



CASE STUDY

Maximizing Results for Real Estate Risk

ISSUES

A U.S.-based real estate investment firm with a portfolio size of over 5,100 units, totaling 4.5M square feet of mixed residential and commercial property was facing an increase in rate from its insurers, as well as reduced limits and coverage terms as a result of the firm's poor loss history in both property and liability coverages.

ACTION

The CohnReznick UIC Consultants Process and Mantra: AUDIT | MITIGATE | NEGOTIATE | MANAGE

CohnReznick UIC Consultants was retained to provide an independent risk management audit and worked closely with the firm's ownership to understand the issues driving claims. All available property inspection reports and relevant underwriting information were reviewed. CohnReznick UIC Consultants provided a comprehensive report on the company's risk management and insurance program based on a proprietary analytical process. Strategic goals were formed as well as a plan to achieve same.

A joint venture between CohnReznick and UIC Inc., CohnReznick UIC Consultants is one of the world's leading independent fee-only risk management firms. With no affiliation to any brokers, and no agreements with insurers, CohnReznick UIC Consultants affords the objectivity to provide advice for the sole benefit of our clients.

For more information on how CohnReznick UIC Consultants can help with your risk management needs please contact:

JOHN TURGEON
Partner and Managing Director
CohnReznick Affiliated Companies
959-200-7014
John.Turgeon@CohnReznick.com

To learn more about CohnReznick's Affiliated Companies, visit our webpage:
www.cohnreznick.com/about/cohnreznick-affiliated-companies

CohnReznick UIC Consultants realized a 25% annual premium savings on a property centric risk in a hardening market.



AUDIT | A review of the insurance policies in place and related exposures confirmed a property centric program, with 75% of premium attributed to a select grouping of assets. Multiple coverage deficiencies were identified in relation to operations, including a deficient real estate professional errors and omissions policy, as well as over-insured values inclusive of business interruption. Contractual liabilities were not being met, which was critical to maintaining compliance with loan agreements.

MITIGATE | During the audit and renewal process, CohnReznick UIC Consultants identified multiple low-cost property improvements for the client's consideration to lower the risk profile of the company when presented to insurers. The client agreed to several, which was reported and used as leverage for greater rate relief.

NEGOTIATE | CohnReznick UIC Consultants began to execute the agreed-upon strategy. This included developing custom specifications for each line of insurance and negotiating the desired coverages, while leveraging the competitive process to simultaneously lower premium rates, correcting all inefficiencies. CohnReznick UIC Consultants met with multiple brokers, insurers, and intermediaries, creating a responsive competitive environment.

IMPACT

With CohnReznick UIC Consultants' involvement, the following results were achieved:

1. Using the competitive process, CohnReznick UIC Consultants **achieved an annual premium reduction of 24% from expiring policies and significantly even greater savings in relation to the incumbent insurer's renewal terms.**
2. Involving multiple insurers and brokers, CohnReznick UIC Consultants was able to prevent the incumbent insurer's planned increases in deductibles and decreases in limit and coverage through the leverage it generated for the client from its competitive marketing effort.

The CohnReznick UIC Consultants team is specially trained to give diverse and innovative advice to obtain optimum coverage while reducing costs for clients.



3. Obtained broad real estate management errors and omissions coverage.
4. Identified and negotiated 15 real estate-centric endorsements on the general liability and umbrella for greater third-party protection.
5. Re-calculated business interruption formulas to properly apply to the client's specific risk, aligning values reported to properly reflect exposure and replacement cost.
6. Negotiated punitive damages wrap-around endorsement on the liability for further protection.

MANAGE | CohnReznick UIC Consultants worked with company management to effectively notify and educate property managers of the new insurance programs in place, establishing effective risk control protocols and claims safety and notification practices.

CohnReznick UIC Consultants continued to serve the company well past renewal on all required matters, including claims representation, contract review, and implementation of all risk related programs.

See How CohnReznick UIC Consultants LLC Can Help You

CohnReznick UIC Consultants LLC is not affiliated with any brokers, nor holds any agreements with insurers. This affords them the objectivity to provide advice for the sole benefit of their clients. Their depth of knowledge and innovative solutions provide their wide variety of clients with comprehensive, cost effective yet flexible risk management programs for their specific needs. CohnReznick UIC Consultants' annual insurance consulting retainers, their only source of income, consistently help clients achieve insurance premium savings averaging 25-40%, offering a significant ROI while at the same time providing appropriate insurance coverage for each company's specific needs and risk profile.

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