

EXEC Q&A

SCOTT DORMINY

President of the Arkansas Chapter of the National Association of Insurance & Financial Advisors

Dorminy owns insurance agencies under the Farmers Insurance umbrella in Russellville, Fort Smith and Sherwood.

What are the keys to running a successful agency? Three keys that I have found are having the right staff in place, keeping a positive attitude (a glass half-full mentality), and taking care of your clients by being honest with them.

In 2024, a number of insurance companies raised premiums in some cases more than 10% to cover losses. Will that trend continue? Why or why not? I'm afraid that the trend is going to continue. When I talk with staff at the Arkansas Department of Insurance, they note that the average industry loss ratio is 130% or greater for companies in Arkansas, meaning that for every dollar a

company brings in, it's paying out \$1.30. Beginning in 2022, companies in Arkansas were having more losses than they were bringing in premiums for.

How is climate change affecting the insurance industry? 2023 was the costliest year in U.S. history for severe convective storms. Arkansas wasn't excluded in that history. In 2023, you had the Little Rock tornado that was a \$750 million storm, there was a major hailstorm in western Arkansas on April 15, and several storms in the month of June across the state. The weather has changed in Arkansas and storms are becoming more severe and hail is becoming larger. The insurance industry can't control

the weather, but it can work with customers and companies to help them become more resilient to storms and mitigate their exposure and loss.

What do you see as the biggest changes in the next two to three years? Companies are going to tighten up their underwriting guidelines, making it harder for clients that have any type of claim history to be eligible for new policies as new customers. Customers are going to have higher out-of-pocket expenses when it comes to claim coverage.

What are NAIFA-Arkansas' current legislative and advocacy priorities? There is a huge need for financial literacy in Arkansas, and we'd like to work with schools to provide those programs and

Background: Scott Dorminy moved to Russellville in 1991, joined NAIFA in 2017 and has been its state president since 2023. He worked for an insurance agent in college, then took a nine-year break from the industry. He rejoined it in 2013. **Education:** He has a degree in management/marketing from Arkansas Tech University. ■



JASON BURT

work with the Legislature on this initiative. We also monitor legislative activity to make sure laws aren't implemented that

would lead to a cost increase for the consumer or companies to stop doing business in Arkansas. ■

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