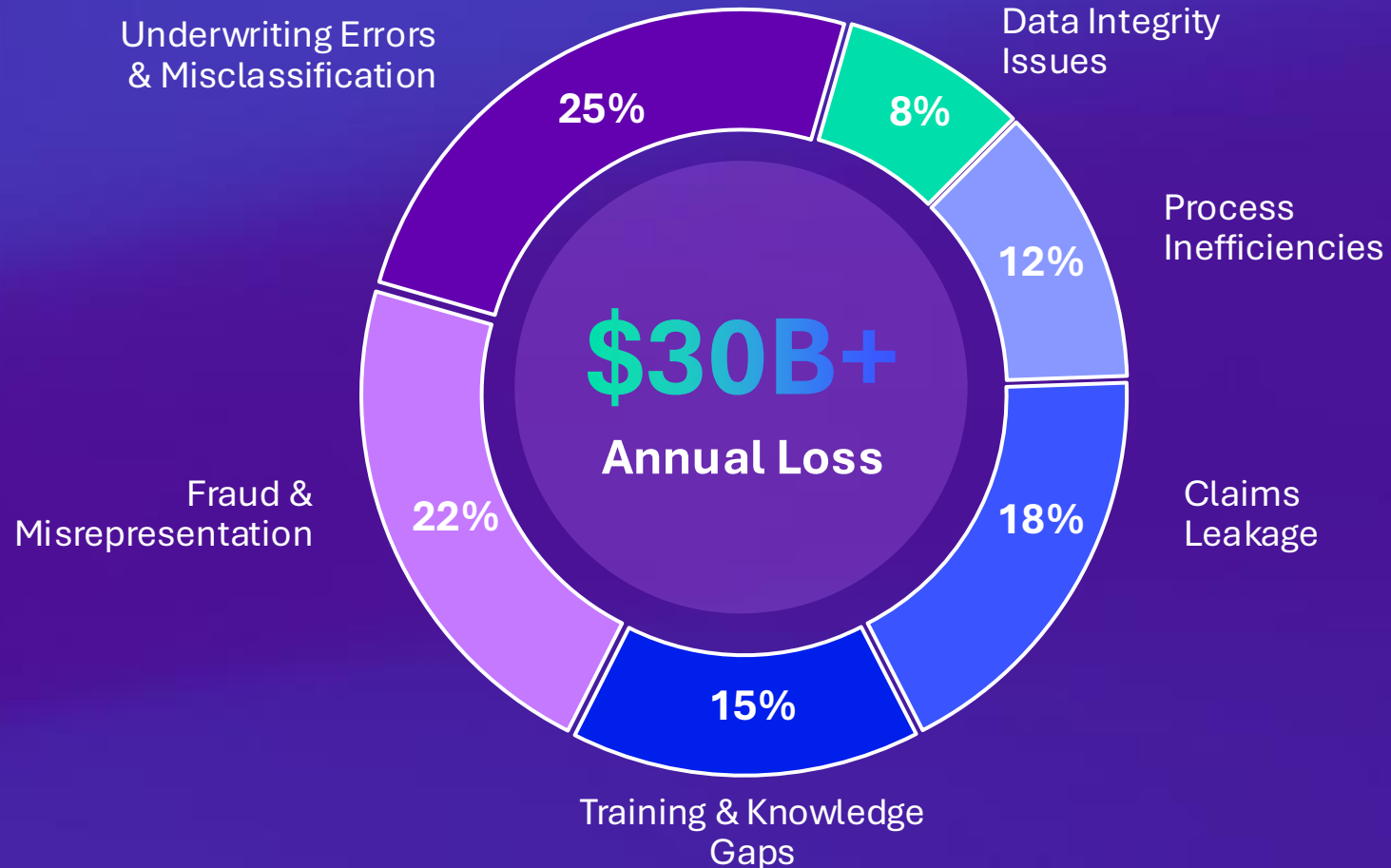
Rosemary Bravetti, senior corporate underwriter,
Merchants Insurance Group

The root causes



The root causes

Root Causes of Premium Leakage in Commercial Insurance Distribution Across Six Major Categories



Source: ReSource Pro Research Report and Lowry & Associates Field Analysis (February 2026)

Workers' compensation Class Code Scenario

Scenario	Exposure	Employees	Exposure	Manual Premium	Code Rate	Final Premium
Policy estimates	40,000	1	\$ 40,000.00	400	6	\$ 2,400.00
Potential final premium	40,000	100	\$ 4,000,000.00	40,000	6	\$ 240,000.00
Premium Leakage (Gap)			\$3,960,000.00	39,600		\$ 237,600.00

Premium Leakage by Commercial Lines of Business Estimated Annual Revenue Loss



Annual Premium Leakage (\$ Billions)

Source: Industry estimates based on ReSource Pro analysis and carrier data (2026)

- 25X Cost Difference Between Jobs
- Roofing (Class 5551): ~\$12.50 per \$100 of payroll
- Office clerical work (Class 8810): ~\$0.30 per \$100 of payroll
- That's a 4,167% difference

Real dollar impact:

- A roofer earning \$50,000/year costs \$6,250 in annual premium
- An office worker earning \$50,000/year costs \$150-\$200 in annual premium
- Same payroll, \$6,000+ difference in insurance cost

- Workers' comp rates vary over 100% depending on location
- National average: \$1.03 per \$100 of payroll
 - Range: \$0.35 to \$1.83 per \$100 (5x difference)
 - Texas: as low as \$0.57 per \$100
 - Alaska: up to \$2.32 per \$100

Classification complexity:

- Average of 327 classes actively used per state
 - But 1,400 different code descriptions across all states
- **700 total codes in NCCI system, but each state can modify them**

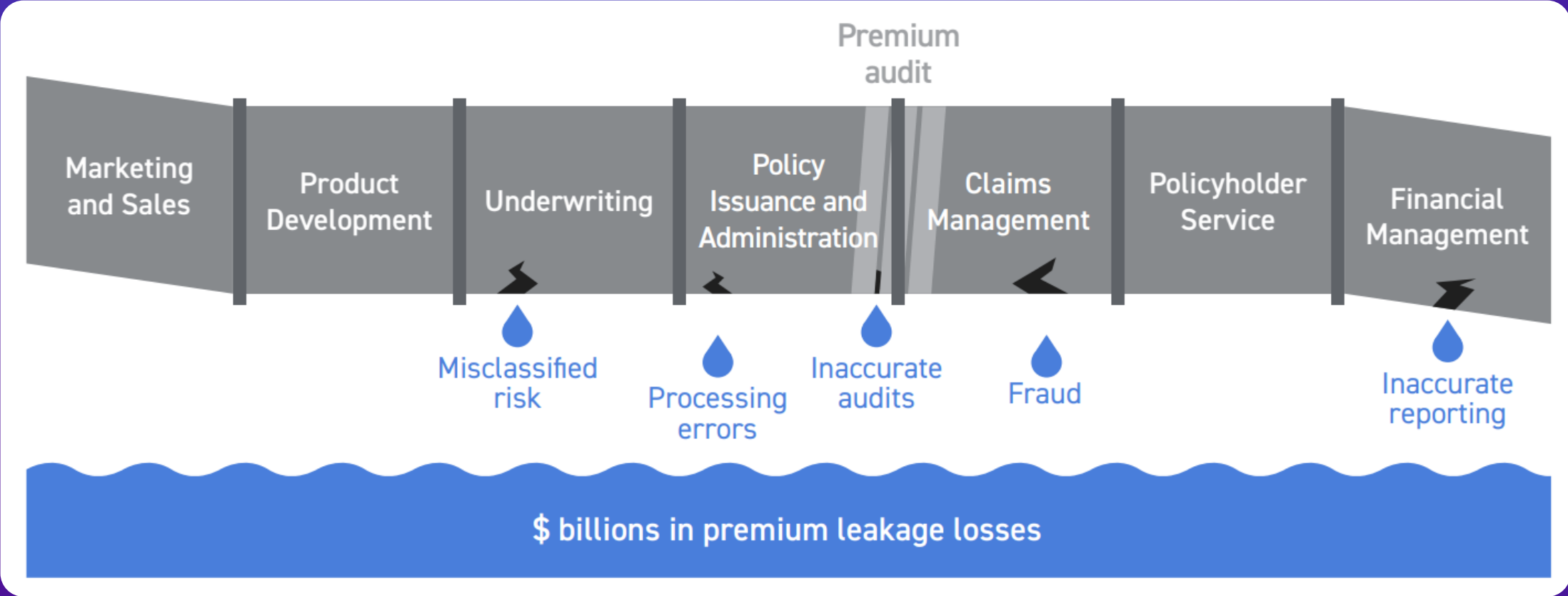
The solution:



The solution: **Premium audit**



Scope of premium leakage



The solution: **Premium audit**



The solution: **Technology & data**



The solution: **Training & knowledge**



Leakage... It's not
“If” you have any, but
“how much”

30-60-90 Day action plan

Reduce Premium Leakage in Your Organization

MONTH 1 Diagnostic

UNDERSTAND

- Measure baseline leakage.
- Map audit coverage gaps.
- Interview key stakeholders.
- Pull historical metrics.
- Compare to 14% industry avg

GOAL: Executive Summary



MONTH 2 Implementation

QUICK WINS

- Lower audit thresholds.
- Train underwriting team.
- Start weekly data meetings.
- Pilot data validation tools.
- Expand coverage by 25%

GOAL: 20-30% More Collections



MONTH 3 Optimization

SCALE & PROVE

- Deploy automation tools.
- Calculate 90-day ROI.
- Measure before vs. after.
- Present results to C-suite.
- Secure budget for Year 2

GOAL: 4,200-5,800% ROI

KEY BENCHMARKS

Industry Average:
14% Leakage

Payback Period:
4-6 Months

Best in Class:
72% Reduction

Your Target:
20% Reduction

Expected
ROI: 4,200-5,800%

START NOW: Share with your team this week

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Where are you
Leaks?

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