**Sample Stewardship Report**

# **Execuitve summary**

**Purpose**

The purpose of this report:

1. **To report to you**, our client, the status of your insurance (risk management) program according to the information you have provided us and that we have gained from our work.

**2. To measure and report on the progress** we have made on your insurance and risk management programs

**3. To provide a basis and forum** for discussing issues that must be addressed.

**4. To allow Client to judge the effectiveness** of their efforts when combined with the broker team.

## **Background and History**

* XXXX (XXXX) was commenced in 2012 manufacturing stage and sound equipment to the XXXXX industry.
* XXXX XXXX has been working with XXXX on Property and Casualty insurance matters since 2015. Acme Brokers has significant experience and expertise in the manufacturing industry.
* We have worked extensively with the risk manager and risk team XXXX comprised of representatives of XXXX’s operations and finance.

## **XXXX Premium Analysis**

* Overall, XXXX insurance costs relative to revenue has seen an upward trend during the past three years.
* In the chart below, the “gap” is widening (for the good) between XXXX revenue and overall insurance program costs which now stand at XX% of revenue for “purchased” coverages.
* This is a positive long-term trend, and it is a goal of CI’s to continue to improve upon this result.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Period | 2017-2018 | 2018-2019 | 2020-2021 | 2021-2022 |
| Total cost |  |  |  |  |
| Revenue |  |  |  |  |
| % of Revenue |  |  |  |  |

## **Coverage Changes and Enhancements Year by Year**

The chart below captures the year-by-year plan changes, changes in conditions, or added coverages and their effect on cost. Given the very significant changes and additions to coverage for XXXX it is a positive result that cost relative to revenue continues to decrease.

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Coverage | Addition/changes | Cost effect |
| 2018 | Cyber | Added | $12,000 |
| 2016 | Corporate travel | Added | $5,000 |
| 2016 | Directors and offices | New directors | N/A |

# **Key Accomplishments:**

## **Marketing:**

* For this year’s renewal, we performed and provided to XXXX a detailed analysis of deductible levels, and determined the value of suggested/proposed plan changes, endorsements, or funding changes for the three major lines of coverage (Property, Excess Liability and Executive Protection) amongst other tasks.
* As in previous renewals, we looked extensively at excess liability options and actively marketed and analyzed options for decreasing XXXX’s $10MM.
* We looked closely at excess liability options between a $5MM and $10MM; we looked at several Inner Aggregate options and also analyzed a unique Bermuda market “deductible buy-down” program at various attachments as well.
* In the end, XXXX chose not to change their program from an excess liability standpoint We also worked extensively on the Directors and Officers placement, analyzing various options and, ultimately, moved the primary D&O layer to a new carrier and replaced the second- and third-layer underwriters.
* We actively involved the existing underwriters as well as opening the marketing to other qualified underwriters in a competitive bidding process.
* During the renewal/marketing period (roughly December 2021 to April 2022), we met with XXXX personnel approximately every other week and communicated regularly by phone and email.

# **Recent Marketing accomplishments include:**

## **2014 to 2019 program year:**

* Kept Property rate increase to 6% after a significant reduction a year earlier.

Today’s rates are still below the 2020 to 2021 level.

* Added additional excess Flood coverage.
* Achieved a 3% reduction in the Auto liability rate.
* Introduced new underwriter for Primary, Secondary and Third layer D&O program
* Added new Excess Crime coverage.

**Policy, Claims and Advocacy Support**

* We typically review every Employment Practices/D&O claim and reservation of rights letters submitted to XXXX with XXXX primary counsel for those D&O matters, XXX CI’s in-house legal resources are often deployed as well to analyze claims and comment on their validity.
* We work closely with XXXX staff on claims. We are both advisors and advocates. We work with XXXX’s carriers on paying claims in a timely and accurate manner, and we work to resolve disputes in XXXX’s favor.
* Over the past several years, XXX has performed due diligence reviews on one acquisition and one divestiture. In 2007, we worked extensively on the acquisition of XXXXX. This acquisition presented unique insurance challenges due to the significant claims.

# **Forward Looking Activities and Goals:**

## **Marketing:**

* We have already begun laying the groundwork for the May 2022 renewal.
* As we always do, we will aggressively market your account with incumbent insurers and other select and qualified insurance carriers.
* This year, our primary focus will continue to be the Excess Placement; D&O coverage; and the Package as well as continuing to look for coverage enhancements as well as considering new and emerging risks and coverage forms.
* As we have in the past, we will perform a detailed analysis of deductible levels and determine the value of any suggested plan or funding changes prior to the May 1, 2010 renewal.

# **Policy, Claims and Advocacy Support**

* ABC will continue to perform quarterly claims reviews.
* We will aggressively pursue alternative methods of dealing with claims with a goal of reducing claims costs to XXXX .
* ABC will continue aggressive auditing of underwriter reports.
* Our trained and experienced personnel have the ability to spot problems, or over payments, quickly, efficiently, and effectively.

## **Risk Control/Training**

* We recommend an Employment Practices Liability refresher course for the next 12 to 24 months as a way of reinforcing the seriousness of this issue as well as having provable and tangible training that underwriters may use in their review of the XXXX programs.
* Total Cost of Risk – TCOR – is detailed in a later section. As credible claims data is accumulated, ABC will lay the groundwork for performing a TCOR analysis for XXXX.
* ABC will work with XXXX and its underwriters to get the data collated, analyzed and presented to XXXX.

**Due Diligence Support**

* ABC will continue to provide due diligence support for any XXXX related acquisition or divestiture.
* These services will include (but are not necessarily limited to) program and cost analysis, deductible and risk analysis, program recommendations, and transition assistance.

**Insurance Program Benchmarking:**

* Benchmarking insurance programs is a way of measuring cost and coverage against similar peers.
* We utilize the XXXX Benchmarking database for this purpose.

**XXXX Broker Service Capabilities and Commitment**

* Our capabilities are reflected in our service commitment. We have dedicated practices in all areas of risk management and insurance staffed by recognized experts in their professions.
* The ABC team is dedicated to understanding your industry, strategic and tactical needs, wants, and values.
* Our continuous observation, measurement and testing of trends will provide precise and relevant negotiations on:
  + Coverage
  + Terms
  + Placement
  + Emerging issues

Our respect, integrity, and clout with insurance underwriters yields favorable terms, conditions and rates to address XXXX’s unique requirements.

We have found that our services have been relevant and valuable in the following disciplines:

• Risk Management and Coverage Analysis Review

• Contractual review

• Traditional Brokerage Services

• Marketing

• Consultative Claims Services

• Risk Control Services