



Case Study: Property – North America

Apartment Schedule



Background

HWS Specialty had the opportunity to look at a large apartment schedule. The placement was split into 17 different policies, with two main policies (Coastal and Non-Coastal) and several others with different effective dates.

It was placed this way due to certain locations not fitting either of the two main programmes and/or 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 headache and everyone held their breath each time they went to add a new location to either of the two main contracts.



TIV: 3.5bn | **Top location:** USD80m |
Exposures: Fire, Hurricane and Tornado
| **Loss record:** Excellent



The Client

The client is a sophisticated insurance buyer who builds and holds rental habitational properties, which has been growing at a controlled rate over time. They had instigated good risk management practices at every location and were so sure of their risk ingredients, they were happy to take a risk retention in the form of their captive.

The Process

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 our thoughts and compared this to what the client was currently paying, we were instructed to proceed to market and put the 4 layers of the structure together.

We presented a formal submission to the market in our “certain way” which included a full marketing proposal of the risk and the associated property exposures.

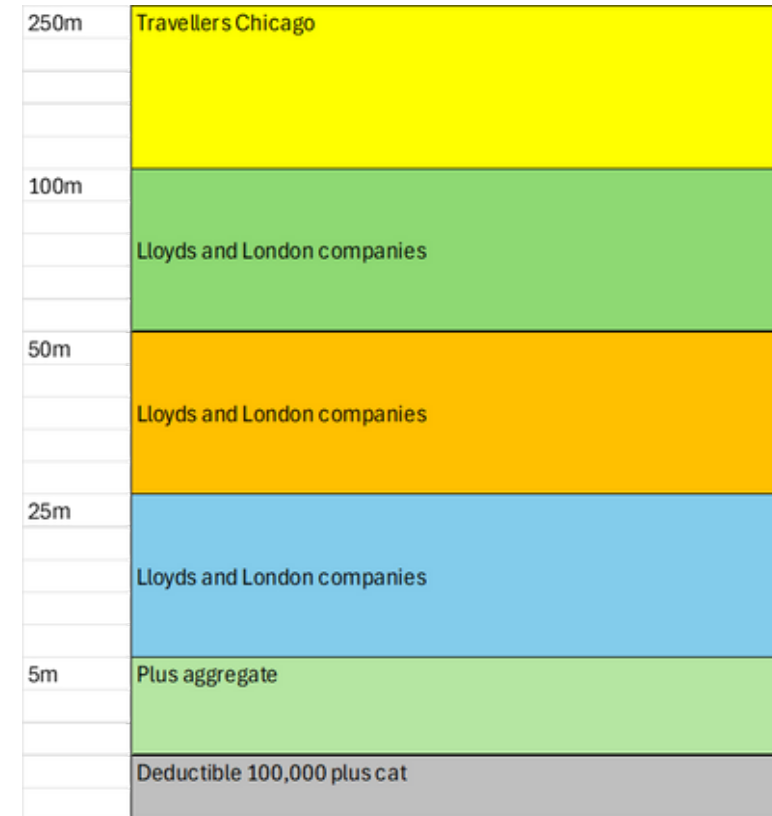


The Solution

We placed a USD 250m loss limit programme for this client, which was sufficient based on when you consider exposure data of the risk profile. We placed USD 100m into the London market and 150m xs 100m with Travellers E&S, domestically in the USA. We were able to issue one policy for London with a USD100m loss limit.

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.

The Structure





The Summary

- Client hadn't reviewed contract
→ Unified renewal date
- 17 policies → 1 policy - with
common terms
- No automatic additions once
completed → Automatic
property inclusion
- Excluding Flood & Quake →
Sub limit of USD50m



Thank you

