

State of Insurance

A ROUNDTABLE DISCUSSION



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In today's rapidly evolving business landscape, managing risk has never been more critical. From shifting regulations and emerging technologies to climate-related events and supply chain vulnerabilities, companies face a complex array of challenges that demand smart, forward-thinking insurance strategies. This roundtable brings together two of Los Angeles County's leading insurance experts to share their insights on navigating this environment. David Poms of Poms & Associates and Danone Simpson of Montage Insurance Solutions explore the latest trends in coverage, innovative risk management approaches, and the evolving role of insurance in supporting business resilience. Their expertise offers valuable guidance for organizations aiming to protect assets, safeguard operations and position themselves for long-term success.

Here are the unique responses from the experts, offering a glimpse into the state of insurance in 2025 – from the perspectives of those in the trenches of our region today.

What are the most essential types of insurance coverage every business — regardless of size — should have in today's economic and legal climate?

SIMPSON: There are many lines of coverage and factors in which the various coverages are required and or are recommended. Coverage options vary based on your business needs. One required form of insurance is Workers' Compensation, which is mandatory if you have employees. Not required, but recommended depending on your exposures, are: A) Property & Liability – depending on contracts with banks, landlords, or vendors, you must meet their requirements. Banks require naming insureds and specific limits, especially since they own the property. Landlords often ask to be additional insured. It's essential to cover business income for events like fires. Liability limits depend on your industry and exposure. B) Umbrella sits on top of underlying policies — ensure proper coverage. C) Professional lines include EPLI, Directors & Officers, E&O. It's also worth mentioning employee benefits such as medical, dental, vision, life, STD/LTD, worksite, long term care, 401k, 401B, pet and more.

POMS: Every organization — regardless of size — faces core exposures that demand attention. While property, general liability and workers' compensation remain essential, they are no longer sufficient in today's evolving environment. Business interruption, cyber liability and employment practices liability coverage are increasingly vital. When working with our clients, we start by helping them understand not just their

exposures, but how those risks could impact their mission and continuity. A well-structured insurance program isn't just about avoiding loss, it's about ensuring that when disruption strikes, the organization can recover with strength, clarity and purpose.

How have the recent wildfires reshaped the way businesses should assess and mitigate wildfire risks in Los Angeles?

SIMPSON: Businesses are assessing their building, property and liability exposures by working with their brokers and carriers to review their exposures within the stricter carrier guidelines. Recent fires have significantly reshaped the insurance industry by increasing awareness of wildfire risks and accelerating changes in coverage and underwriting practices. Insurers now impose higher premiums, stricter underwriting criteria and greater deductibles for properties in fire-prone areas. Many companies have limited or withdrawn coverage in high-risk zones, prompting policyholders to seek specialized policies or community-based solutions. Industry investments in advanced technologies, like satellite imaging and wildfire modeling, have led to better assessment of risks. Additionally, insurers are encouraging businesses to use proactive measures such as fire-resistant building practices, supporting community resilience programs, and advocating stricter guidelines for brush and landscaping around buildings, and sprinklers are being mandated to be in good working order. Overall, recent fires have pushed the insurance

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MONTAGE INSURANCE SOLUTIONS

DANONE SIMPSON, EMBA, is the CEO and founder of Danone Simpson Insurance Services, DBA Montage Insurance Solutions, and Co-CEO of Bene, Inc. With 25 years in the insurance industry, she leads teams across employee benefits, property & casualty risk management, COBRA, TPA Services, Compliance, HR tech, wellness, and claims management – serving mid-sized to large groups in all industries from private to charter schools, non-profits, hospitality, manufacturing, technology, etc. Focusing on customized service programs serving each client, Montage is celebrating its 19th anniversary. Her promise is to ensure companies are properly covered, understand coverages, paying the best rates and can run their businesses without worrying about risk. She has also made it her mission to educate anyone who wants to learn about HR and risk compliance matters with her My HR Summit Series, Employee Engagement Series, and more.

POMS & ASSOCIATES

DAVID POMS is a nationally recognized leader in insurance and risk management, celebrated for his pioneering work in alternative risk programs and unwavering commitment to client advocacy. As president and founder of Poms & Associates, Poms has spent more than 38 years redefining the broker-client relationship as a trusted partnership in problem solving. Frustrated by the limitations of traditional models, he launched Poms & Associates in 1991 to address a growing demand for creative, strategic and client-first insurance solutions. Under his leadership, the firm has expanded across the United States with a clear focus: heroic customer service, deep expertise, and proactive education. His philosophy is simple but powerful — “Knowledge is the best insurance.” Poms is a pioneer in public entity risk pooling and has played a pivotal role in establishing successful programs throughout the Western US.

industry to adopt more strategic risk management by going onsite to see the operations to prioritize mitigation efforts and to better safeguard both insurers and policyholders against future wildfire losses.

POMS: Wildfires have transformed how we approach risk — not just geographically, but philosophically. Risk is no longer episodic; it’s ambient and complex. In our work supporting organizations through wildfire claims and prevention, we’ve learned that physical protection must be paired with operational readiness. That includes defensible space, continuity plans, communication protocols, and reviewing exclusions tied to fire, smoke and utility disruption. The old model of transferring risk isn’t enough anymore. We encourage clients to think comprehensively — where resilience is baked into how they plan, build, and lead — not just how they insure.

How would you describe the insurance landscape in the wake of wildfires?

SIMPSON: In the Los Angeles region the insurance landscape looks grim for any businesses around or near fire zones.

What are some common gaps in commercial insurance policies that businesses often overlook when it comes to property damages?

POMS: One of the most common and costly gaps we see is in coverage alignment. 1) Valuations are often outdated and 2) Ordinance or law coverage may be missing entirely. We’ve encountered clients facing delays because debris removal was insufficiently covered, or civil authority triggers weren’t broad enough. These oversights typically arise not from neglect but from a lack of thorough review. When working with our clients at Poms & Associates, we focus on identifying the subtle disconnects that can derail recovery. Closing gaps isn’t just about compliance — it’s about restoring your people, place and purpose after a crisis.

SIMPSON: In the beginning of my career, I made an appointment with the CEO of a manufacturing business. Upon my arrival I found the building empty and heard a voice from a distance telling me to “come on back.” When I sat down at this person’s desk, he asked me if I understood co-insurance. He then went on to tell me he lost his entire business due to a fire and co-insurance. His limits were not set correctly, and the carrier reduced the amount they paid out on his claim. He did not have enough to replace what he had lost. Review your policy, don’t take the lowest price because of price. Know what coverage you have. If you have large amounts of product being shipped by a shipping carrier, make sure your coverage properly insures the loss. Also, make sure you have certificates of coverage from your shipping company. Knowing the proper coverages to insure your risk is critical. Partner with a broker who cares to sit with you and make sure you are properly insured.

With climate-related disasters, cyberattacks, and other emerging risks on the rise, how are insurance providers evolving their products to better protect businesses?

POMS: Carriers are under enormous pressure to quantify uncertainty — and they’re demanding more from insureds in



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return. Businesses must now demonstrate not just what protections they’ve purchased, but what actions they’ve taken. We hear from our clients that navigating this new standard can be overwhelming. That’s why we emphasize cultural resilience alongside technical coverage: risk assessments, governance protocols, employee training, and real-time data are now as critical as your policy language. Insurance has evolved into a dynamic partnership — one where transparency and preparation are as valuable as premiums paid.

What role do supplemental benefits (e.g., mental health services, dental, vision, fertility support) play in attracting and retaining top talent today?

SIMPSON: I am seeing more executives frustrated with the benefits. The overall cost has risen beyond a point for the past richer 90% plans. We are selling more level funded plans, MERP and self-insurance plans. Employers with less than 300 employees are looking to save on premiums, locking in stop loss coverage and defining wellness programs by seeing the claims data. In California with the HMO environment, employers cannot see the claim experience due to the way the doctors bill and are paid. PPOs pay fee for service, allowing claims experience to be received if the client has over 200-300 employees, depending on the carrier. Mental health is a growing challenge in traditional models such as EAPs that allow three face-to-face visits, while the networks are shrinking for in person visits. Vendors such as Rula work with EAPs to help employees find the right doctor for their needs. Dental benefits’ maximums are rising to fit the high cost of dental care. We just heard the other day from a vision representative that more doctors are going out of network to seek higher payments. Infertility is being added to large groups (over 100). Small group employers are offered Infertility riders, so they can decide to add the benefit at a cost for each member. This benefit has become more important to employees.

What are some of the most common mistakes business owners make when it comes to insurance coverage — and how can they avoid costly gaps?

POMS: One misstep we frequently see is a reactive approach — waiting until renewal, or worse, a claim, to evaluate whether the coverage still fits the organization. Risk evolves faster than policy language, and many organizations outgrow their programs without realizing it. Another misstep is making decisions based solely on premium, without examining scope or alignment. When working with our clients, we encourage deeper, ongoing dialogue. Insurance should be part of strategic planning, not an afterthought. The goal is to make your risk program a reflection of your values, not just your budget.

How do employee expectations around health benefits and wellness programs differ now compared to five or ten years ago?

SIMPSON: While employees have higher expectations today around certain employee benefits, they have shifted greatly. For health benefits today, education is critical so that employees know how to use their benefits. ACA brought in higher deductibles and co-insurance that increased annually. There are networks today that buyers want to understand. Years ago,

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ACA employees complained about the small co-pays they had, and now I sit remembering those open enrollment meetings and the sense of entitlement for rich benefits. Today, people want “work life fit,” wellness, more PTO, pet insurance, and other benefits. Dental benefits have become outdated at the maximum of \$1,500, hardly covering 50% of a root canal and crown. Implant coverage is important as more people have implants. We are seeing higher maximums to unlimited on the limits in dental. Pets are expensive so understanding pet insurance is important – and employees are asking for it.

How are businesses managing rising insurance premiums, especially in sectors like construction, hospitality and tech?

POMS: Rising premiums are a reality — but so is a strategic response. Many of our clients in public education, housing and construction are exploring higher deductibles, layered programs, and alternative risk financing tools like self-insured pools or captives. These approaches can offer stability — but they require discipline, governance, and long-term planning. When working with our clients, we often begin by analyzing loss drivers and identifying risk reduction opportunities. Costs can’t always be controlled at the carrier level, but they can often be mitigated through better decisions, smarter contracts,

and proactive culture.

SIMPSON: We are seeing more MERP plans for the services and manufacturing industries depending on their locations. Higher deductibles are common today with worksite benefits to supplement hospitalizations. There are many new resources, plans and ways to insure employers and their employees based on their needs. It is very different with every employer, and we do full marketing of everything available so our RFPs look totally different today than they did a few years ago. There are commonalities among industries, yet many manufacturing companies have been extremely steady with their workforce for many years and we find they move slowly to change.

With rising costs and limited availability, should businesses explore alternative risk financing options such as parametric insurance or self-insurance pools?

POMS: Alternative risk models are gaining ground because they offer speed, flexibility, and — when well-structured — cost savings. We’ve helped create and manage pooled programs for schools and public agencies across the West, and we’ve seen firsthand how shared risk can build resilience. Parametric insurance, with its trigger-based payouts, is another tool we’re using to help clients deal with wildfire, earthquake, or weather-related risks. These models aren’t for everyone — but when clients come to us ready to explore long-term solutions, we often find that alternative approaches can provide stability where traditional markets can’t.

What should businesses know about Employment Practices Liability Insurance (EPLI), especially in light of evolving workplace norms and regulations?

SIMPSON: It is imperative for employers to have EPLI in California, as litigation increases year over year. We are seeing higher retentions (deductibles) in these past few years even with companies who have remained claim free. The cost associated with employment claims is impossible for many smaller to mid-sized employers to absorb. Going without this coverage and Cyber Liability Insurance is imprudent in these days as companies are being assailed with risk.

What proactive steps can businesses take today — structurally and financially — to better withstand and recover from future natural disasters like the wildfires?

POMS: Start with readiness — structural, financial and human. Conduct risk assessments, update valuations, and review your business continuity plan through a real-world lens. We encourage clients to think beyond “checking the box.” How will your leadership team respond in the first 48 hours of a disaster? What support systems do your employees need to stay engaged and safe? When working with our clients at Poms & Associates, we frame preparedness as a leadership behavior. Insurance is one tool — but the strongest recovery efforts we’ve seen are driven by foresight, collaboration, and care for the community served.



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Dedicated service and smart insurance solutions that make a difference to further your mission.

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