

CASE STUDY – 1

LARGE APARTMENT ACCOUNT \$3BN IN VALUES



Background

We had the opportunity to look at a large apartment schedule. The risk placement was split up into 17 different policies, with two main policies and several others with lots of different effective dates. The reason why it was placed this way was due to some locations not fitting either of the main programmes and competitive terms available in the open market for the other 15 locations. From a service point of view, for both the client and agent, it was a bit of a headache and everyone held their breath every time they went to add a new location. They would hope it would fit somewhere rather than having to go to the open market each time.

The client

The client was a sophisticated client who builds and holds properties in their schedule, which was growing at a controlled rate over time. They had instigated good risk management practises at every location and were so sure of their risk ingredients, they decided to take risk in the form of a captive.

The Process of bringing this client to market

Initially, we worked up the pricing of the shared and layered tower using our inhouse tools, combining all the locations and loss information. Once we had offered thoughts and compared this to what the client was currently paying, we were instructed to proceed to put the 4 layers of the structure together. In order, to tell the clients story properly, the client visited us in London and after meeting with 20 underwriters we constructed a question-and-answer paper, as we learnt so much valuable information about the client's business. Nothing like the client telling their own story. This has helped massively to secure additional capacity and larger limits with Underwriters who were unable to make the meetings.

The solution

We placed a USD 250m loss limit programme for this client, which was ample when you look at the Fema exposure data of the risk profile for this client. We placed USD 100m into the London market and 150m xs 100m with Travellers E&S, domestically in the USA.

Co-ordinating both the London and USA placement by using the same submission proposal we were able to ensure consistency of terms and conditions. This gave us the opportunity to make sure we didn't have any gaps or differences in cover and also one named loss adjuster for the whole programme, rather than having many different parties to adjust the loss.

After Binding servicing

Now every time the client wants to add a location that is coming off builders risk, they simply instruct us to add and we notify all underwriters, which takes a day or so to complete. So now they don't have to hold their breath each time a risk comes of builders risk and hopefully we have taken the headache out of adding properties by providing consistent terms and conditions!

