

RESERVE STUDIES

THE P&C PERSPECTIVE



FORENSIC
ENGINEERING

FIRE ORIGIN
& CAUSE





AGENDA

01

Property & Casualty Space

Understanding the world of P&C Insurance from admitted carriers to non-admitted carriers.

02

Bylaws and Statutes

Coverage issues between association and unit owner policies

03

Associations vs The World

Lack of regulations for condo associations versus other groups like school districts, municipalities, oil and gas, etc.

04

Alternatives to Traditional Insurance

Premium relief found in captives and risk retention groups.

05

Emulating Fortified Programs

A scoring system is needed for larger structures which will provide assurances to the carriers.

06

The Hard Market

Carriers are not writing risks that aren't insured to value.





Property & Casualty Space

The Property & Casualty Market



The Admitted Market

Risk Appetite | State Departments of Insurance |
DOI Approved Rates and Forms

Excess & Surplus Lines – Non-Admitted

Insurers of Last Resort

Residual Market – Quasi-Governmental

Insurers of Last Resort

Captives

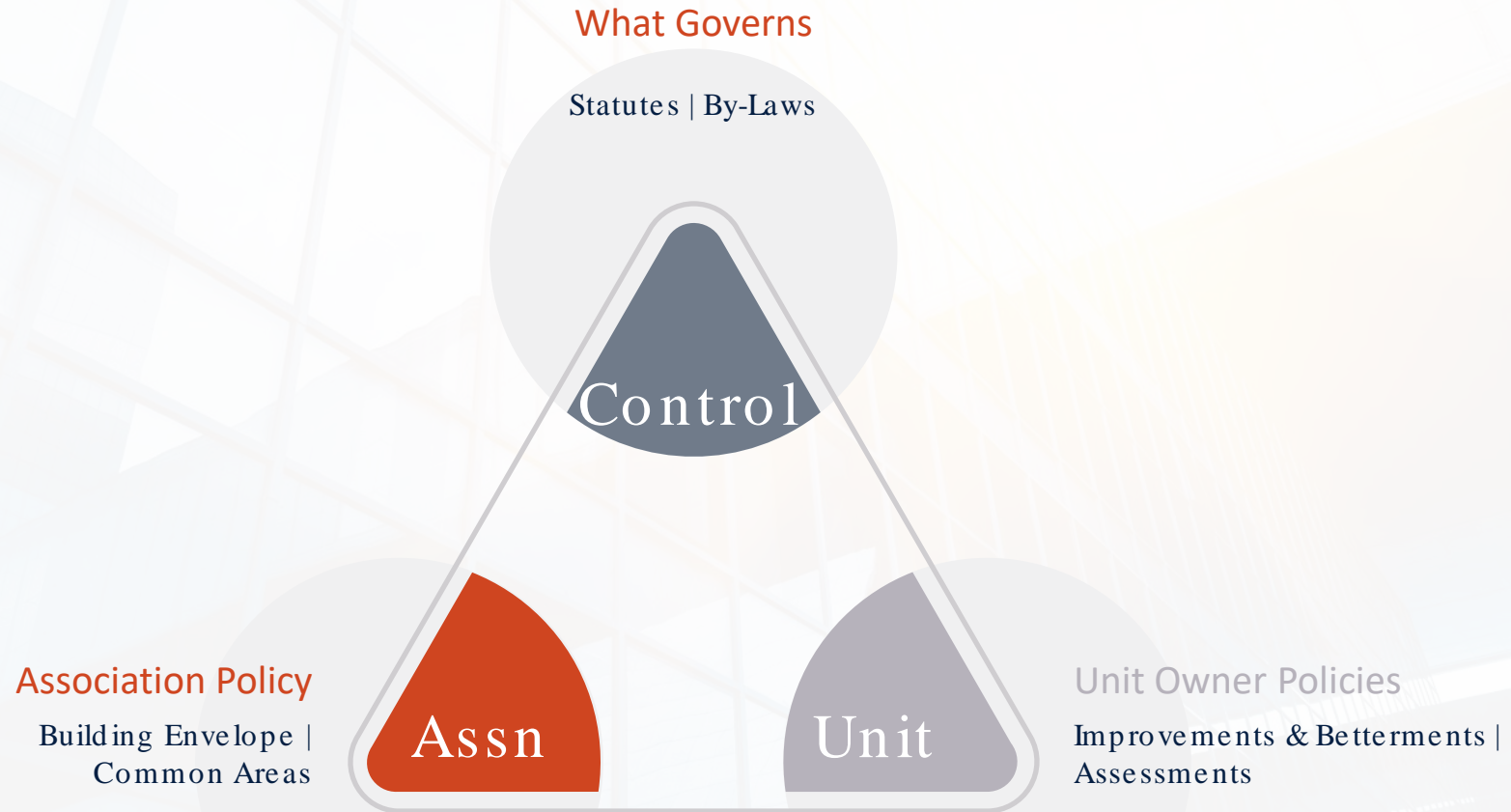
Your Owned Insurance Solution





Bylaws & Statutes

Statutes & By-Laws





Associations vs The World

Lloyds of London Market Share



Associations Versus The World

S

Strength

- Flexibility –Lack of Regulation
- Location –Prime Real Estate –Cities, Counties & States need Associations to thrive

W

Weakness

- Track Record versus other spaces affects insurance premiums
- Deferred Maintenance
- Aging Structures
- Lack of Regulation

O

Opportunity

- Collective Optical Improvement
- Active Lobbying
- Educate Members
- Resiliency Scoring Agenda
- Maintenance & Reserves

T

Threat

- Aging Buildings
- Tightening Regulation - Structural Integrity Reserve Studies
- Collapses
- Optics –Bankruptcies
- Insurance Premiums
- Inflation





Alternatives to Traditional Insurance

Premium Relief and Tax Benefits for Well Maintained Properties

Agency Captive

Rated Insurance Company

Primary Layer + Deductible

Premiums Can Grow Surplus

Tax Benefits

You Control

Savings Account

Hard Market Benefits

E & S

Rated Insurance Company

Primary Layer + Deductible

Premiums Paid – Gone

No Tax Benefits

Insurer Controls

No Savings Account

Excess

Rated Insurance Company

Additional Layers

Premiums Built In

No Tax Benefits




Reinsurer(s) Controls





Emulating Fortified Programs

FORTIFIED Residential Checklist for Modeling

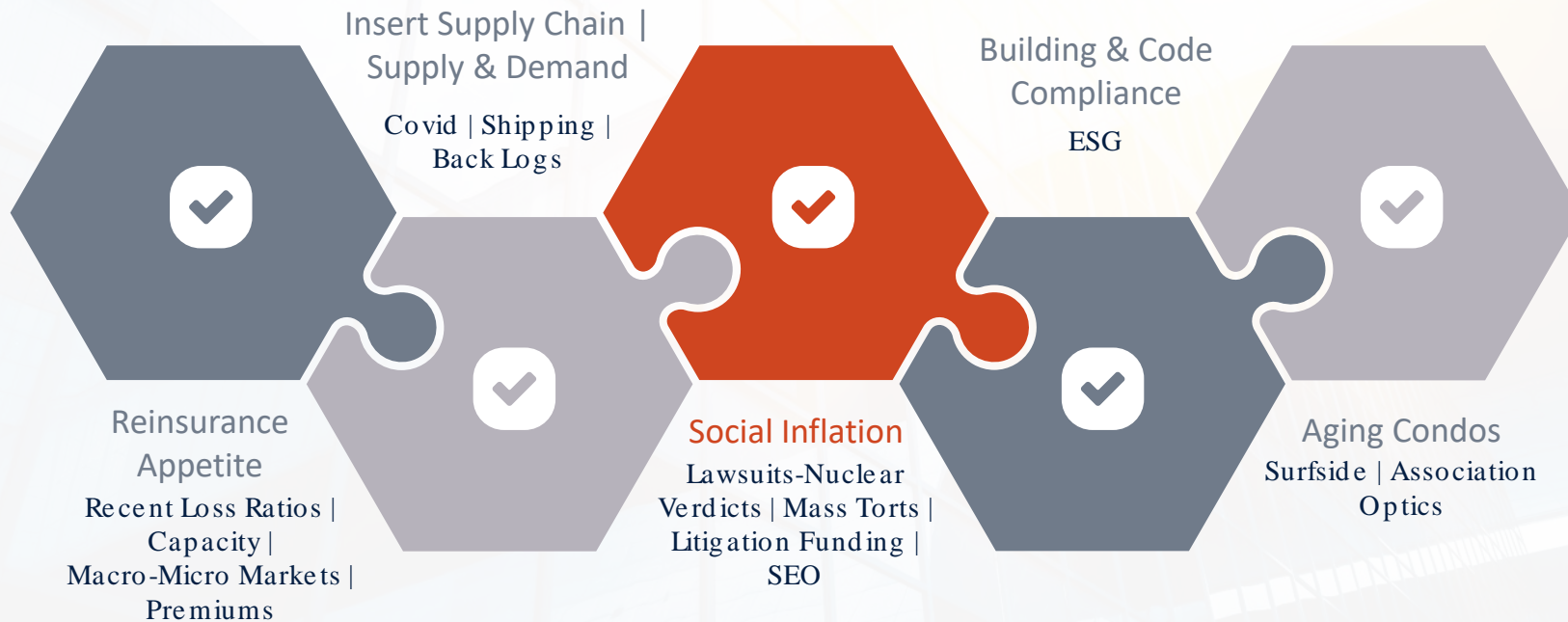
The National Standard for Resilience	 FORTIFIED Roof	 FORTIFIED Silver	 FORTIFIED Gold
Enhanced Roof Deck Attachment	✓	✓	✓
Sealed Roof Deck	✓	✓	✓
Locked Down Roof Edges	✓	✓	✓
Impact-resistant Shingles Rated by IBHS*	✓	✓	✓
Wind and Rain-Resistant Attic Vents	✓	✓	✓
Impact Protection for Windows & Doors*		✓	✓
Impact* & Pressure-Rated Garage Doors		✓	✓
Chimney Bracing		✓	✓
Reinforced Soffits*		✓	✓
Anchored Attached Structures		✓	✓
Gable End Bracing		✓	✓
Pressure-rated Windows & Doors*			✓
Stronger Exterior Sheathing*			✓
Engineered Roof-to-Wall Connections			✓
Engineered Story-to-Story Connections			✓
Engineered Wall-to-Foundation Connections			✓





The Hard Market

Hard Market | The Perfect Storm





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1 + 2 =

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3

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