

airmic



*fast*Track

Creating a Broker Tender and presenting a renewal

Date 13th July 2021

Creating a Broker Tender

Date 13th July 2021

Agenda

Speakers: Rupert McLean & Jacob Bedi

1. Key drivers behind holding a broker tender
2. Mechanics of the Tender process
3. Selection of the brokers that will participate
4. Broker selection/appointment factors

Key drivers behind holding a broker tender

Periodic
audit and
governance
exercise.



01

Review of
available
options.



02

Cost/
Market
Conditions.



03

Review
of broker
performance
and
relationship.



04

Changes
to the
business's
circumstances.



05

Mechanics of the broker tender

A clear understanding of your objectives is key.

Selection criteria agreed by all internal stakeholders and made clear in the brief.

01

A clearly written brief is critical.

Ensures brokers' responses are tailored to your specific requirements and makes scoring of responses easier.

02

Be specific and restrictive about the number of pages in any written response.

Allows you to focus on the critical points.

03

Allow sufficient time to allow transition to a new broker and renewal of your programme.

Keep the decision process away from the renewal period factoring in internal capacity.

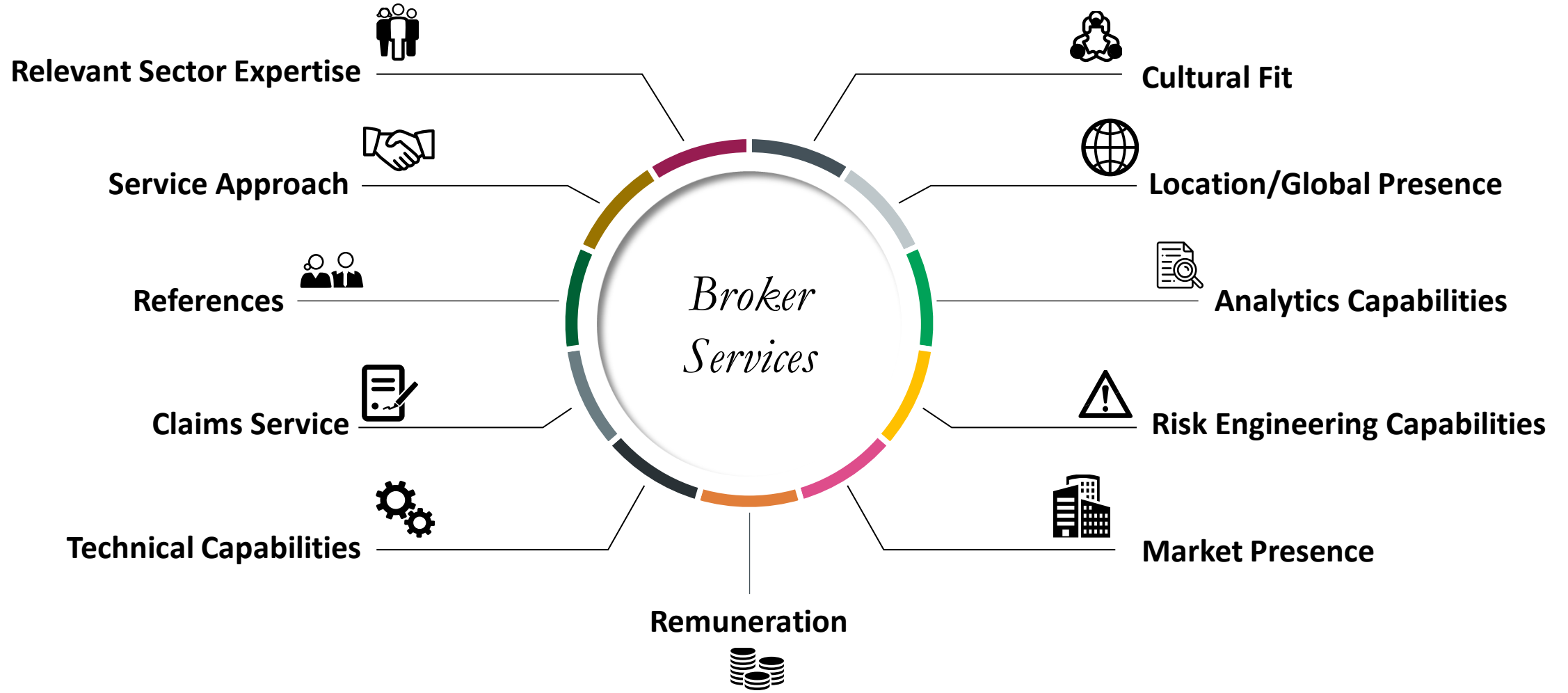
04

Be selective.

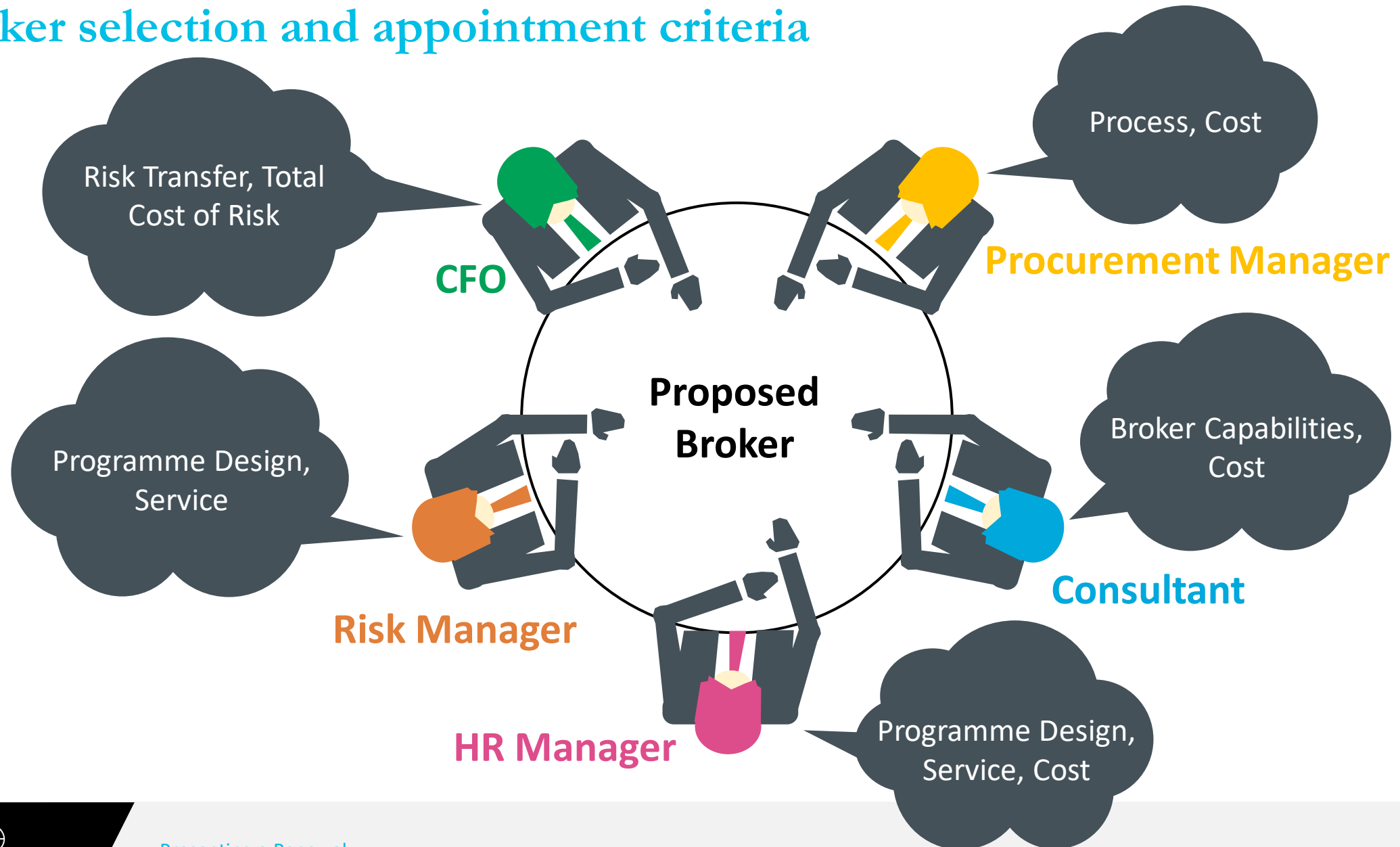
Redefine the list of brokers throughout the RfP process to ensure you are only inviting through those brokers with capabilities that match your requirements.

05

Selection of the brokers that will participate



Broker selection and appointment criteria





UNCOMMONLY INDEPENDENT

Presenting a Renewal

Date 13th July 2021

UNCOMMONLY INDEPENDENT

Agenda

Speakers – Sara Baker & Matthew Sinden

- 1) Internal and Client PRISM
- 2) Data Collection
- 3) Data Presentation
- 4) Presenting to the market / Renewal terms

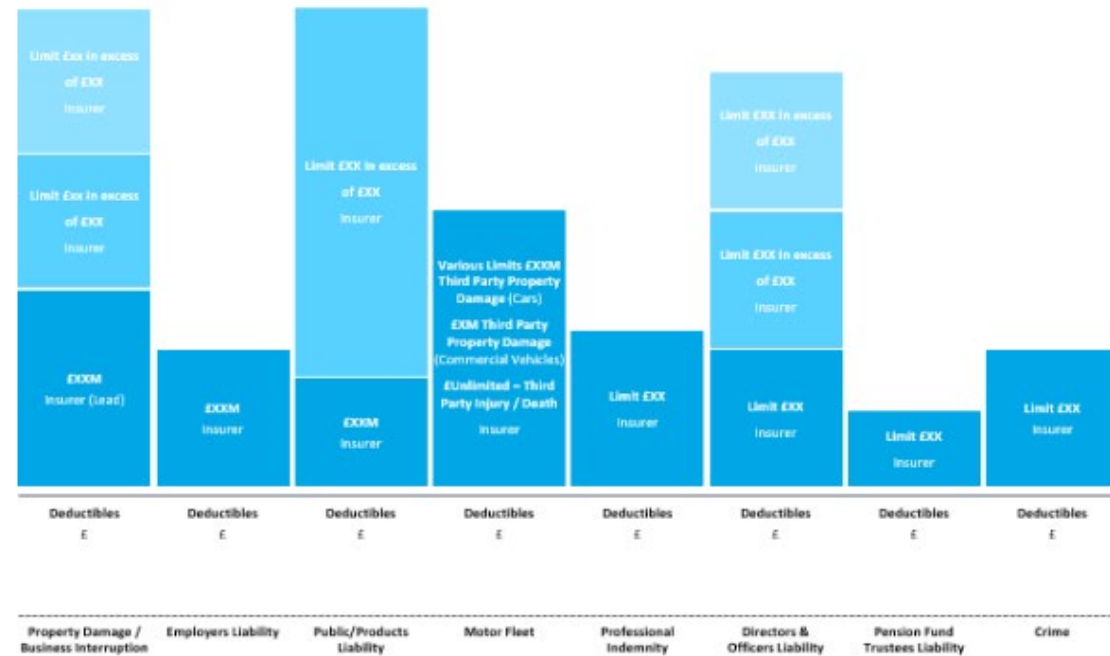
Internal and Client PRISM

- **Client PRISM:-**

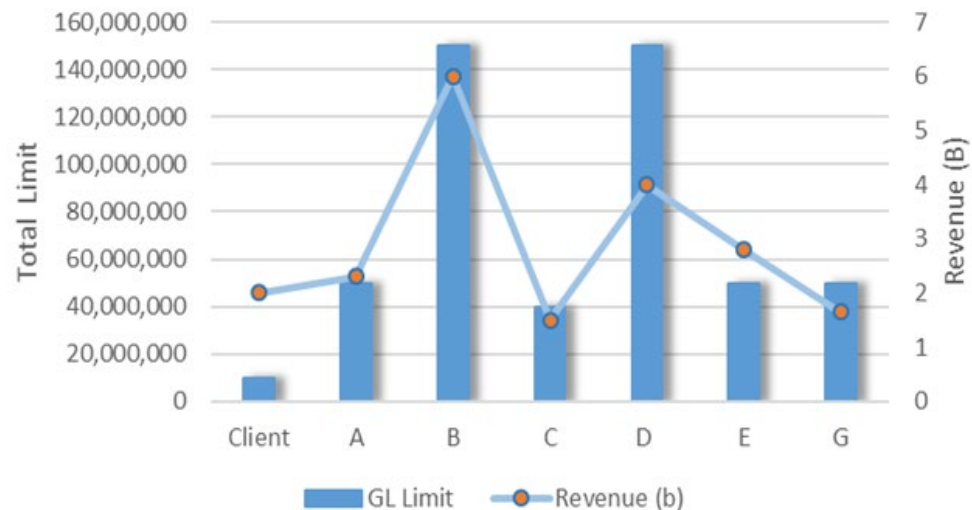
- Business Update
- Market Conditions
- Renewal information/timeline
- Broking strategy for renewal
 - Any issues / areas of concern
 - Alternative retentions
 - Anticipated premiums, Increases/Reductions
 - Long Term Agreements

- **Internal PRISM:-**

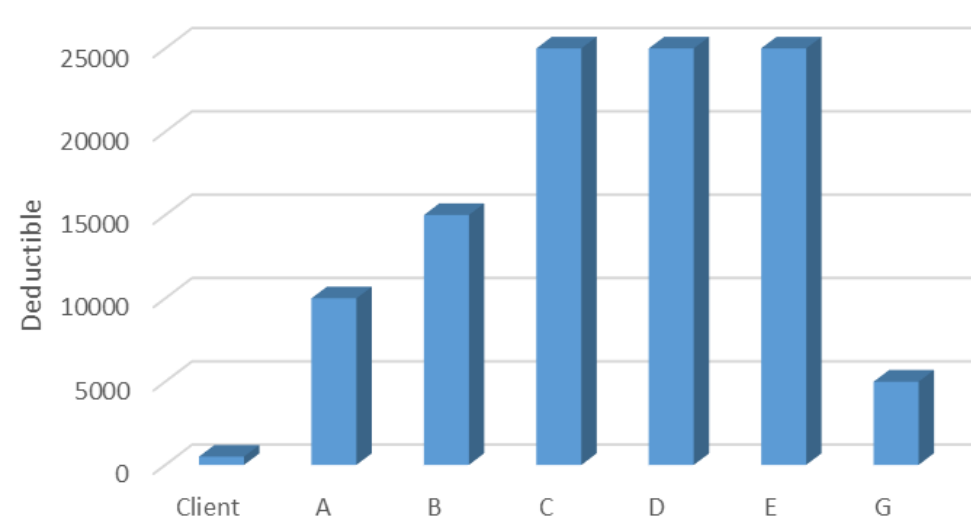
- Client Review
- Programme Review
- Claims Review
- Analytics
- Broking strategy for renewal
- Renewal information/timeline



Benchmarking GL Limit against similar companies with revenue between \$1B and \$6B



Benchmarking GL Deductible against similar companies with revenue between \$1B and \$6B



Retention	Annual Premium	Retained Claims	Expected annual risk expenditure / TCOR
2.5K Policy Deductible	312,500	51,015	363,515
25K Policy Deductible	175,000	187,894	362,894
50K Policy Deductible	106,250	225,230	331,480
2.5K TPPD Deductible	418,750	7,500	426,250
5K TPPD Deductible	410,000	12,161	422,161
10K TPPD Deductible	402,500	15,358	417,858
25K TPPD Deductible	387,500	19,442	406,942
50K TPPD Deductible	375,000	20,277	395,277

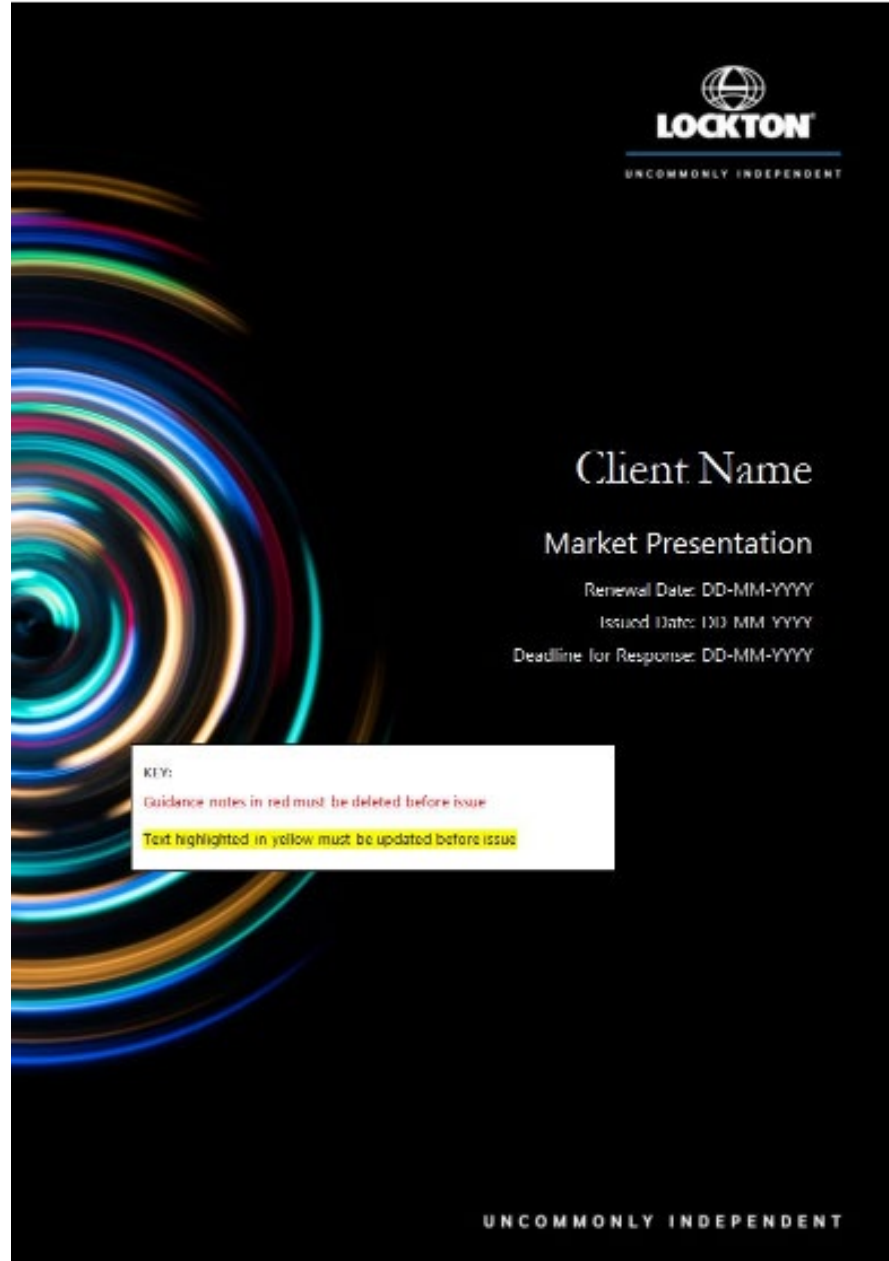
Data Collection

- Request updated proposal forms from the market
- Following the internal PRISM, request additional information to ensure the best Terms and Conditions are obtained from the market
 - I.e. risk surveys, US auto information, claims analytics etc
- Upload information requirements/questionnaires to the portal for client completion

Employers Liability	<ul style="list-style-type: none">• Employees issued with non-UK contracts of employment• Employees working at height etc
Public/Products Liability	<ul style="list-style-type: none">• New products or services being undertaken• Changes in contractual arrangements• "Hold Harmless" contract conditions being requested• New territories for imports and/or exports• Sites/Buildings become unoccupied• Any actual or pending prosecutions• "Additional Insured" being requested by customers• "Waiver of Subrogation" being requested by customers

Data Presentation

- This is key and does differentiate your risk to the market as a clear and concise presentation:-
 - Clearly articulates key exposure data
 - Provides a claims summary to enable underwriters to understand high level claims trends
 - As an appendix, claims analytics will be included to drill down into individual claims trends, improvements and any areas of concern/improvements required (i.e. is a bursary required?)
 - Outlines the business activities of the Insured and material updates from the expiring policy year (i.e. acquisitions? New business unit etc.)
 - Provides a detailed overview of the cover required (i.e. limits, deductibles, extensions, LTAs, renewal bonus etc.)



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Presenting to the Market / Renewal Terms

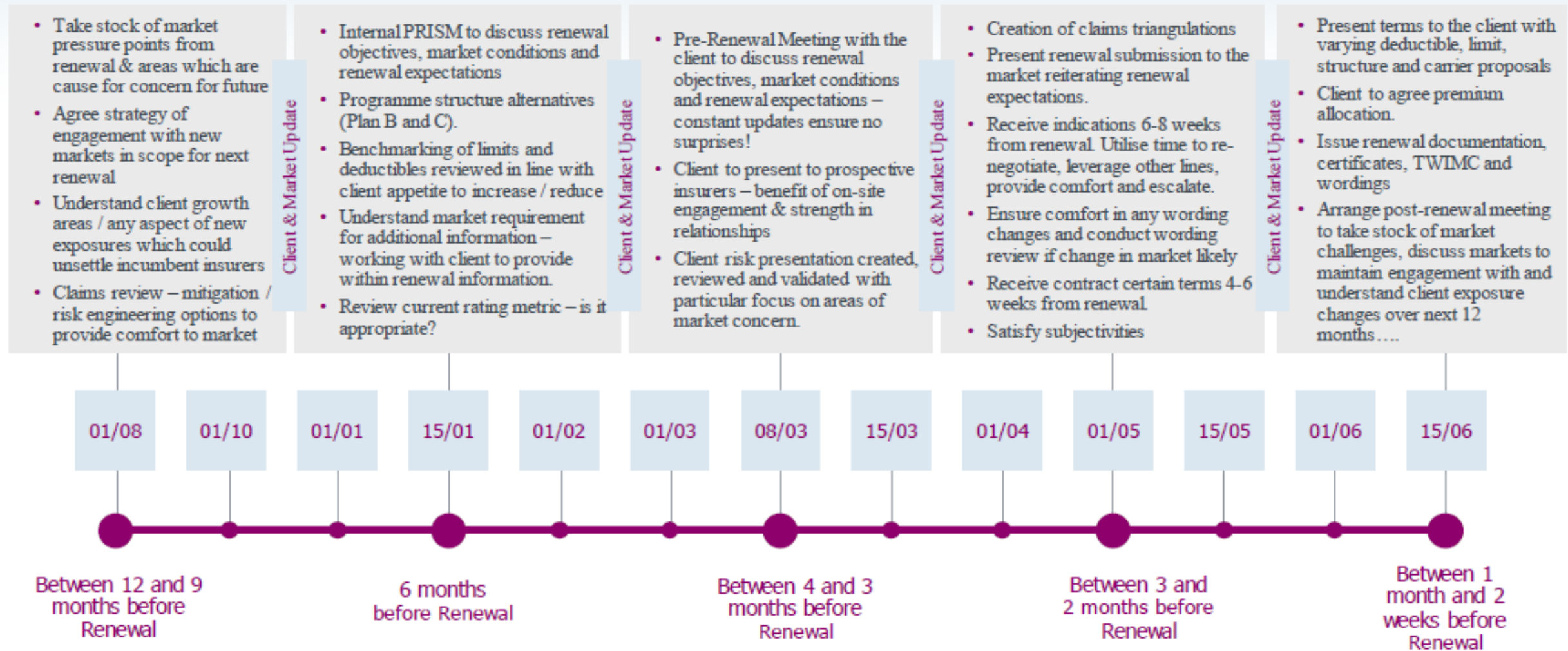
- Face to face meetings (when we could) / Video Calls
 - Broker to discuss the risk, client exposure, claims history, what is required from renewal (i.e. wider coverage / reduced premiums etc.). Any additional information required, questions?
- Client contact:-
 - Market meetings
 - Calls with Insurers throughout the process
- Renewal terms obtained
 - Broker to ensure the underwriters have quoted on the correct basis. Negotiate to ensure the best Terms and Conditions have been obtained
- Wording reviews
- Broker call with the client to discuss terms and next steps

Bind and issue Evidence of Cover

Airmic Academy: Working with your broker

The Art of Broking in a Hard Market

Renewal: July 1st 2020



Q & A

If you have any follow up questions:

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