

Corporate Tax Reform Is Looming



Insurance | Risk Management | Consulting



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Many Underwriters are Seeking Rate Increases for the First Time in More than a Decade; Understanding Your Levers to Pull will be Mission Critical to Your Overall Success

While the property insurance marketplace remains well capitalized, 2017 natural disasters resulted in a capital event for many insurance carriers. With the increased potential for insurance rate increases, insureds ability to execute on risk management fundamentals with a well thought-out strategy will help to offset the severity of impact. Ensuring your team has thoughtfully thought through some of the key items below will help to better position your organization for success:

- Some carrier Catastrophe Models apply a risk load of as much as 50% for incomplete or insufficient exposure (i.e., “COPE”) information—the ability to restructure your property program above and beyond a shared and layered or quota share program.
- The importance of identifying “Secondary COPE” factors to more accurately assess the impact in the event of a loss.
- Your ability to answer the question of whether or not you are transferring risk at a 1 in 100, 1 in 250 or 1 in 500 loss year scenario.
- Predefining your properties exposed to flood zones in order to minimize surprises, post loss.
- Taking a fresh look at your business interruption calculation in order to ensure you are factoring in your supply chain inventory turns appropriately.
- Starting your renewal process earlier this year to prepare for contingencies, should your current insurer not agree to provide the terms you are looking for at renewal.

Being aware and understanding of these factors prior to entering the property market at renewal will be paramount to your success this year.

An Innovative Approach to Captive Risk Distribution

One of the largest captive managers in the world, Gallagher can build a pro forma financial statement to highlight the cost versus benefits of implementing a captive structure for your organization. Should risk distribution be a concern, Gallagher can facilitate access to a pool of existing workers compensation high-deductible programs from unrelated organizations to help mitigate a catastrophic loss, distribute risk and increase the value of a single parent captive.



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Learn More About Our CORE360™ Approach to Improve Your Organization's Risk Management Performance

Gallagher CORE360™ is our unique, comprehensive approach of evaluating our client's risk management program that leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. We consult with you to understand all of your actual and potential costs, and the strategic options to reallocate these costs with smart, actionable insights. This will empower you to know, to control and to minimize your total cost of risk and improve your profitability. Please contact your Gallagher Advisor to learn more.



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