Using Loss Data to Win Over Clients

Webinar: September 14th, 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."*

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Today's Presenters

Zach Boggs
Client Experience
Manager

Stacie Lilien
Event Content &
Programming Manager

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- Client Insight Reports
  - Where to Order
  - What's Included
- Use Cases
  - Large Losses
  - Limit Adequacy
  - Loss Benchmarking

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?
   - Limit Adequacy
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

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.

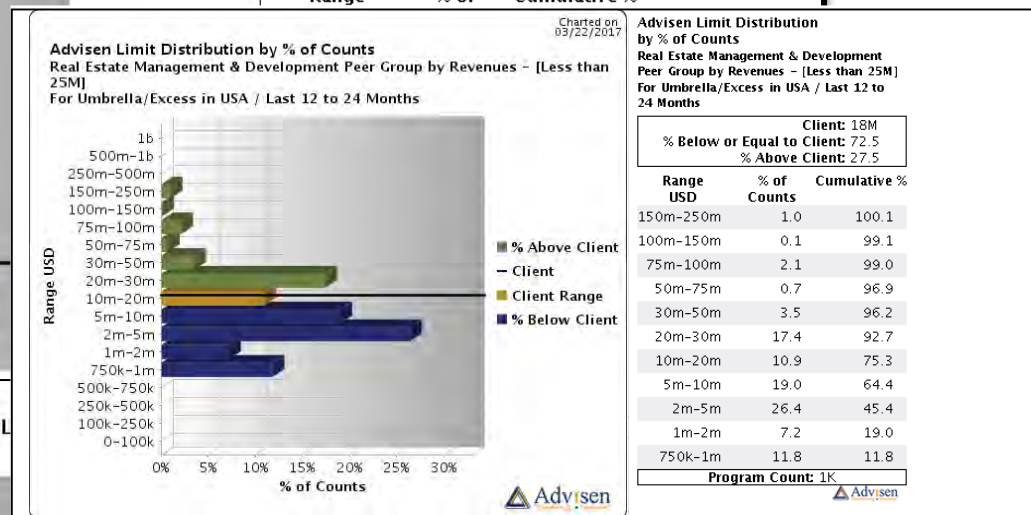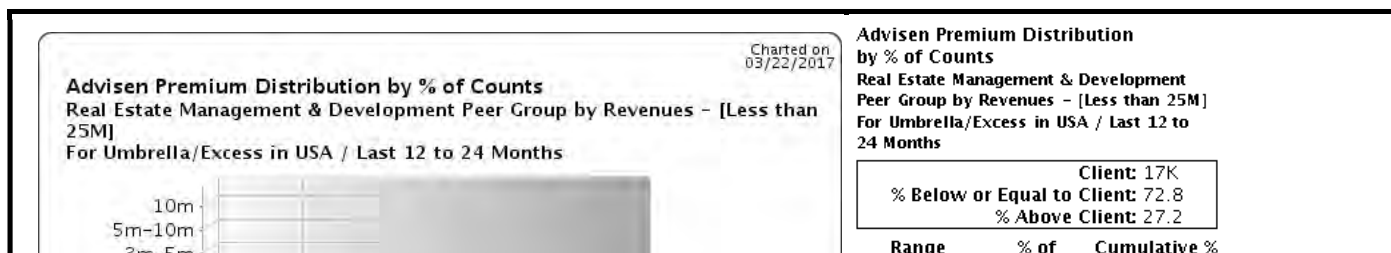|	Premium	Occurrence Limit	Retention	Effective Date mm/dd/yyyy	Expiration Date mm/dd/yyyy
General Liability	6,000	1,000,000	Retention	01/01/2017	01/01/2018
Umbrella/Excess	17,000	18,000,000	Retention	01/01/2017	01/01/2018
D&O	Premium	Occurrence Limit	Retention	Effective Date	Expiration Date
Property	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!
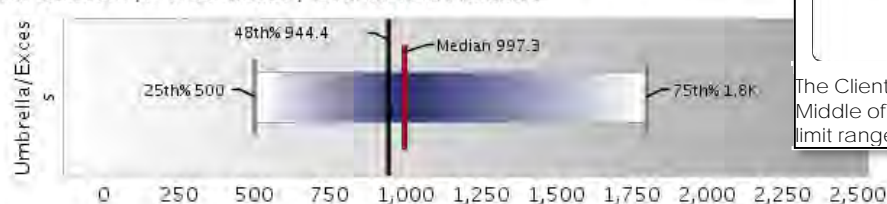
What's Included

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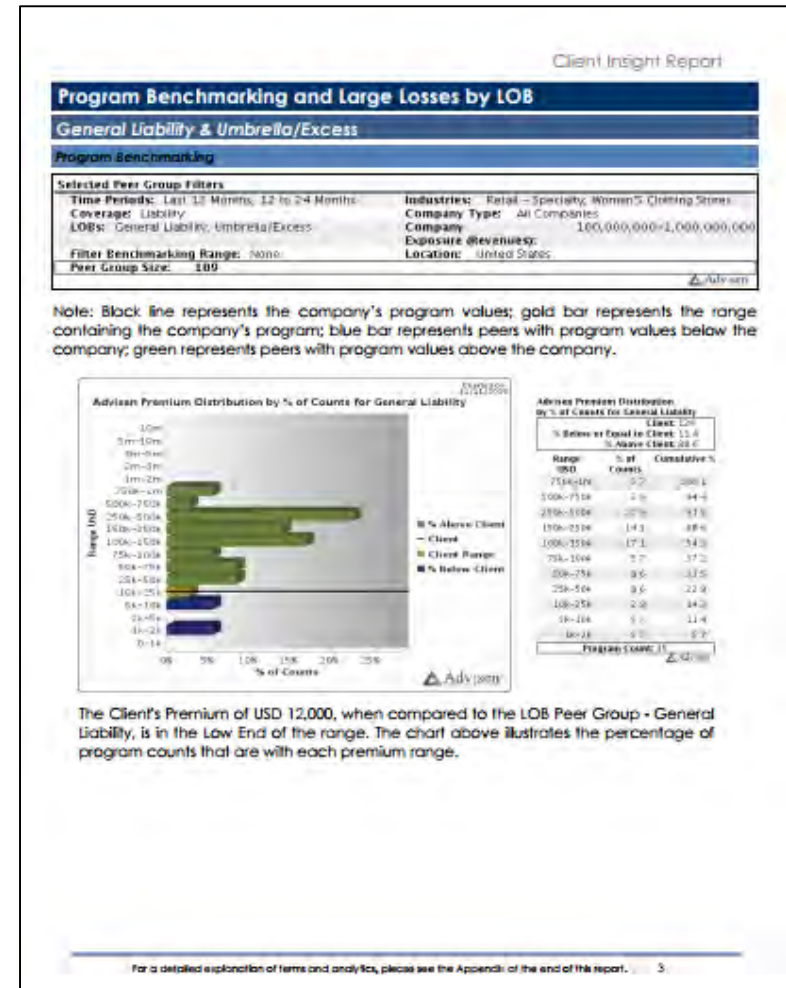
Program Benchmarking

Advisen Premium Distribution by % of Counts
Real Estate Management & Development Peer Group by Revenues – [Less than 25M]
For Umbrella/Excess in USA / Last 12 to 24 Months

Charted on 03/22/2017

Range USD: 10m, 5m–10m, 3m–5m, 2m–3m, 1m–2m, 750k–1m, 500k–750k, 250k–500k, 150k–250k, 100k–150k, 75k–100k, 50k–75k, 25k–50k, 10k–25k, 5k–10k, 2k–5k, 1k–2k, 0–1k

Advisen Premium Distribution by % of Counts
Real Estate Management & Development Peer Group by Revenues – [Less than 25M]
For Umbrella/Excess in USA / Last 12 to 24 Months

Client: 17K
% Below or Equal to Client: 72.8
% Above Client: 27.2

Range | % of | Cumulative %

Advisen Limit Distribution by % of Counts
Real Estate Management & Development Peer Group by Revenues – [Less than 25M]
For Umbrella/Excess in USA / Last 12 to 24 Months

Charted on 03/22/2017

Range USD: 1b, 500m–1b, 250m–500m, 150m–250m, 100m–150m, 75m–100m, 50m–75m, 30m–50m, 20m–30m, 10m–20m, 5m–10m, 2m–5m, 1m–2m, 750k–1m, 500k–750k, 250k–500k, 100k–250k, 0–100k

Legend:
■ % Above Client
— Client
■ Client Range
■ % Below Client

% of Counts

Advisen Limit Distribution by % of Counts
Real Estate Management & Development Peer Group by Revenues – [Less than 25M]
For Umbrella/Excess in USA / Last 12 to 24 Months

Client: 18M
% Below or Equal to Client: 72.5
% Above Client: 27.5

Range USD	% of Counts	Cumulative %
150m–250m	1.0	100.1
100m–150m	0.1	99.1
75m–100m	2.1	99.0
50m–75m	0.7	96.9
30m–50m	3.5	96.2
20m–30m	17.4	92.7
10m–20m	10.9	75.3
5m–10m	19.0	64.4
2m–5m	26.4	45.4
1m–2m	7.2	19.0
750k–1m	11.8	11.8
Program Count: 1K		

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.

Advisen Rate Per Million Distribution Quartile by Values
Real Estate Management & Development Entire Peer Group by Revenues – [L
For Umbrella/Excess in USA / Last 12 to 24 Months

Umbrella/Excess

48th% 944.4 — Median 997.3
25th% 500 — 75th% 1.8K

0 250 500 750 1,000 1,250 1,500 1,750 2,000 2,250 2,500

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.

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Scenario #1

Producer:

"My client's asking for HIPAA violation examples. **What can I show him?"**

Large Loss Examples

Large Losses Impacting the Directors and Officers Coverage of Similar Companies

Company Name	State	Category/Type	Accident Date	Settlement Date	Status	Total Amount ($)
Uplift Medical PC	MD	Cyber Identity Risks/Privacy - Unauthorized Contact or Disclosure	09/01/2008 (est)	02/22/2011	Settled	**$4,351,600**

Case Description:

On February 22, 2011, the U.S. Department of Health and Human Services' (HHS) Office for Civil Rights (OCR) has issued a Notice of Final Determination finding that Cignet Health of Prince George's County, Md., (Cignet) violated the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HHS has imposed a civil money penalty (CMP) of $4.3 million for the violations, representing the first CMP issued by the Department for a covered entity's violations of the HIPAA Privacy Rule.

The CMP was based on the violation categories and increased penalty amounts authorized by Section 13410(d) of the Health Information Technology for Economic and Clinical Health (HITECH) Act.

In a Notice of Proposed Determination issued on October 20, 2010, OCR found that Cignet violated 41 patients' rights by denying them access to their medical records when requested between September 2008 and October 2009. These patients individually filed complaints with OCR, initiating investigations of each complaint. The HIPAA Privacy Rule requires that a covered entity provide a patient with a copy of their medical records within 30 and no later than 60 days of the patient's request. The CMP for these violations is $1.3 million.

During the investigations, Cignet refused to respond to OCR's demands to produce the records. Additionally, Cignet failed to cooperate with OCR's investigations of the complaints and produce the records in response to OCR's subpoena. OCR filed a petition to enforce its subpoena in United States District Court and obtained a default judgment against Cignet on March 30, 2010. On April 7, 2010, Cignet produced the medical records to OCR, but otherwise made no efforts to resolve the complaints through informal means.

OCR also found that Cignet failed to cooperate with OCR's investigations on a continuing daily basis from March 17, 2009, to April 7, 2010, and that the failure to cooperate was due to Cignet's willful neglect to comply with the Privacy Rule. Covered entities are required under law to cooperate with the Department's investigations. The CMP for these violations is $3 million.

Scenario #2

Insured:

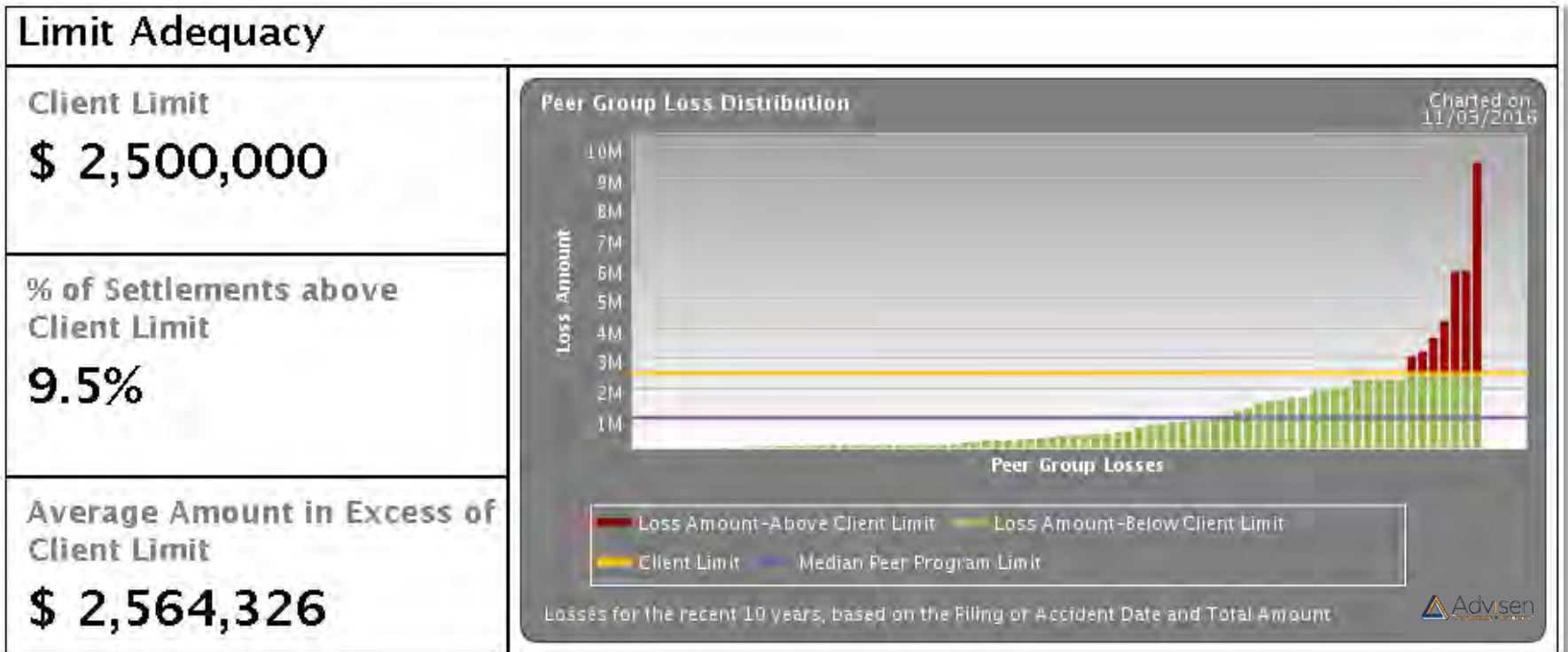**"I don't think I need cyber** coverage. Why are you **trying to sell me some?"**

Broker:

"See for yourself."

Limit Adequacy
What are adequate limits in this peer group?

Limit Adequacy

Client Limit

$ 2,500,000

% of Settlements above Client Limit

9.5%

Average Amount in Excess of Client Limit

$ 2,564,326

Peer Group Loss Distribution

Charted on 11/03/2016

Loss Amount

10M
9M
8M
7M
6M
5M
4M
3M
2M
1M

Peer Group Losses

Loss Amount-Above Client Limit   Loss Amount-Below Client Limit
Client Limit   Median Peer Program Limit

Losses for the recent 10 years, based on the Filing or Accident Date and Total Amount

Scenario #3

Insured:

"I don't think my losses are as severe as other **companies."**

Broker:

"Let's look at your individual losses vs. your peers and a high level view of losses in the same **group."**

Loss Benchmarking
How big are typical losses in this peer group?

Large Loss Analytics

Client Median Loss
$1,016,750

Peer Group Median Loss
$1,416,750

Client Loss Count
28

Count of Peer Group Individual Losses by Loss Amount Range — Charted on 08/31/2017

Loss Count — Loss Amounts (USD)

Below Client Median Loss — Client Median Loss — Above Client Median Loss
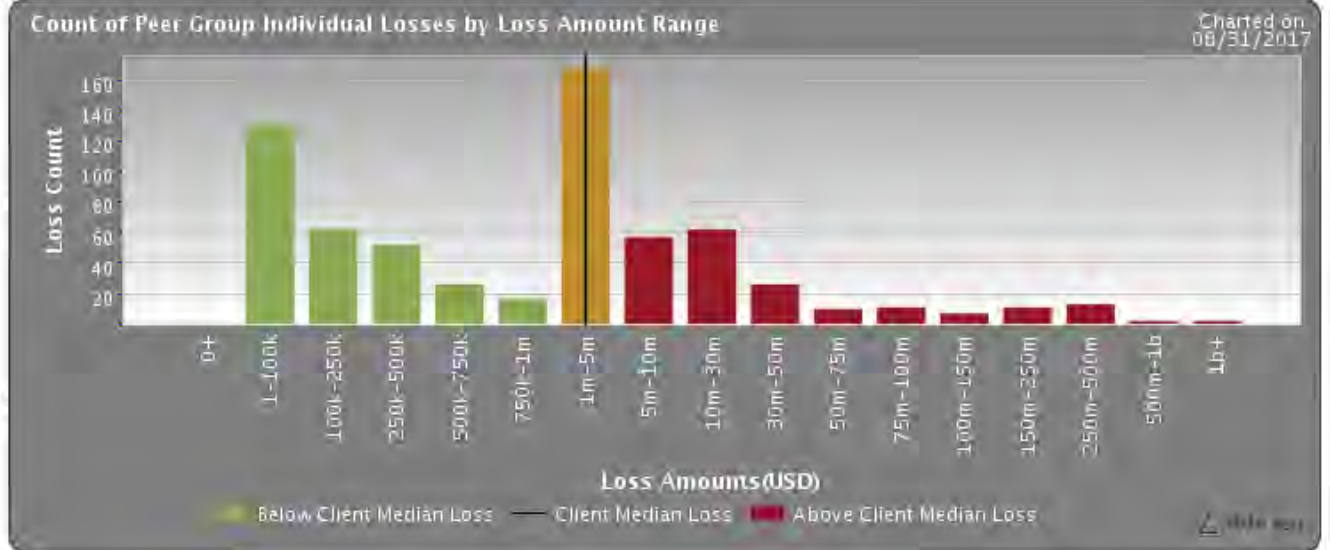
Frequency vs. Severity
What's the breakout of risk I face?
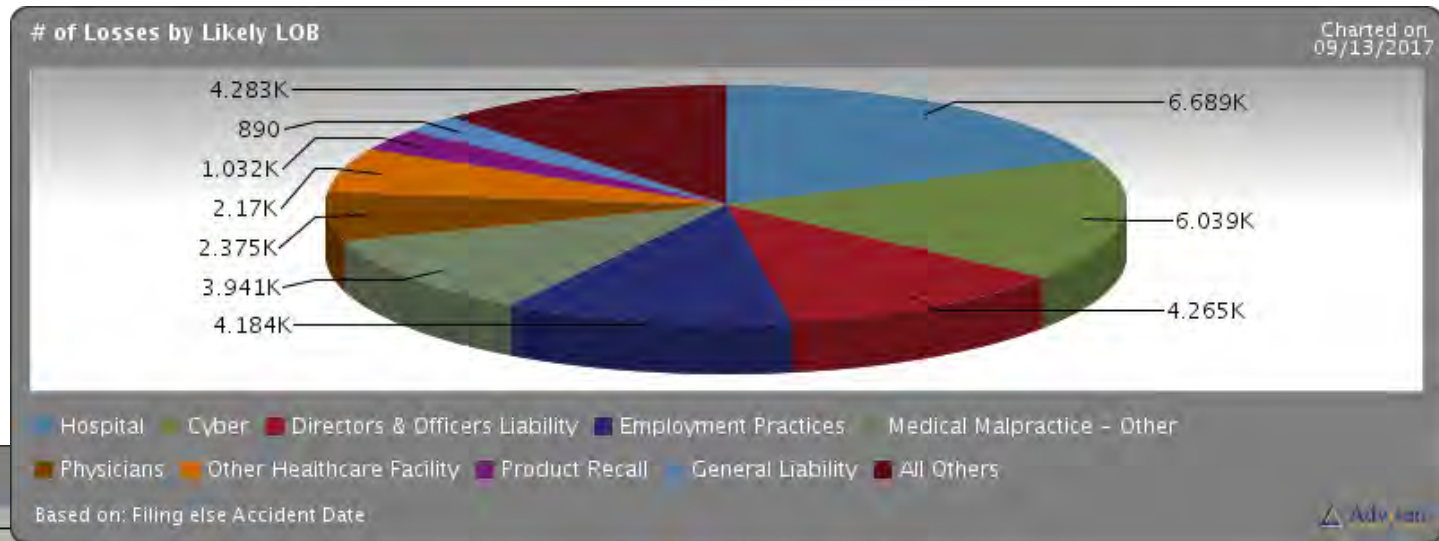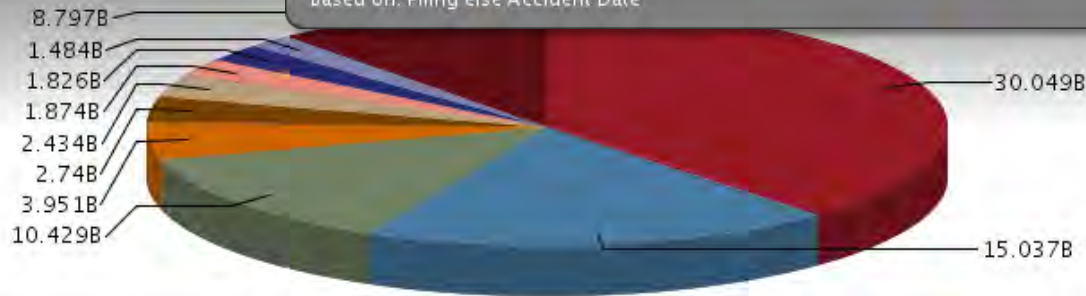
Available online and via offline reports

Client Insight Professional
Includes Insurance Program Benchmarking and anecdotal Loss Data access

Client Insight Expert
Also adds Limit Adequacy, Loss Benchmarking, Placement Analytics

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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

Join us on October 26th for our
Cyber Risk Insights Conference in New York!

We expect more than 1,000 people to register to hear from over 75 speakers who are top experts in the cyber insurance space.

Our multi-track conference will feature the hottest topics including cyber risk management, developing issues in the cyber insurance space and insight into the 'Dark Side' of the web - with a focus on the people behind the latest cyber incidents. Learn more.

Leading the way to smarter
and more efficient
risk and insurance communities.

Advisen delivers:
the *right information* into
the *right hands* at
the *right time*
to *power* performance.