



FOOD, AGRICULTURE, & BEVERAGE

PLAYBOOK

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EXECUTIVE SUMMARY

Today's commercial insurance landscape is a paradox. On one hand, buyers are seeing continued pricing relief across many lines. On the other, economic and geopolitical uncertainty persist.

While competition is returning and insurers are signaling growth, they are increasingly focusing on discipline, and prioritizing profitability over market share. The U.S. economy, meanwhile, has shown resilience, but middling GDP growth, weak consumer sentiment, and tariff-related pressures on both consumers and businesses continue to cloud the outlook.

Key economic indicators offer warnings:

- Inflation is showing signs of reacceleration.
- Unemployment is ticking up amid slowing job growth.
- The Federal Reserve's policy on interest rates remains uncertain.

Tariffs have reached historic highs, contributing to consumer unease and reductions in business investment. Bankruptcy filings are at their highest pace since 2010, and regulatory ambiguity is adding complexity across sectors.

In the insurance market, conditions remain broadly favorable for buyers. Insurers are reporting strong underwriting results and investment returns. Property rates are softening, especially in shared and layered placements, while Workers' Compensation continues to perform well despite emerging claim trends. However, Liability lines face headwinds, with rising rates and increased scrutiny around litigation funding, jurisdictional risks, and persistent exposures such as artificial intelligence (AI).

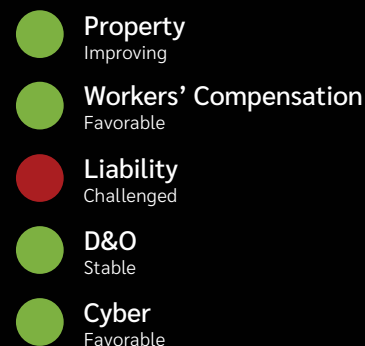
Meanwhile, Directors and Officers Liability (D&O) insurance is stable, with public company rates flattening and private and nonprofit insurers showing caution amid economic uncertainty. And Cyber insurance remains competitive, although carriers are closely monitoring a variety of risks and regulatory developments.

In today's market, execution matters. Buyers with strategic foresight are best positioned to secure favorable outcomes.

EIGHT RECOMMENDATIONS FOR RISK PROFESSIONALS

1. **Elevate risk management** by proactively building team capabilities, adopting innovative tools, and fostering long-term resilience.
2. **Revamp your renewal strategy** by engaging early with brokers and reinvesting savings to align insurance spend with broader risk goals.
3. **Strengthen underwriting submissions** by showcasing robust risk management practices to secure better terms and pricing.
4. **Use risk capital strategically** by aligning purchases with objectives and exploring alternative financing to boost resilience.
5. **Integrate analytics** to leverage data and AI for optimizing program performance and negotiating favorable insurance terms.
6. **Test scenarios regularly** to ensure crisis readiness through rigorous planning and collaboration with key stakeholders.
7. **Reinforce global programs** by conducting annual reviews, broadening coverage, and partnering with committed, financially strong insurers.
8. **Choose a strategic insurance broker** that offers holistic guidance and helps optimize coverage across markets through data-driven insights.

PRICING ENVIRONMENT IN INDIVIDUAL LINES



OUR PURPOSE

At Lockton's Food, Agriculture, & Beverage (FAB) Practice, we are passionate about how food is produced. Our mission is to collaborate with our clients, providing risk management services and solutions to support their noble goal of feeding the world.

WHY LOCKTON

The food supply chain is complex and nuanced, with risks that differ significantly depending on the commodity being grown, processed, or sold. This complexity demands a broker who truly understands your business and can offer tailored insurance and risk management solutions. Lockton has assembled a team with deep expertise across various segments of the food supply chain, including agriculture, protein, processing, and retail. Each of these areas presents unique risks and, in many cases, distinct carrier focus.

MARKET ACCESS

Challenging market conditions have caused several standard carriers to exit the FAB industry, which in turn has necessitated nonadmitted surplus lines markets to become more prevalent. These markets, which include U.S. wholesale, London, Bermuda, and reinsurance access points, are where we see the highest levels of innovation.

INNOVATIVE SOLUTIONS

Our goal is to continually innovate, bringing relevant products and services to our clients while fostering a competitive marketplace. We have established several proprietary facilities in London and work closely with our trading partners to push the boundaries of their capacity for FAB risks.

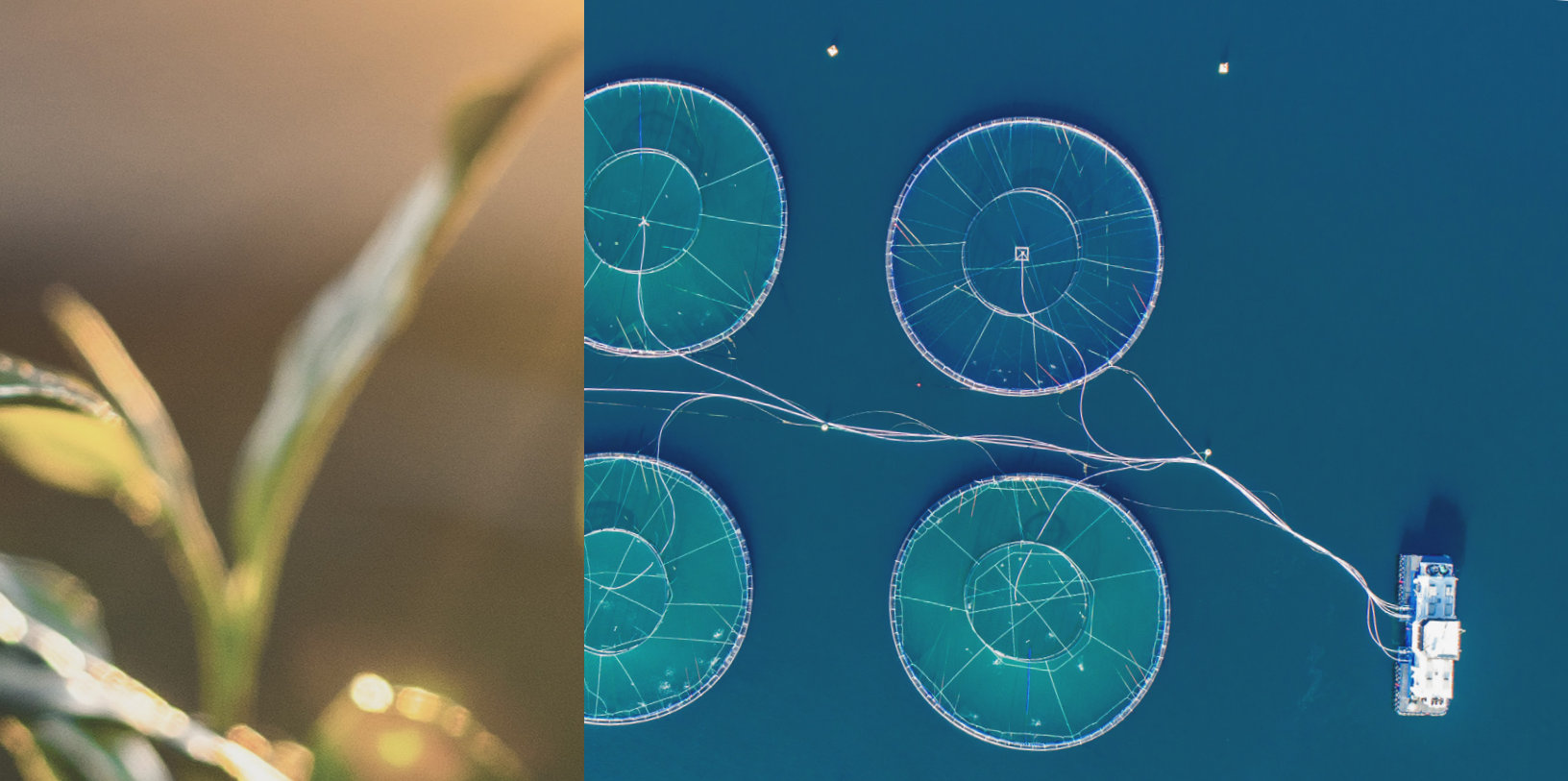
WHAT MAKES US DIFFERENT

Lockton's culture is client-centric. Everything we do is focused on creating an elevated client experience. **We grow organically based on the strength of our ideas, and we retain clients by keeping our promises.** Our private business model allows us to invest over the long term, and we have an entrepreneurial spirit that empowers our teams.



For more information:

*Click **here** or use your mobile device to scan the QR code.*



A forward-facing focus

At Lockton, we apply a proactive approach toward helping our clients build optimized programs in terms of cost, breadth of coverage, and administrative efficiency.

Lockton is known as an industry leader in organic growth, but our growth is really a retention story. Our teams bring the same passion, creativity, and responsiveness for long-term clients that we do for new accounts. Food, agriculture, and beverage is all our team does. This level of focus, the resulting expertise gained, and the amount of attention given to our clients are unmatched.

LOCKTON'S FOOD,
AGRICULTURE, &
BEVERAGE PRACTICE
BY THE NUMBERS

\$1.34B

Annual premium placed in
the market (U.S. clients)

12%

Premium growth
rate LTM

1,000+

Total clients

98%

Food, Agriculture, & Beverage Practice client retention LTM



SUCCESS STORIES

What we're doing for our clients ...

POPCORN PROCESSOR

Leveraging Lockton expertise across the world

Challenge: Inadequate program design resulting in problems with pricing, terms, and conditions.

Approach: Accessed the global marketplace, including Lockton London's new proprietary facility.

Result: Secured savings of approximately \$100K and future claim efficiencies.

LARGE FLOUR MILLER

Sophisticated approach to program design and risk engineering

Challenge: Rudimentary approach toward program structure and risk engineering along with inefficient market access points.

Approach: Streamlined market access, engaged third-party engineering, leveraged market relationships, and conducted in-person client/underwriter meetings.

Result: A more efficient program resulting in \$1.3M in savings.

BEVERAGE MANUFACTURER

Midterm savings

Challenge: Coverage issues discovered during due diligence.

Approach: Conducted midterm marketing strategy and leveraged market relationships.

Result: 40% reduction in total cost of risk with improved terms and conditions.

AG CHEMICAL WHOLESALER, RETAIL DISTRIBUTOR, & APPLICATOR

A scalable, best-in-class program delivering savings for a rapidly growing client

Challenge: Client experiencing rapid growth, outgrowing the sophistication of their incumbent broker/carrier.

Approach: Lockton developed a strategy to separate the company from the traditional ag markets and build a scalable insurance program.

Result: A highly competitive program with best-in-class terms/conditions and \$1.4M in savings to the client.

GLOBAL FOOD COMPANY

Restructuring property program with captive and reinsurance solutions

Challenge: Multiple challenging renewals resulting in increased costs and more retained risk.

Approach: Developed a strategy to address valuation and engineering. Communicated this via in-person underwriting meetings. Also introduced the Lockton captive team to incorporate a single-parent captive insurance company and assist with directly accessing reinsurance capacity.

Result: Over \$1M in savings with less risk retained by the client.

DIVERSIFIED AG COOPERATIVE

Using captives and fronts to generate savings

Challenge: Client had a new captive with an uncompetitive general liability policy (high premium/low retention).

Approach: Moved the general liability to a fully fronted basis.

Result: \$900K in fixed cost savings.

LARGE VERTICALLY INTEGRATED MEAT PACKER

Strategic approach toward program consolidation and risk appetite

Challenge: Client was seeking a more strategic risk management approach along with livestock and transportation expertise.

Approach: Comprehensive evaluation of the program and strategic conversation regarding risk appetite.

Result: More efficient and robust insurance program with meaningful cost savings.

MEAT PROCESSOR

Turning claims challenges into success stories

Challenge: A new client came to Lockton with several recent complex claims across multiple lines of coverage, which created uncertainty ahead of the renewal.

Approach: Lockton organized in-person meetings, built a successful story to convey to the market, and leveraged relationships.

Result: 9% reduction in total cost of risk with significant headwinds.

CASUAL DINING PROSPECT

Significant savings through market leverage and compensation transparency

Challenge: Client was facing significant increases with incumbent broker/carrier three weeks prior to the renewal date.

Approach: Lockton leveraged market relationships and provided transparency on broker compensation.

Result: \$715K in savings — 24% of the total cost of risk.

RIVER ASSET-BASED GRAIN HANDLING COMPANY

Coverage clarification resulting in savings

Challenge: A new client raised concerns about duplicate coverage.

Approach: Engaged the market to confirm coverage details and explore opportunities to reduce the number of active policies.

Result: \$450K in savings through clarification of coverage and the elimination of duplicative policies.

QUICK-SERVE RESTAURANT

Strategic approach toward program scalability and safety

Challenge: Client experiencing rapid growth (25% YOY) with a broker/carrier that lacked the expertise to scale and provide innovative solutions.

Approach: Engaged all markets, including London and Bermuda, in an effort to restructure the client's property placement and retain more risk.

Result: New best-in-class insurance program and safety program.

PET FOOD MANUFACTURER

Overcoming property market challenges through risk engineering

Challenge: High-value, non-sprinklered location with significant pricing/terms renewal challenges.

Approach: Lockton's property engineers conducted a cost-benefit analysis to install sprinklers and coordinated contractors.

Result: 50% YOY reduction in premium.

VEGETABLE GROWER & PROCESSOR

Lockton London's property, stock throughput, and recall expertise leveraged

Challenge: Previously with multiple brokers, which led to inefficiencies.

Approach: Accessed London specialty teams to place a combined policy across multiple coverage lines.

Result: Saved the client 10% of premium due to enhanced efficiencies and ensured an integrated approach toward claims handling.

GROWER/PACKER/SHIPPER

Property renewal savings in light of significant claim

Challenge: Lockton was awarded the business 60 days prior to the renewal with a \$50M+ property loss, valuation concerns, and program structure inefficiencies.

Approach: Full audit of the insurance program to determine inefficiencies, uninsured exposures, and safety opportunities.

Result: Savings of \$965K with higher limits and appropriate valuations.


BREAD & SWEET BAKERY & DISTRIBUTOR

Recall expertise used to overcome a claim denial

Challenge: Client facing a recall loss that was initially denied by the insurance carrier.

Approach: Engaged Lockton's recall team to advocate on behalf of the client.

Result: Coverage was accepted, and the client recovered \$257K in losses.



CLIENT EDUCATION

OUR PRACTICE WORKS TO EDUCATE OUR CLIENTS & INDUSTRY PROSPECTS

Networking events

Annual Food, Agriculture, & Beverage Conference

Food, agriculture, and beverage companies expect their insurance advisors to keep them informed about relevant topics, with an eye toward emerging risks in particular. That's why we host an annual industry event featuring industry experts who can address key challenges and issues affecting the food supply chain.

This two-day event offers industry professionals a chance to learn about critical topics and network with their peers and insurance carrier leadership. Past speakers have included Sonny Perdue and John Sitalides, a U.S. State Department strategist.

ANNUAL FORUM



Staying informed

Food for Thought newsletter

Food for Thought is our quarterly newsletter, which is shared with a group of almost 1,000 companies. We provide quarterly industry-specific market updates, white papers discussing hot topics, and alerts for upcoming webcasts or industry events.

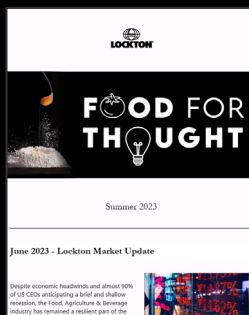
Forward-looking insurance market updates

We take a unique approach to our quarterly market updates. Rather than using only backward-looking information to offer rate guidance, we combine that information with forward-looking insights from the practice to provide a real-time assessment of market conditions.

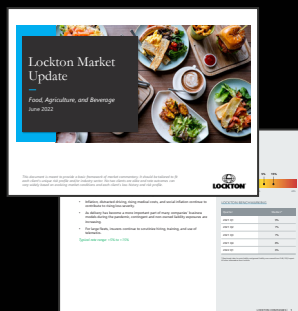
Keeping our clients informed

We regularly produce white papers and host webcasts on topics relevant to our clients, including macroeconomics, geopolitics, trade, tariffs, immigration, and trending headline risks.

QUARTERLY
NEWSLETTER



MARKET
UPDATES



WHITE
PAPERS



Care to be added to the newsletter? Email us at:

foodforthought@email.lockton.com

Or contact an Associate or Producer in the practice.



CULTIVATING INSIGHT

Inside the Food, Agriculture, & Beverage Practice

\$1.34B

Annual premium placed
in the market by industry
U.S. clients



AGRICULTURE

CLIENT SAMPLING

The Andersons	Monterey Mushrooms
The Arthur Companies	Ocean Spray
Aurora Cooperative	Ottawa Cooperative
Bartlett	Pacific Ag
Bay State Milling	Quality Roasting, LLC
Columbia Grain	Reiter Affiliated Companies
Dakota Mill & Grain	Scoular
The DeLong Company	Summit Farms
Greenpoint Ag	Sunrise Cooperative
Keystone Cooperative, Inc.	Syngenta
MFA	United Cooperative
Mid-Kansas Cooperative	The Wenger Group

INDUSTRY PARTNERSHIPS

- The Fertilizer Institute
- Grain Elevator and Processing Society (GEAPS)
- Kansas Grain & Feed Association (KGFA)
- Minnesota AgriGrowth
- National Council of Farmer Cooperatives
- National Grain and Feed Association (NGFA)
- North American Millers' Association
- Produce Marketing Association
- Women in Agribusiness



PROTEIN

CLIENT SAMPLING

Clemens Food Group	Kenosha Beef
Country View Family Farms	Mar-Jac Poultry
Creekstone Farms	Maschhoffs
Crystal Creamery	New Fashion Pork
Farmers Union Industries	Plainville Brands
Foster Poultry Farms	Rosen's Diversified
Hanor	Schwartz Farms
Happy Egg Co.	Simmons Foods
Humboldt Creamery	Tip Top Poultry
Iowa Select Farms	Trident Seafoods
JBS Foods	Tuls Dairies
Johnsonville Sausage	Tyson

INDUSTRY PARTNERSHIPS

The Meat Institute
National Cattlemen's Beef Association (NCBA)
National Chicken Council (NCC)
National Pork Producers Council (NPPC)
The Pork Alliance
U.S. Poultry & Egg Association



PROCESSING, MANUFACTURING, & DISTRIBUTION

CLIENT SAMPLING

Alpha Baking	Innophos, Inc.
Batory Foods	John B. Sanfilippo & Son
Beam Suntory	KeHE Distributors
Beavers Holdings	Koia
Bernatello's	Monogram Foods
Birchwood Foods	New Dairy Opco
Black Buffalo	Oregon Potato Family of Companies
Coca-Cola Consolidated, Inc.	Reyes Holdings
Dairy Farmers of America	Rise Baking
Firehook of Virginia	Round 2 Spirits
Flagstone Foods	S. Martinelli & Company
Good Foods Group	Salm Partners
Greater Cleveland Food Bank	Simple Mills
Griffith Foods	Sugar Foods
Harvest Food Group	United Facilities
Highland Baking	Ventura Foods
Home Market Foods	The Wonderful Company
Honey Stinger	World's Finest Chocolate
Huel	

INDUSTRY PARTNERSHIPS

AIB International (Food Institute)	Bakers Association (CASBA)
American Bakers Association (ABA)	Food Marketing Educational Council
American Frozen Food Institute (AFFI)	Foodservice Industry Risk Management Association (FIRMA)
Chicago Association for Corporate Growth	Naturally Boulder
Chicagoland Food & Beverage Network	RSM CFO Club for Food and Beverage
Cookie and Snack	



RESTAURANT & RETAIL

CLIENT SAMPLING

801 Chophouse	JEM Restaurant Group
Allstate BK Real Estate	Jerry's Foods
Ampler Restaurant Group	KBP Foods
Big Jack Ultimate Holdings LP	KFC International
Black Bear Diner	LSG Sky Chefs
Chick-fil-A	Luke's Lobster
Dick's Last Resort	Miner's Inc.
DRM, Inc.	Noodles
Dunkin Donuts	Northgate Gonzalez
Elway's	Peet's Coffee
Five Guys	Red Lobster
Fugate Enterprises	Runza National Inc.
Grocery Delivery E-Services USA Inc. dba HelloFresh	Salad and Go
Hy-Vee	Smoothie King
Ingles	Snooze
International Dairy Queen Inc.	Thomas Keller Restaurant Group
Jack's Family Restaurants	Tiff's Treats
	Waffle House
	Whataburger
	Yum! Brands, Inc.

INDUSTRY PARTNERSHIPS

Foodservice Industry Risk Management Association (FIRMA)
National Restaurant Association
Restaurant Finance & Development Conference



AGRICULTURE

The agriculture insurance industry has historically been dominated by regional brokers and traditional agribusiness carriers.

With the volatility of each market cycle, clients are seeking solutions in the face of rising costs and limited competition. Lockton's agriculture team brings the capabilities of a global broker to provide innovative, analytics-based results to our clients.

Lockton Exclusive Agriculture Program (LEAP) is a property solution launched by Lockton to create competition and provide alternative solutions for grain handlers, ag retailers/wholesalers, and diversified agriculture cooperatives. Offering the broadest terms and conditions available in the market at

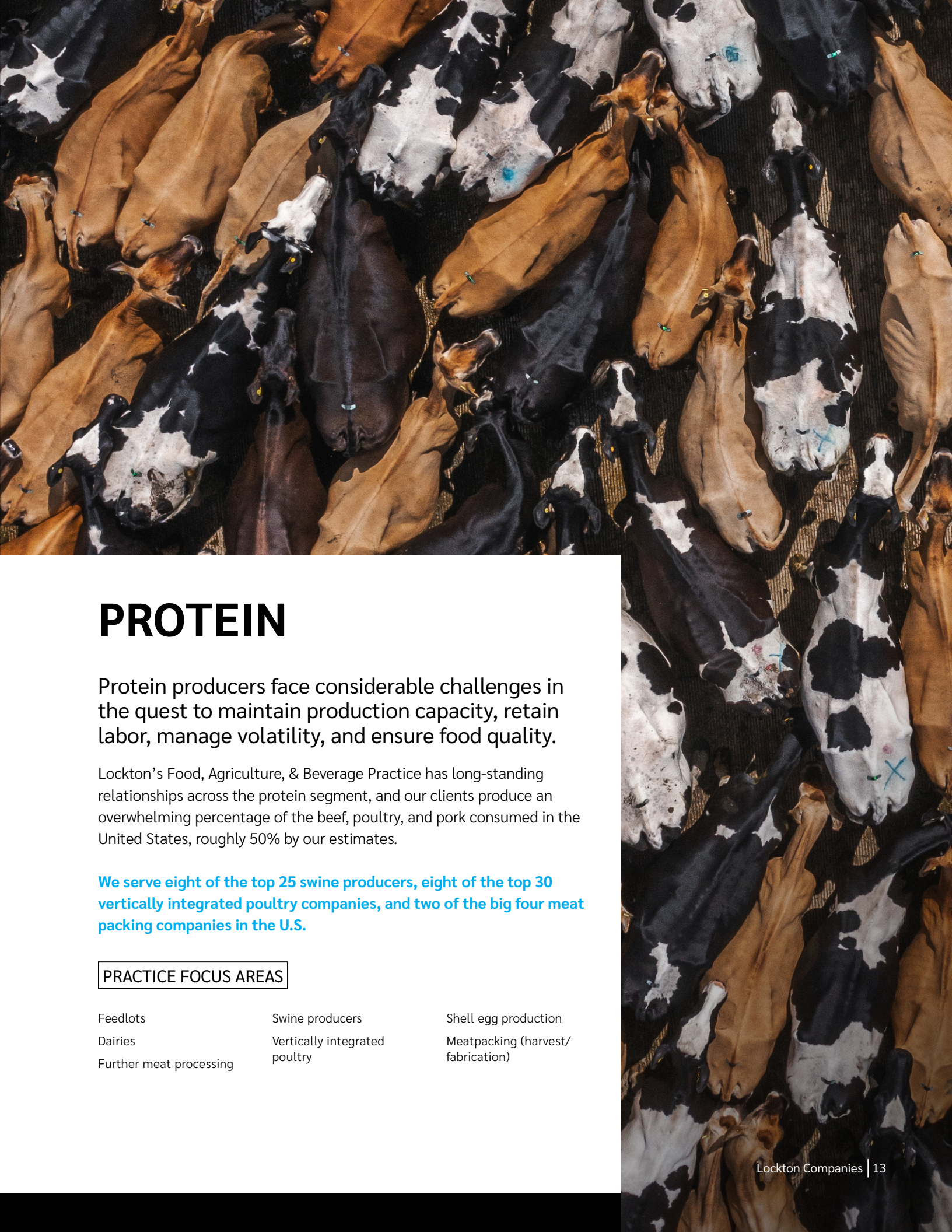
extremely competitive yet sustainable rates will bring much-needed stability to the property market for traditional agriculture companies.

CommoditySure is a Lockton proprietary stock throughput policy for our clients. A stock throughput policy is a marine policy that insures a company's inventory while static at an owned and/or operated location and throughout the supply chain from the source of the production to its final destination.

We serve 17 of the top 100 ag retailers and 16 of the top 100 grain handlers in the U.S.

PRACTICE FOCUS AREAS

- Crop production
- Grain and milling
- Hatcheries and egg producers
- Seed, feed, and agronomy
- Produce/tree fruit growers, packers, shippers
- Flour milling
- Diversified agricultural cooperatives
- Oilseed processing/soy crush
- Dairy/creamery
- Pet food manufacturing



PROTEIN

Protein producers face considerable challenges in the quest to maintain production capacity, retain labor, manage volatility, and ensure food quality.

Lockton's Food, Agriculture, & Beverage Practice has long-standing relationships across the protein segment, and our clients produce an overwhelming percentage of the beef, poultry, and pork consumed in the United States, roughly 50% by our estimates.

We serve eight of the top 25 swine producers, eight of the top 30 vertically integrated poultry companies, and two of the big four meat packing companies in the U.S.

PRACTICE FOCUS AREAS

Feedlots

Dairies

Further meat processing

Swine producers

Vertically integrated
poultry

Shell egg production

Meatpacking (harvest/
fabrication)

PROCESSING, MANUFACTURING, & DISTRIBUTION

The food processing, manufacturing, and distribution industry faces a multitude of challenges, including maintaining food safety and quality standards, managing complex and disrupted supply chains, embracing automation, limiting food waste, and adopting sustainable practices.

The Lockton team is well informed on industry dynamics, and the breadth and depth of our practice allow us to deliver subject matter expertise on numerous topics and leverage the marketplace to drive meaningful outcomes. Lockton has a similarly robust Transportation & Logistics Practice, and we routinely collaborate to access its expertise for clients with large private fleets.

PRACTICE FOCUS AREAS

- Food and beverage distributors
- Food and beverage manufacturing
- Bakeries/baked goods
- Ingredient production and supply
- Tree nuts and legume producers and processors



NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



UNCOMMONLY INDEPENDENT