Using Loss Data to Win Over Clients

Webinar: June 29th @ 11am EDT

How can you use loss data to justify your coverage recommendations and help determine appropriate limits? When clients ask you for relevant loss examples, how do you respond and also further differentiate your brokerage services?

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Insured: ***"How can I insure myself against unexpected losses?"***

Broker: ***"I know the market but I have no data to support my limit recommendation."***

Today's Presenters

Zach Boggs
Client Experience Manager

Jack Combs
Client Experience Manager

Table *of* Contents

- Client Insight Reports
  - Where to Order
  - What's Included
- Large Losses
  - Use Cases
- Live Demo of Advisen.com
  - Navigating 420K+ Loss Events to Discover Impactful Real World Examples

Client Insight Reports Help Answer Several Questions

1. **How Much Coverage Do My Peers Have?**
   - Premium, Limit, Retention
2. **Where Does My Program Fall Within My Peer Group?**
3. **What Types of Risks Do I Face?**
   - Loss Examples
4. **Am I Getting a Good Rate?**
   - Rate Per Million
5. **Is My Limit Adequate?**
   - Loss Benchmarking

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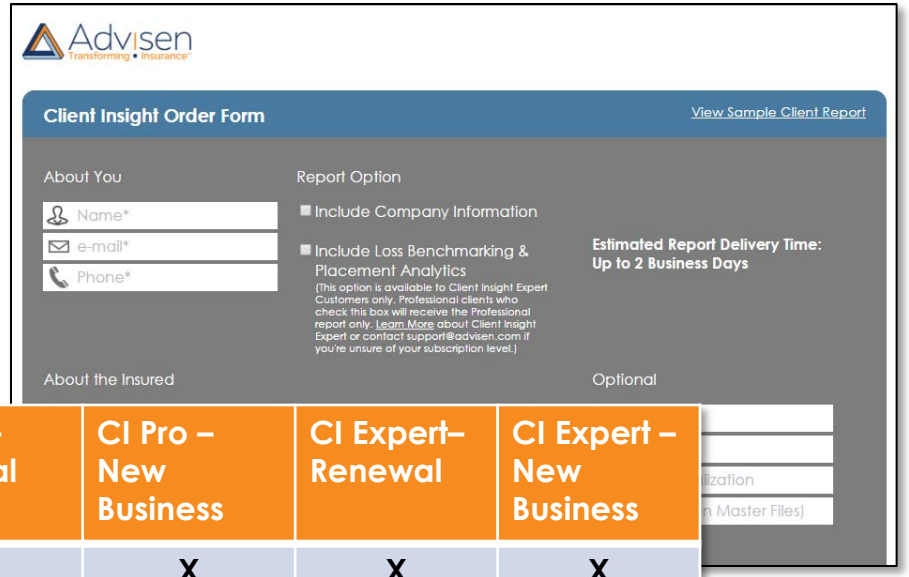
Reports on Demand Order Page



	Industry Benchmark Report	CI Pro – Renewal	CI Pro – New Business	CI Expert– Renewal	CI Expert – New Business
Program Benchmarks	X	X	X	X	X
Loss Data for Each Requested LOB		X	X	X	X
Company Information			X		X
Loss Benchmarking				X	X
Placement Analytics				X	X

http://reportsondemand.advisen.com

Requesting LOBs

NOTE: For Packaged or combined coverage, allocate the premium for each LOB.

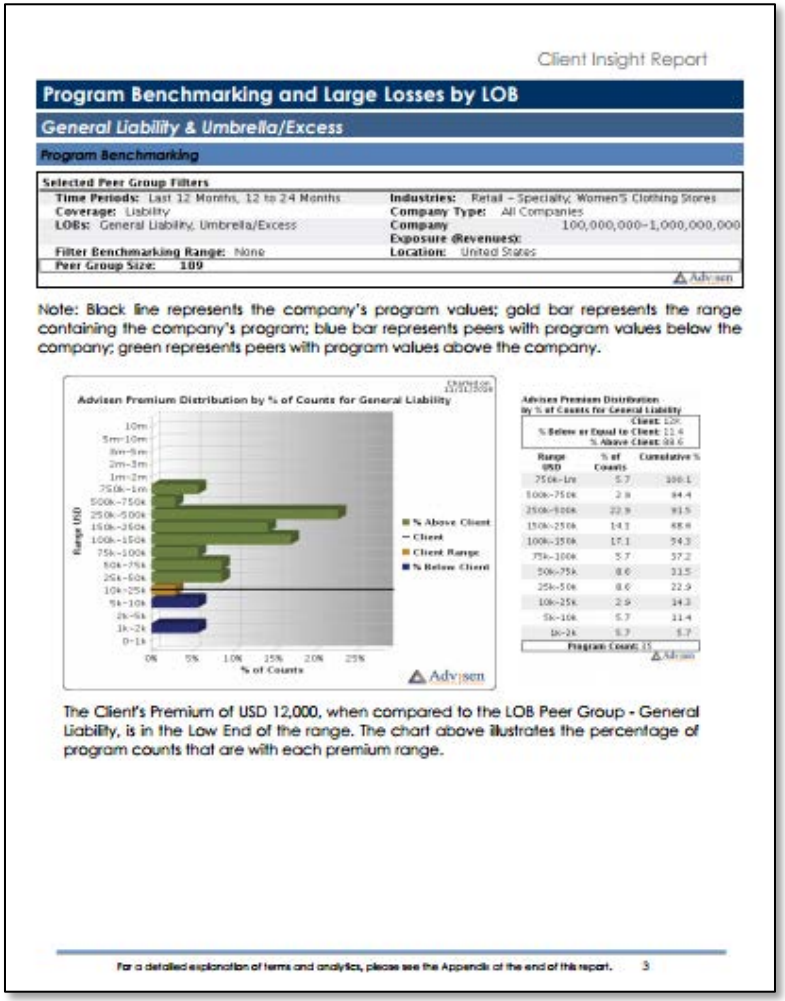
				mm/dd/yyyy	mm/dd/yyyy
General Liability	6,000	1,000,000	Retention	01/01/2017	01/01/2018
Umbrella/Excess	17,000	18,000,000	Retention	01/01/2017	01/01/2018
D&O	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date
Property	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date
Workers' Comp	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date
Prof/E&O/Med Mal	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date
EPL	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date
Fiduciary	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date
Crime	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date

Add additional LOB's

Please include liability losses specific to lead poisoning and the Lead Disclosure Rule. Thanks!

What's Included

- Premium
- Limit
- Retention
- Rate Per Million
- Quartiles on Quartiles
- Large Loss Examples
- Limit Adequacy



Client Insight Report

Program Benchmarking and Large Losses by LOB

General Liability & Umbrella/Excess

Program Benchmarking

Selected Peer Group Filters

Time Periods: Last 12 Months, 12 to 24 Months	**Industries:** Retail – Specialty, Women'S Clothing Stores
Coverage: Liability	**Company Type:** All Companies
LOBs: General Liability, Umbrella/Excess	**Company Exposure (Revenues):** 100,000,000–1,000,000,000
Filter Benchmarking Range: None	**Location:** United States
Peer Group Size: 109	

Note: Black line represents the company's program values; gold bar represents the range containing the company's program; blue bar represents peers with program values below the company; green represents peers with program values above the company.

Advisen Premium Distribution by % of Counts for General Liability

Client: 12K
% Below or Equal to Client: 11.4
% Above Client: 88.6

Range USD	% of Counts	Cumulative %
750k–1m	5.7	100.1
500k–750k	2.9	94.4
250k–500k	22.9	91.5
150k–250k	14.3	68.6
100k–150k	17.1	54.3
75k–100k	5.7	37.2
50k–75k	8.6	31.5
25k–50k	8.6	22.9
10k–25k	2.9	14.3
5k–10k	5.7	11.4
1k–2k	5.7	5.7

Program Count: 35

The Client's Premium of USD 12,000, when compared to the LOB Peer Group - General Liability, is in the Low End of the range. The chart above illustrates the percentage of program counts that are with each premium range.

For a detailed explanation of terms and analytics, please see the Appendix at the end of this report. 3

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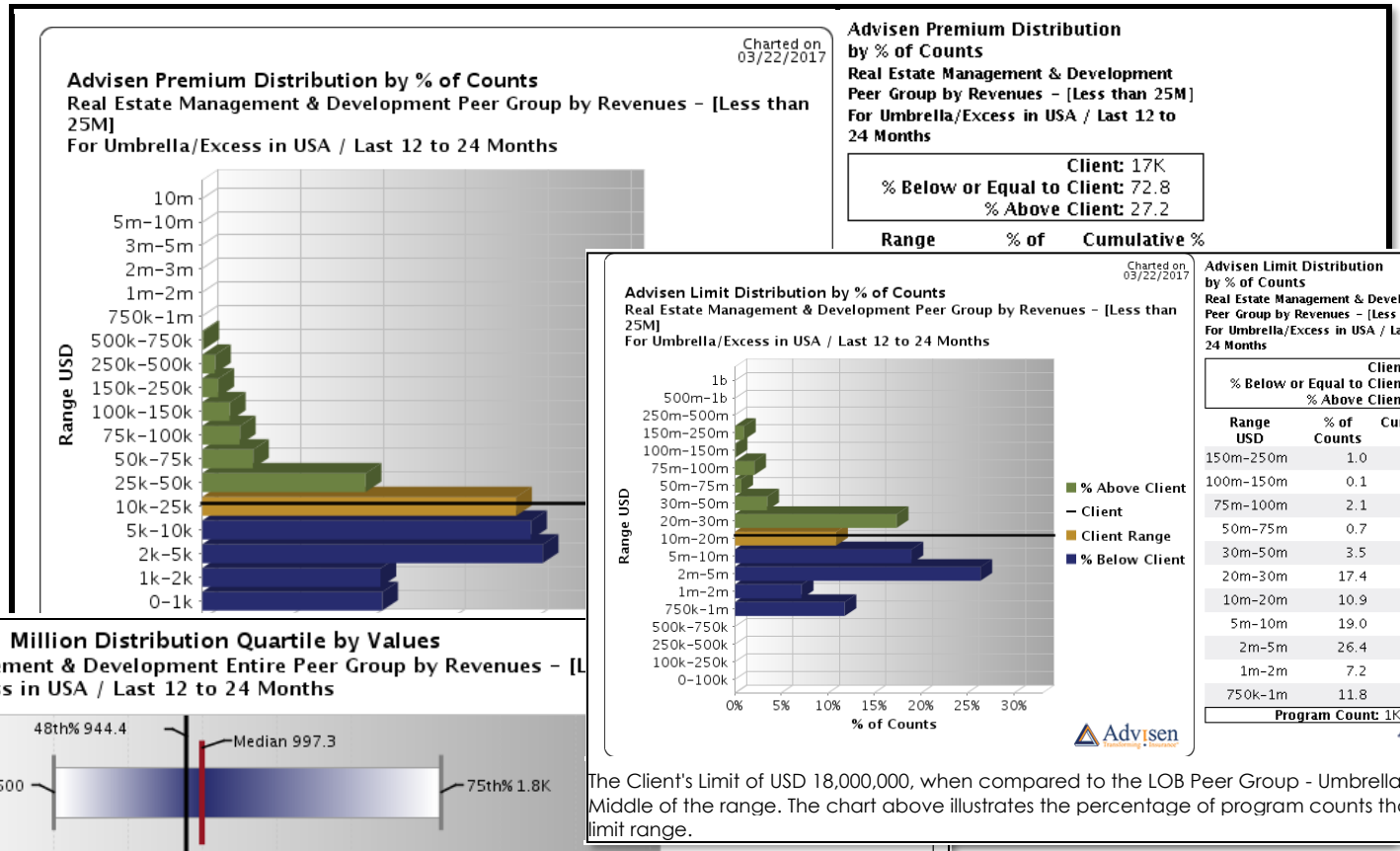
Program Benchmarking



The Client's Limit of USD 18,000,000, when compared to the LOB Peer Group - Umbrella/Excess, is in the High Middle of the range. The chart above illustrates the percentage of program counts that are within each limit range.

This graph illustrates the amount that a company, in the middle 50% of programs, would pay per one million dollars in limit. The graph still includes companies that are below the 25th and above 75th percentiles in the calculations, however, for illustration purposes, they are not shown.

Large Loss Examples

Large Losses Impacting the General Liability & Umbrella/Excess Coverage of Similar Companies

Company Name	State	Category/Type	Accident Date	Settlement Date	Status	Total Amount ($)
The Community Builders Inc	MA	Environment/Fine & Penalties/Lead Exposure	08/01/2003	03/27/2009	Settled	**$2,200,000**

Case Description:

On March 27, 2009 The Community Builders, Inc. (TCB), and nearly two dozen associated property owners have agreed to pay a $200,000 penalty and spend more than $2 million in lead paint abatement work at residential properties to settle an enforcement action brought by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Housing and Urban Development (HUD).

This agreement resolves EPA and HUD's allegations that TCB and the owners failed to inform tenants that their homes might contain potentially dangerous levels of lead -- in violation of the federal Lead Disclosure Rule -- at properties in eleven Massachusetts and Connecticut communities.

The settlement is the result of closely coordinated enforcement actions by EPA and HUD against TCB and 23 associated property owners. TCB is a Massachusetts non-profit corporation that develops, finances, and manages affordable, mixed-income housing. TCB manages almost 100 properties containing about 7,700 housing units in numerous cities throughout the eastern half of the U.S. The company specializes in large-scale, low-income housing redevelopment projects, many of which are financed using public and private monies under a federal low-income housing tax credit program.

The alleged violations involved in this settlement arose out of almost 300 separate lease transactions between TCB and the property owners, and their tenants from August 2003 to March 2006. EPA and HUD discovered the violations after a lengthy investigation, including a review of records provided by TCB under a 2006 EPA subpoena issued pursuant to the Toxic Substances Control Act. The violations occurred at TCB-managed housing in New Haven and Vernon, Connecticut and in the Massachusetts communities of Boston, Fall River, Gloucester, Holyoke, Lawrence, Lexington, Springfield, Westfield and Worcester. Information available to EPA and HUD does not indicate any child was lead poisoned as a result of the violations, although, many of the properties where violations were found contained lead-based paint.

Under the terms of this settlement, one of the largest administrative cases filed under the Lead Disclosure Rule, TCB will pay the $200,000 civil penalty, to be split equally between EPA and HUD. In addition, the settlement requires that TCB and the property owners carry out at least $2,050,000 in lead-based paint abatement in residential housing over several years. This work, intended to provide substantial public health and environmental benefits, will include window replacement, abatement of lead-based paint on interior and exterior "friction and impact surfaces," and other measures to mitigate lead-based paint hazards. Under the agreement, TCB must hire certified inspectors/risk assessors to

Limit Adequacy

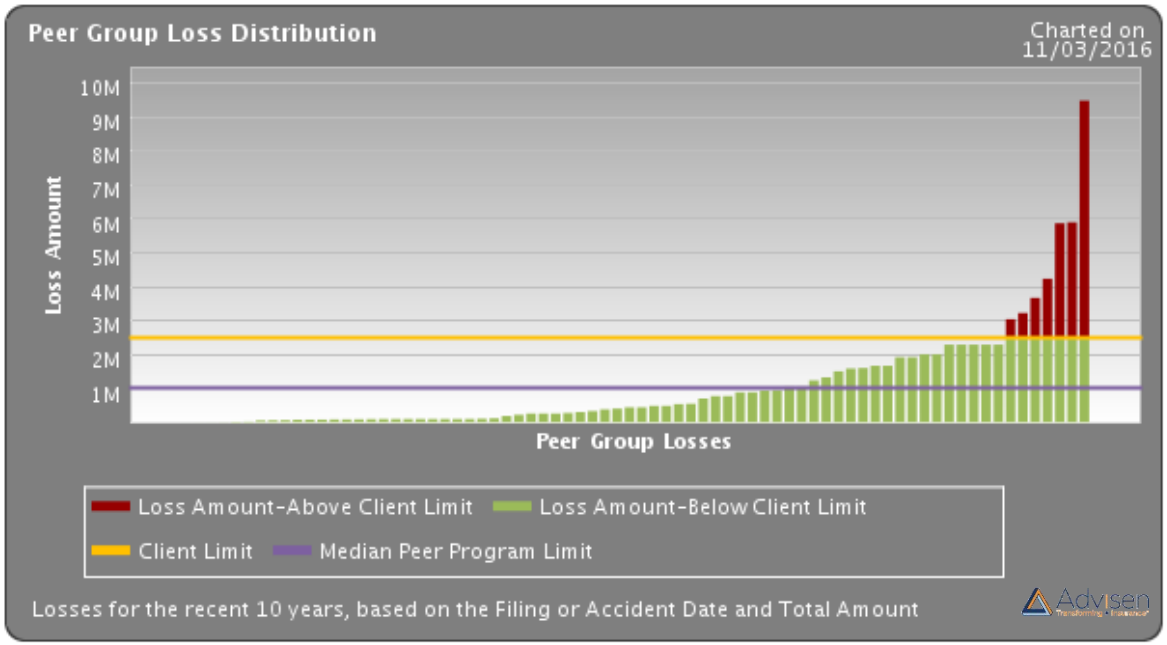
What happens when you marry insurance program benchmarking with relevant loss data?

Limit Adequacy

Client Limit
$ 2,500,000

% of Settlements above Client Limit
9.5%

Average Amount in Excess of Client Limit
$ 2,564,326



SCENARIO 1

You're Recommending a $15M D&O Limit to a:

1. **Private *Management Services* Company**
2. **$70M in Revenue**

- The client is only interested in the most recent loss scenarios
- Advisen's Client Insight Report indicates a $15M Limit would be higher than 92% of their peer group

SCENARIO 2

You're Recommending Cyber Coverage to a:

1. **Private *Healthcare Provider & Services* Company**
2. **$15M in Revenue**

- The client wants to see more than just a few outlier cases that would "never happen to us"
- They don't currently have Cyber coverage

Available online and via offline reports

Client Insight Professional

Includes Insurance Program Benchmarking and anecdotal Loss Data access

Client Insight Expert

Also adds Limit Adequacy, Loss Benchmarking, Placement Analytics

Got Supporting Documentation?

- 10-page ***Insurance Program Benchmarking Methodology*** document shows how we track and match this transaction data
- Our most-requested ***Loss Data collateral*** features macro overviews of our loss datasets
- 8-page ***Loss Data Methodology*** report describes how we collect and curate loss event data
- Our 18-page ***Advisen Portfolio Analysis*** document illustrates the benefits of comparing your Book of Business to Advisen's Transaction & Loss data

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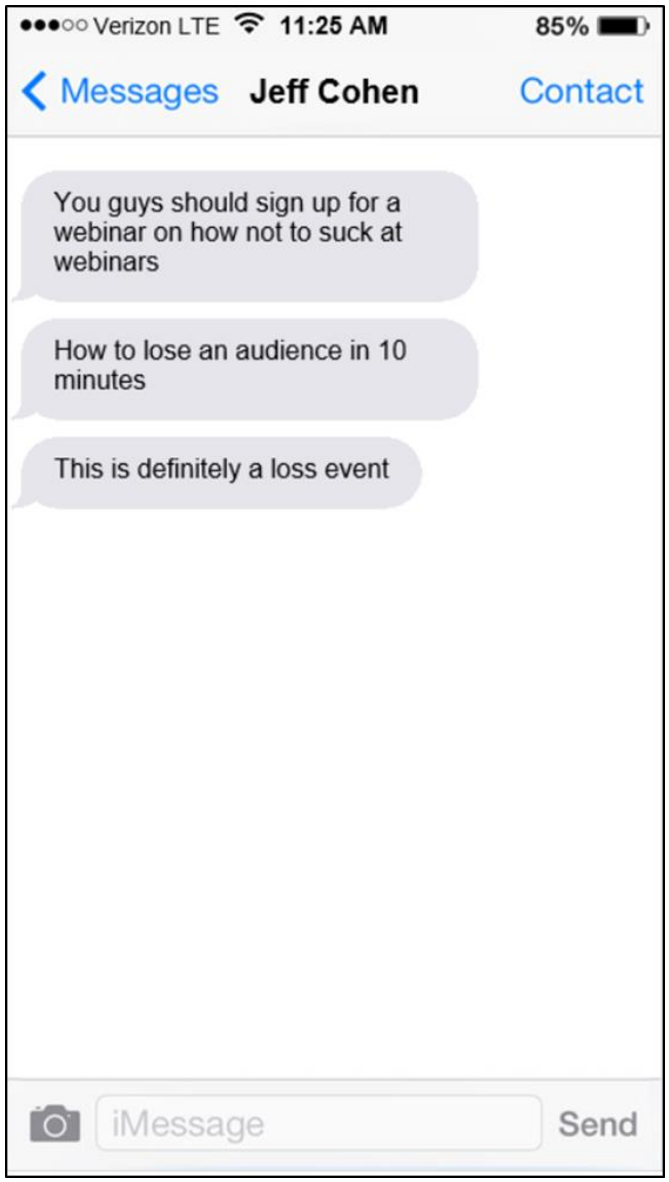
Join us on September 14, 2017 in New York City to honor executives and their companies for their contributions to industry education. Proceeds from the Gala support scholarships, grants, and Risk Manager in Residence programs. Learn more.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Contact
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How to lose an audience in 10 minutes
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and more **efficient**
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Advisen delivers:
the ***right information*** into
the ***right hands*** at
the ***right time***
to ***power*** **performance**.

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Advisen is the leading provider of data, media, and technology solutions for the commercial property and casualty insurance market. Advisen's proprietary data sets and applications focus on large, specialty risks. Through Web Connectivity Ltd., Advisen provides messaging services, business consulting, and technical solutions to streamline and automate insurance transactions. Advisen connects a community of more than 200,000 professionals through daily newsletters, conferences, and webinars. The company was founded in 2000 and is headquartered in New York City, with offices in the US and the UK.

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