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How to Position Your Property Risk for Underwriters in the US and London

Gary Ladman, AEGIS - Moderator
Al Caceres, AEGIS
Joe Restoule, NOVA Chemicals Corporation
Dan McGarvey, Marsh
Ian Green, AEGIS London

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Underwriting Perspective of a Complete Property Submission

Al Caceres
Senior Underwriter
Property

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Underwriter's Perspective

Benefits to the overall underwriting process

- Benefits of a complete submission
 - Broker
 - Insured
 - Underwriting

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Statement of Values

- Updated values
- Identify changes
- Number sequence of locations
- Latitude and longitude of key locations

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Engineering Information

- Site visit updates
 - Updated engineering reports
 - Status of recommendations
 - Provide full engineering reports if from outside company
- Allows underwriter to understand exposures
 - Fire
 - Machinery breakdown
 - Cat perils

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Claims Information

- Provide updated loss history
- Allow underwriter to understand what happened and why
- Can this be prevented, and how

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Specifications

- Sublimits
- Deductibles
- Coverages
- Proposed policy wording
- Timelines

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Policy

- Expiring vs. new form
- Timelines

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How to Position Your Property Risk for Underwriters in US & London

Joe Restoule
Leader, Risk Management
NOVA Chemicals Corporation

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Overview

- Importance of effective presentation of risk
- What should be provided
- How this should be done
- Who should be involved
- Other issues that need consideration

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Importance of Effective Presentation of Risk

- Basic provision of information AND differentiation
- Purpose
 - Create affinity for the risk
 - Allow underwriters to complete due diligence on risk
- Why
 - Broader cover
 - Greater capacity
 - Better pricing

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What Should Be Provided

The "Sell"

- Business update
 - Successes
 - Growth opportunities
- HSE performance
 - Statistics
 - Trends
 - Budget
- Risk mitigation
- People update
 - Senior management involved in risk

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What Should Be Provided

The "Data"

- Values / revenues / payroll
 - Projected
 - Comparison with expiry
 - Zip codes / latitude & longitude
- Losses
- Surveys
 - Recommendations
- Hot Topics
 - Catastrophe exposures
 - CBI exposures

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How?

- Use technology
- Make it interactive
- Make it memorable
- Avoid churning out data in the presentation
 - Surveys / values can be provided on a weblink or CD

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Who is involved?

- Senior management
 - Demonstrates risk management driven from the top
- In-house technical experts / engineers
 - Ability to deal with technical concerns
- Broker
 - Knows the hot topics and can avoid pitfalls

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What are the other issues that need consideration?

- Are you presenting to the real decision makers?
- Are the experts with the real knowledge to benefit from the presentation attending?
- Should any material be provided in advance, so that attendees are prepared?
- Should any material be provided in hard copy?
- How do you build on the presentation from year to year, and capture the what is learned there?

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Presenting with Panache: The Broker's Perspective

Dan McGarvey, CPCU, ARM
Managing Director
Marsh

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Presenting Property

It does matter

- Goals for successfully presenting your risk
 - Accuracy
 - Completeness
 - Differentiation
 - Clear “rules of engagement”
- Thinking like an underwriter
 - Anticipate questions
 - Understand insurer financial position
 - Know the state of the market and current loss issues

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Presenting Property

Who?

- The company's risk officer
 - Knows expectations
 - Best knowledge of loss experience
- The colleague with best knowledge of
 - Fleet make-up performance
 - Maintenance standards
 - Open recommendations and responses
 - Current technology issues
- Who not to bring?

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Presenting Property

Face Time

- Respect the underwriter's time
- Prioritize the message (e.g., have an agenda)
 - London vs. US vs. Bermuda may vary
- Allow time for questions
- Be cognizant of body language
- Know when to stop selling

“You had me at hello”

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Presenting Property

Face Time

- Rehearsals will improve your performance
- Neutral audience can help identify potential issues
- Arrive early and un-stressed
- Know your audience
- A “theme” may help differentiate your risk

You'll not likely play better than you practice

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Presenting Property

Data Sharing

- Detailed table of contents to allow quick reference
- Team introduction
- Business brief overview
- Risk recap – including loss data
- Risk improvement programs / details
- Renewal objectives

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Presenting Property

Follow-up

- Answers to questions where data was not at hand during the meeting
- New information that may be received
- "Has your review of our material turned up any questions?"

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How to Present to Your Underwriter

A London Underwriter's Perspective

Ian Green
Head of Onshore Energy
AEGIS London

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Meet Your Lead Underwriters and Claims Team

- Builds rapport
- Risk managers –*you* are the best advert
- Best for complex or difficult issues
- Builds *your* confidence in your insurer

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Underwriting Information !!

- Only 4.4 Gigabytes max on a DVD, thank goodness Blu Ray's got *thirty* Gb
- Summarise, summarise, summarise
- Use your broker's expertise

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Key Topics

- Business interruption
- New technology
- Sparring

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Key Topics

Engineering

- Are you in control?
- Vet the engineers....
- Don't just accept whoever is sent
- Demand engineers with suitable experience in your sector

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When in London...?

- Bored with doing one presentation 20 times?
- Why not try
 - One or two group presentations plus
 - One-on-one's with lead markets

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In Summary

- Meet your lead underwriters and claims
- You are the best advert for your risk
- Summarise key data
- "Push the boat out" on your BI exposures
- New technology, valuations and sparing are critical
- Select the engineers you want

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And finally.....

Demand more, much more, from your broker!!

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Questions and Answers