investment in claims handling initiatives such as medical case management services and vendor savings through usage of preferred provider networks and pharmacy benefit managers. Our initial loss ratio “picks” for this line of business over the past few accident years have contemplated an increase in loss cost trends and reflect decreasing premium rates in the marketplace; reported workers’ compensation losses in 2019 continued to be below our expectations at most of our operating units, and were below the assumptions underlying our initial loss ratio picks and our previous reserve estimates.

For professional liability business, the unfavorable development was driven mainly by an increase in the number of large losses reported in the lawyers professional liability and directors and officers (“D&O”) liability lines of business. Many of the lawyers large losses involved claims made against insured law firms relating to work performed on matters stemming from the 2008 financial crisis. These claims affected mainly accident years 2013 through 2016. In addition, for both of these lines of business, we have seen evidence of social inflation in the form of higher jury awards on cases that go to trial, and corresponding higher demands from plaintiffs and higher values required to reach settlement on cases that do not go to trial. The unfavorable development for D&O affected mainly accident years 2014 through 2017.

For general liability business, most of the unfavorable development emanated from our excess and surplus lines (E&S) businesses, and was driven by an increase in the number of large losses reported. Many of these large losses were from construction and contracting classes of business, which have also been impacted by social inflation. The general liability unfavorable development impacted mainly accident years 2015 through 2018.

Reinsurance & Monoline Excess - Reserves for the Reinsurance & Monoline Excess segment developed unfavorably by $2 million in 2019. The unfavorable development in the segment was driven by non-proportional assumed liability business in both the U.S. and U.K., and was largely offset by favorable development on excess workers’ compensation business. The unfavorable non-proportional assumed liability development was concentrated in accident years 2015 through 2018, and included an adjustment for the Ogden discount rate in the U.K.

Favorable prior year development (net of additional and return premiums) was $39 million in 2018.

Insurance - Reserves for the Insurance segment developed favorably by $19 million in 2018. The favorable development was primarily attributable to workers’ compensation business, and was partially offset by unfavorable development for professional liability business.

For workers’ compensation, the favorable development was spread across many accident years, but was most significant in accident years 2015 through 2017. The favorable workers’ compensation development reflects a continuation during 2018 of the benign loss cost trends experienced during recent years, particularly the favorable claim frequency trends (i.e., number of reported claims per unit of exposure). The long term trend of declining workers' compensation frequency can be attributable to improved workplace safety. Loss severity trends were also aided by our continued investment in claims handling initiatives such as medical case management services and vendor savings through usage of preferred provider networks. Reported workers’ compensation losses in 2018 continued to be below our expectations at most of our operating units, and were below the assumptions underlying our previous reserve estimates.

For professional liability business, adverse development was primarily related to unexpected large directors and officers (“D&O”) liability losses at one of our U.S. operating units, as well as lawyers professional liability losses at another operating unit. The adverse development stemmed primarily from accident years 2015 and 2016, and was driven by a higher frequency of large losses than we had experienced in previous years.

Reinsurance & Monoline Excess - Reserves for the Reinsurance & Monoline Excess segment developed favorably by $20 million in 2018. The favorable development was primarily due to excess workers’ compensation business, and was spread across many accident years, including years prior to 2009. This favorable excess workers’ compensation development was partially offset by unfavorable development on U.S. casualty facultative assumed business from accident years 2009 and prior related to construction projects.

Environmental and Asbestos — To date, known environmental and asbestos claims have not had a material impact on the Company’s operations, because its subsidiaries generally did not insure large industrial companies that are subject to significant environmental or asbestos exposures prior to 1986 when an absolute exclusion was incorporated into standard policy language.

The Company’s net reserves for losses and loss expenses relating to asbestos and environmental claims on policies written before adoption of the absolute exclusion was $19 million at December 31, 2020 and $24 million at December 31, 2019. The estimation of these liabilities is subject to significantly greater than normal variation and uncertainty because it is difficult to make an actuarial estimate of these liabilities due to the absence of a generally accepted actuarial methodology for these exposures and the potential effect of significant unresolved legal matters, including coverage issues, as well as the cost of litigating the legal issues.