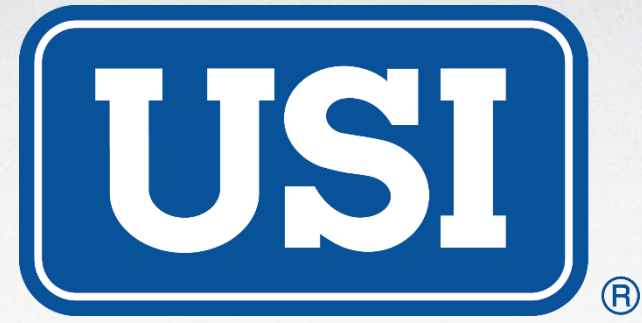


LeadingAge[™]
Maine & New Hampshire
Educate. Collaborate. Inspire.

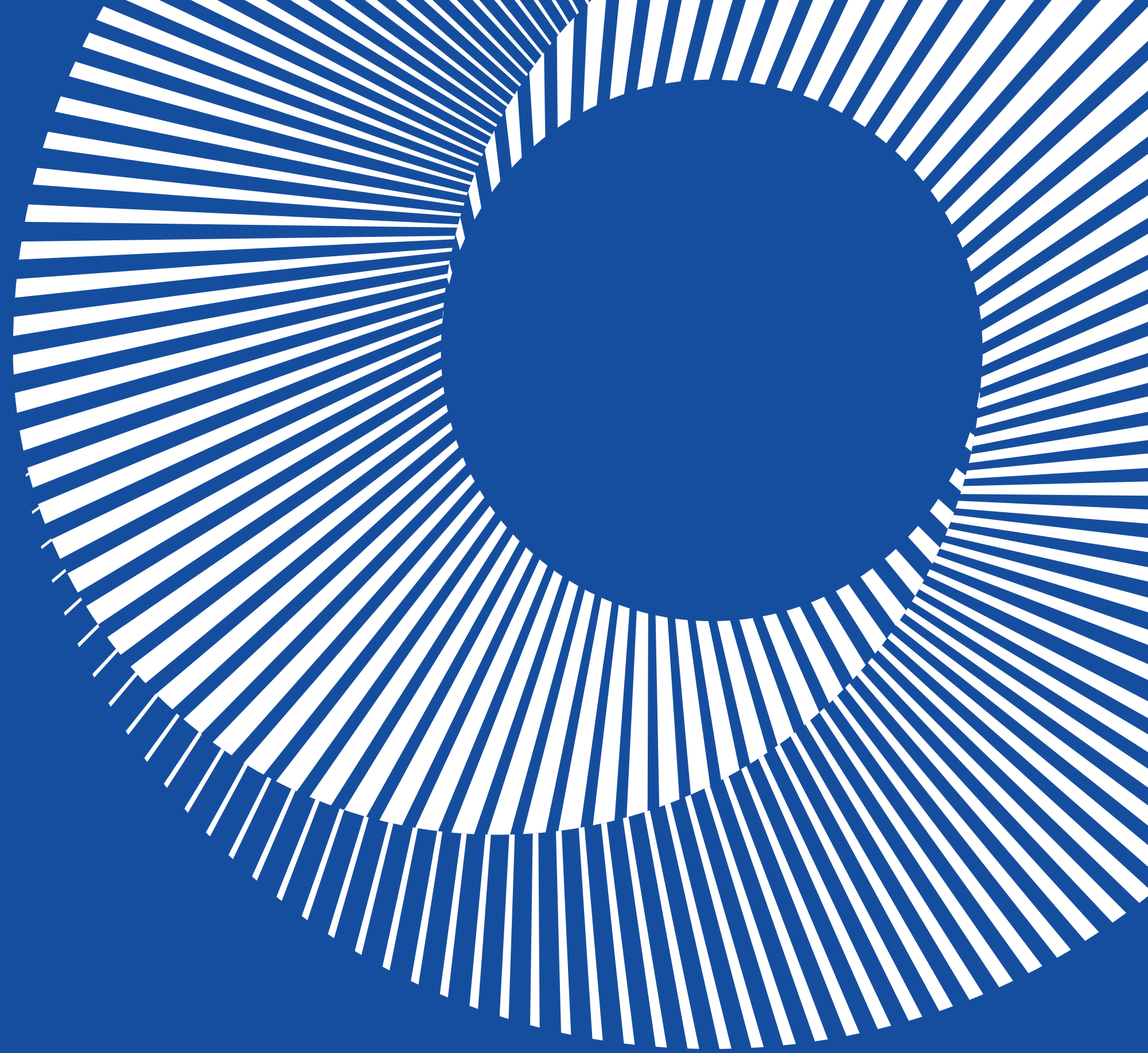


COURAGE IGNITED



Less Stress and Better Results

How to navigate insurance renewals
and optimize your premiums





Today's Objective

**To Become Wiser Property & Casualty Insurance Consumers
By Taking Control of and Organizing Your Renewal Process**

AGENDA

- Who's who in your insurance relationship?
- What does a good result look like?
- Think Like an Underwriter
- Timing / information
- Objectives and Communication
- Delivering Renewal
- Advanced Steps and The Off Season





WHO'S WHO IN YOUR INSURANCE RELATIONSHIP?

- The Client – That's you!
 - You are the reason we do this.
 - We understand you are face headwinds like cash flow challenges, a strained labor market, regulatory changes and beyond.
- The Broker – That's us! We help you make educated decisions, place the actual insurance products and service your account (certificates, changes, claims, risk control, etc.)
- The Carrier – This is the actual insurance company. Think Travelers, Hartford, MEMIC, Chubb and beyond



What Does A Good Result Look Like?

Understand Market Conditions. Here's a summary from USI's Q1 Market Outlook (assumes minimal claims)

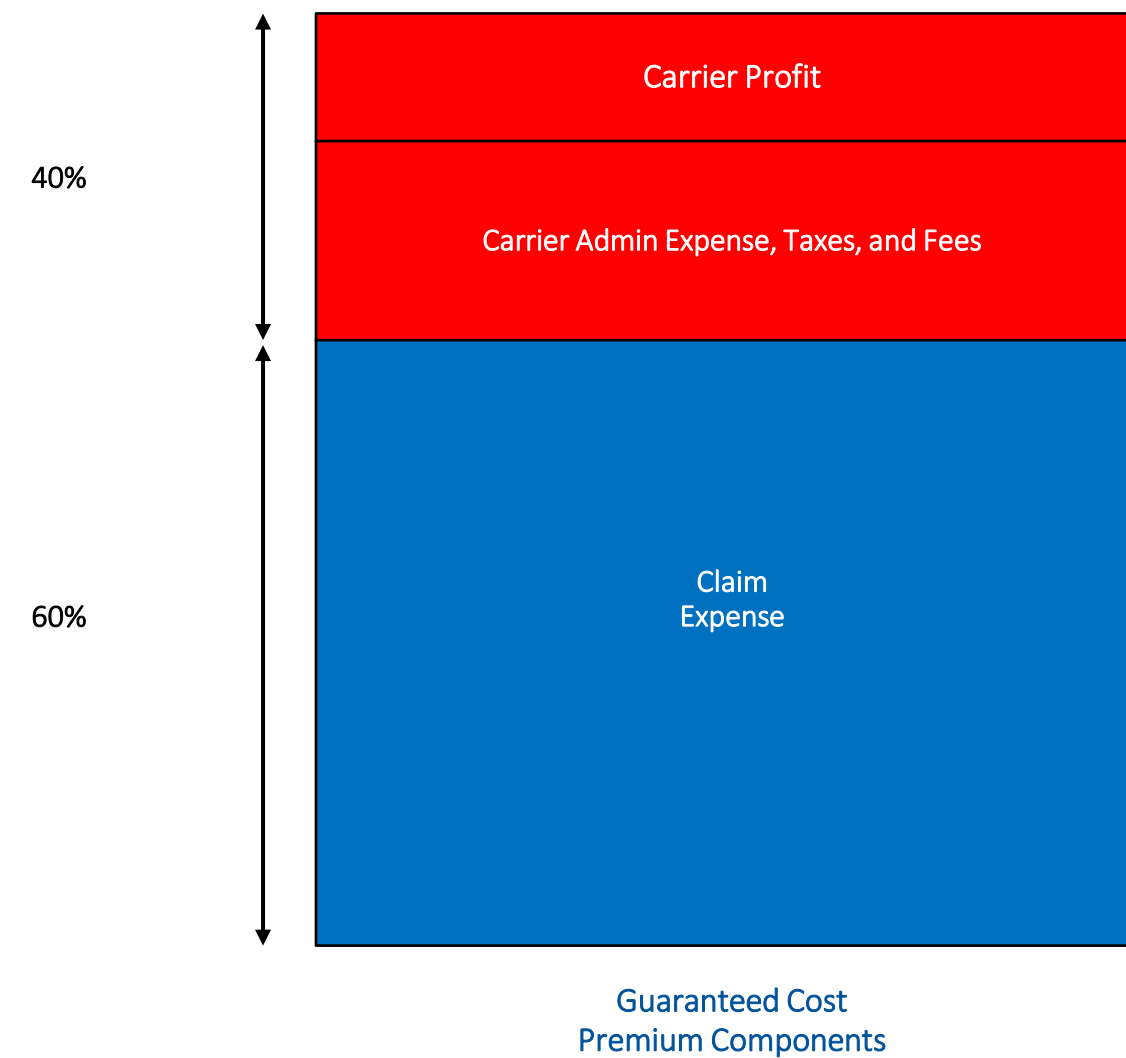
<u>Line of Insurance</u>	<u>First Half 2024 Forecast</u>	<u>Additional Notes</u>
Property	Up 5-15%	Valuation scrutiny decreasing Concerns remain (including inflation and frequency) TX and FL especially difficult Beware deductibles and frame construction Lender and HUD requirements scrutinized
General and Professional Liabil	Down 10% to up 5%	Ample rate reduction opportunities exist for good risks Forecast understates recent results Premium savings amplified if market has not been tested in last two years
Workers Compensation	Down 10% to up 5%	Gauranteed Costs and Loss Senstive similar but more claim dependent Focus on cash flow Control your claims, Control our premiums
Cyber	Flat to up 15%	Forecast understates results for risks with strong controls Focus on your application Significant reductions possible compared to last two years
Auto	Flat to up 5% (fleets under 200)	Technology continues to impact premiums Nuclear verdicts impact carriers and insureds Beware negligent hiring and entrustment

The lines above capture 80-90% of most long-term care clients property & casualty insurance premiums



Think Like An Underwriter

Do you Know How Your Insurance Premiums Are Created?





Impact of Experience Modification (E-Mod) on Workers Compensation Costs (And why does it matter?)

Analyze key factors that drive the calculation confirming E-Mod and Premiums are accurate



Are your Class Codes accurate? >

Classification Codes:

- Changes in operations, staff and job responsibilities can result in miscoding errors and overpayment of Workers Comp premium.
- USI reviews each job classification to ensure proper allocation of payroll by class code.

Is your Payroll accurate? >

Payroll:

- Payroll may be overstated due to errors. For example: overtime and bonus payroll or certain portions of executive compensation.
- USI reviews and corrects payroll to avoid overpayment of premium.

Are Claims and Reserves accurate? >

Claims:

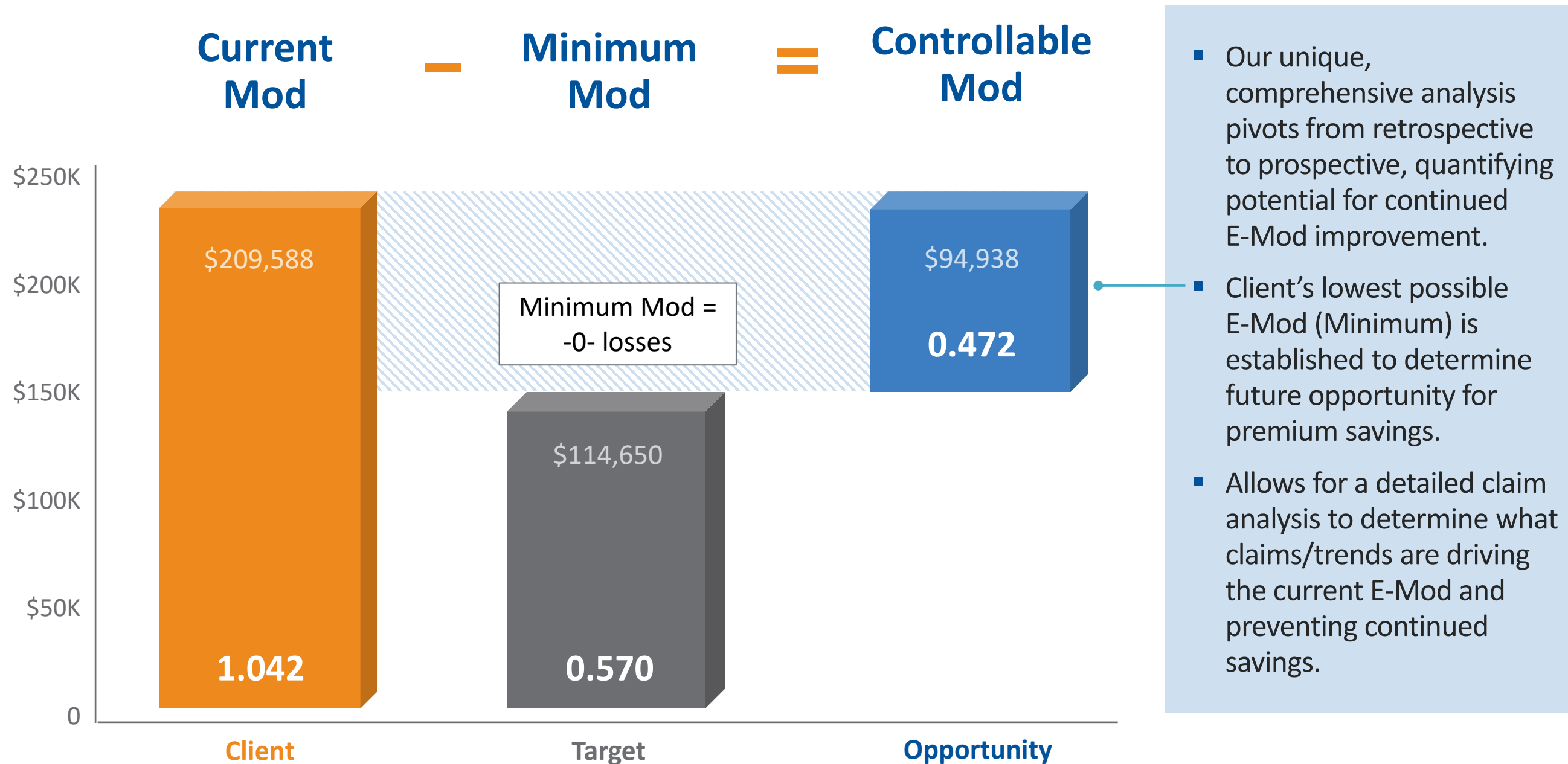
- Mod is calculated based on last 3 years of claim history.
- USI completes a thorough review of claims to ensure proper claim status (open/closed) and reserve accuracy, reducing reserves where appropriate.

- Three key factors used to calculate E-Mod and premium are job classification, payroll, and claims.
- An error in any one of these areas can result in overpayment of premium.
- USI reviews all data used to calculate the E-Mod, correcting errors and ensuring premiums reflect Mod improvement.



Future Savings Opportunity

Utilize proprietary analytics to quantify opportunity for measurable E-Mod improvement and future premium savings





Timing and Information

Broker, Carrier, and Client all have active roles

TIMING

120 Days from renewal

Initial Strategy Meeting for Planning

90 days

Broker gathers updates and begins negotiating renewal terms

60 days

Early rate indications provided while carrier(s) work on terms

30 days through renewal Finalization of quotes, presentation of proposal and implementation

DATA

- Property Statement of Values
- 5 Years of Currently Valued Loss Runs
 - Be prepared to explain claims details
- Payrolls and Comp Data
- Vehicle and Drivers Lists
- Applications
 - General / Professional Liability
 - Cyber
 - D&O, EPLI, etc.
 - Auto
- Odds & Ends



What Are Our Renewal Objectives?

- Going out to Market versus Renewing with incumbents
 - We don't want to "quote" every year
- Need a change? What are you trying to accomplish?
 - Broker (service / resources / deliverables / cost) ?
 - Carrier (services / resources / recommendations and mandates / cost)?
 - Price (could be both or just a new, creative approach)?
- What about Non-renewals, conditional renewals and carrier notifications
- Understand hurdles and challenges



Good Communication Versus Red Flags

- Quality data flow
- Early renewal indications from underwriters and communicated to client by brokers
- Defined marketing approach (Seeking alternative quotes and on what lines?)
- Agreement for early renewal (Incumbent carriers have offered great terms, let's get this over with!)
- NO SURPRISES



What About Carrier Loss Control Inspections?

Carriers Frequently Want to Inspect Your Buildings Prior to Quoting

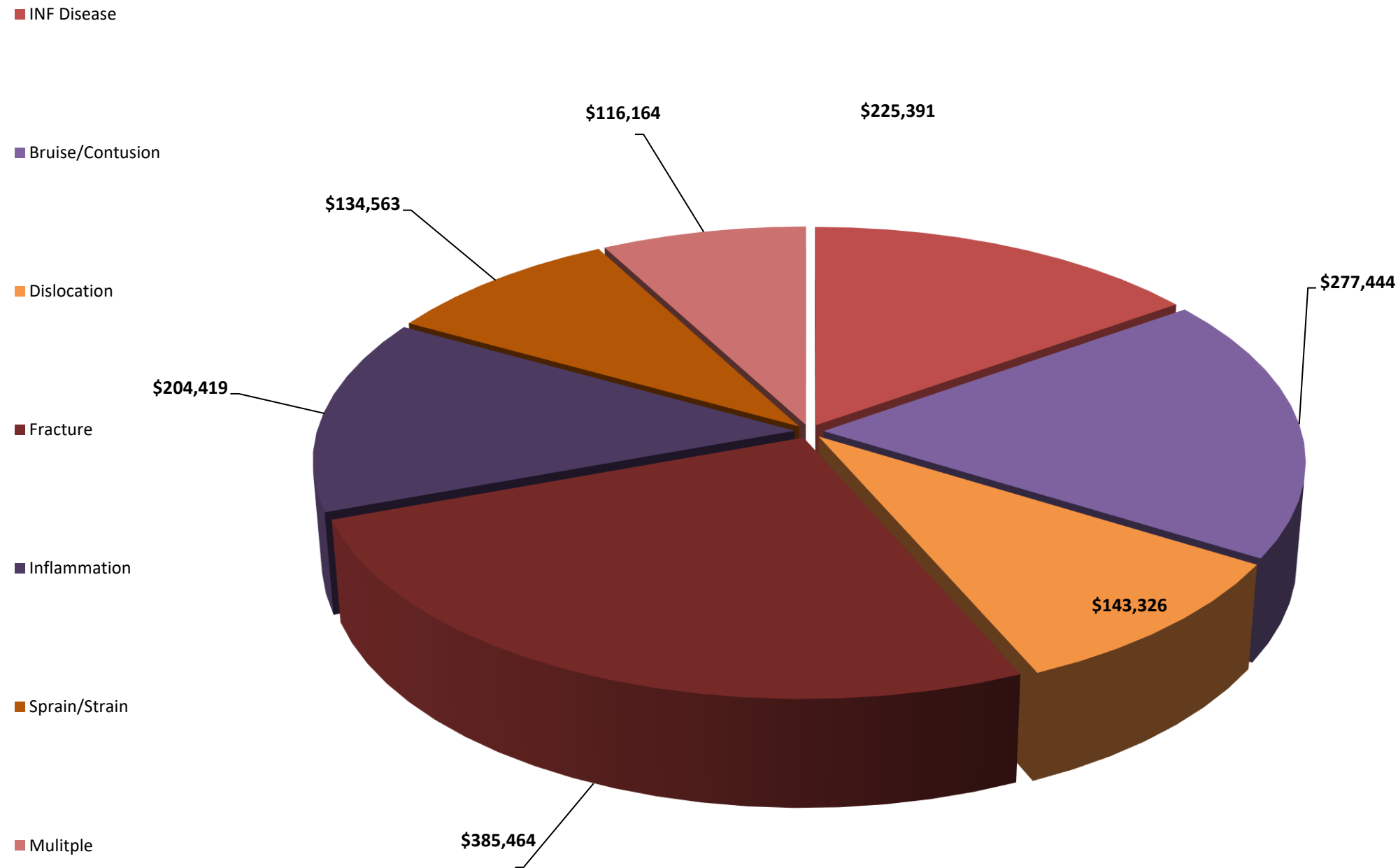
Key Elements to help you prepare include:

1. Understand where your past claims come from (Example on next slide)
2. Ask them what they want to cover.
3. Ask your broker to join the visit.



Workers' Compensation Sample Organization Loss Trending

\$ Total Incurred Large Loss Claim by Type



Key Observations

- Fractures lead the losses, followed by Bruise/Contusion, Infectious Disease, Inflammation and Dislocation.



Preparing for a Smooth Landing

Broker has all quotes in hand and is ready to present a comparison of options which should include:

1. Side by Side coverage options including limits, deductibles, and more
2. Premium Comparison including all taxes, fees, etc.
3. How is your broker compensated (fee vs. commission / it's ok to ask!)
4. A summary of discussion points
5. Binding Subjectivities and Outstanding Items
6. If everything looks good, bind coverage!



Advanced Ideas and The “OFFSEASON”

- Should your organization be taking on more risk?
- Claims and Risk Control is Cyclical, are you addressing these topics throughout the year such as through claims reviews?
- What will your organization look like 1, 3, and 5 years into the future?
- What outside factors is leadership concerned about?

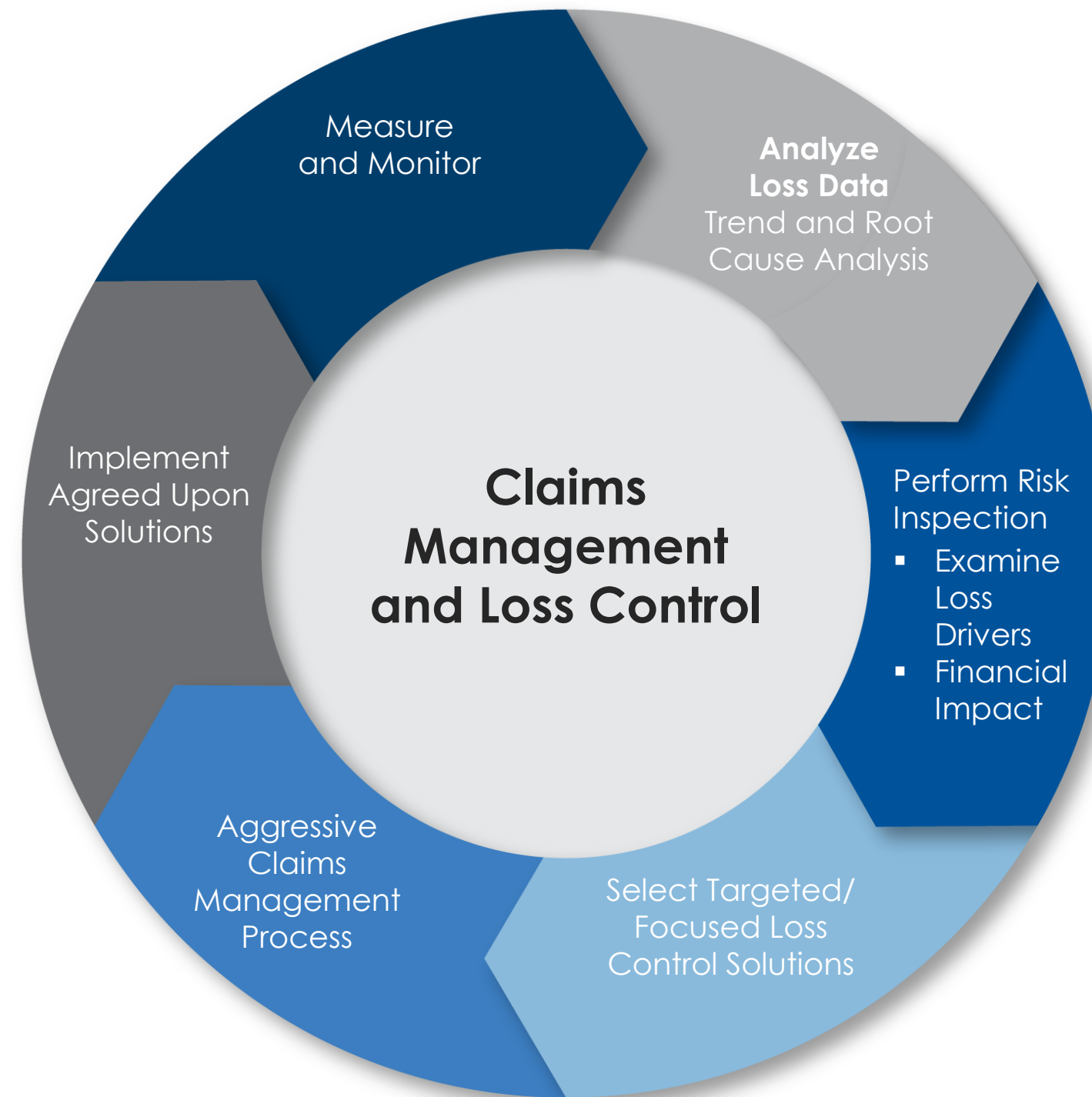
CONTROL YOUR CLAIMS, CONTROL YOUR PREMIUMS!



Analytics, Claims & Risk Control Continuum

Bending the Claim Curve

A holistic approach to mitigating claims and premium costs by integrating claims management, risk control and analytics into one comprehensive, seamless process for a targeted, measurable risk management process that ensures continuous improvement





Choosing The Right Risk Financing Alternative for You

TRADITIONAL CARRIER BASED STRUCTURE

Low	Risk Financing Alternative	Client Profile	
	Guaranteed Cost: Provides first dollar coverage for a fixed premium. ~60% of premium goes to pay claims. ~40% of premium goes to pay carrier expenses and profit.	Profile: Client has no or limited visibility or insight into their claims (NOTE: USI can provide that visibility).	<ul style="list-style-type: none"> ▪ Significant savings opportunity (10-40%) moving from a Guaranteed Cost to an Alternative Risk Financing Structure. ▪ USI can provide visibility into your claim trends to help you customize the right degree of direct financing to maximize your savings back into your business.
	Dividend Plan: Provides the potential for returned premium (dividend) based on loss/claim experience.	Profile: Client has “roller coaster” claim profile (get a dividend on the down/good claim year, typically no penalty on the up/high claim year).	
	Retrospective Rated Plan: Premium calculated (subject to a max and min) based on ultimate incurred loss experience for the period, plus fixed costs.	Profile: Client heading toward claim/loss improvement/visibility (get a premium ‘true up/return premium’ with improving loss trend).	
	Deductible Plan: Client pays losses within a fixed deductible, reducing fixed costs, allowing client opportunity to recover a portion of the 40% paid in premium fixed costs by paying losses within deductible, and gain cash flow advantages of paying claims over time rather than pre-funding losses via up front premium payment.	Profile: Client has visibility into loss predictability/forecasting (Note: USI can provide that visibility).	
High	Self Insurance: Client responsible for claims within Self-Insured retention. Excess policy responds above retention.	Profile: Client has very high degree of certainty regarding loss predictability/forecasting and high ability to pay those losses.	

- Degree of visibility into claim trends
- Degree of Direct Financing
- Reduction in Carrier Expense/ Profit (Savings To The Client)



Conclusion and Wrap Up

- Q&A

Are you more comfortable with your insurance renewal process than you were an hour ago?

Chad McCulley ARM | PRC

Senior Vice President – Senior Living

Chad.McCulley@usi.com

(860) 575 6403

