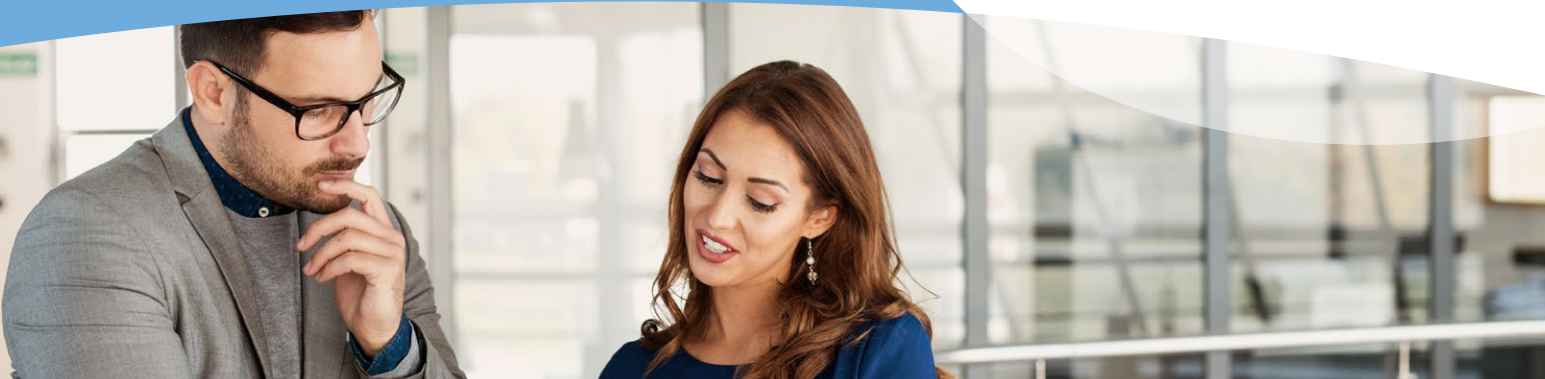


Are you ready?



Insurance | Risk Management | Consulting



JANUARY 2018



2018 has arrived. You will likely pay more property premium this year for less coverage given the record loss year of 2017 and reinsurance treaty outcomes. Gallagher clients will get better results.

The property insurance marketplace remains well capitalized, however the 2017 natural disasters resulted in a capital event for many insurers. Most insurance companies will be looking to reduce coverages (i.e., deductible levels, sublimits, etc.) offered at increased rates. A broker's ability to execute a well thought-out strategy will help insureds to offset the severity of the result. Ensuring your team has thoughtfully worked through some of the key items below will help to better position your organization for success:

- Incomplete or insufficient exposure (i.e., "COPE," "Secondary COPE," etc.) information derived from an off-the-shelf renewal submission may be increasing your rates as much as 50 percent.
- There are ways to restructure your property program above and beyond a shared and layered or quota share program that will save you money and improve your coverage.
- You cannot let the underwriters have more information than you when arriving to the negotiation table! Leveraging "Catastrophe Modeling" in order to understand your company's Average Annual Loss ("AAL"), Probable Maximum Loss ("PML") and Maximum Foreseeable Loss ("MFL") at varying confidence intervals (i.e., 1 in 100 year, 1 in 250, etc.) will be critical to your success!
- Understanding your business interruption—and potentially contingent business interruption—exposure will minimize overinsuring or underinsuring your risk!
- Starting your renewal process earlier this year will be more important than ever as deal flow is likely to increase and surprises are bound to happen if you delay. Gallagher clients will not be surprised and will get better results!

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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