

A scenic photograph of the Cliffs of Moher in Ireland, showing steep, layered cliffs meeting the ocean under a blue sky with scattered clouds. The water is a deep blue-green, and the cliffs are a mix of brown and green. A small, isolated rock formation is visible in the sea to the left.

Managing Your Insurance – Costs, Renewals and Claims

19th April 2023

Your host for today

Jessica McKillop

Accommodation Development

Fáilte Ireland



Today's Content



- The factors impacting the cost of your insurance premium.
- How to mitigate insurance costs.
- Preparing for insurance renewal
- Accident and Claims Management

Fintan Kennedy

Insurance Consultant

Agile Risk Solutions



Factors impacting the cost of your insurance premium



Main elements of an Insurance Policy



Premium Calculation

Office Block

Rebuilding Cost €500k

MDAR* Rate 0.12%

**Annual Premium
€600**

$€500,000 \times 0.12\% = €600$

Hotel

Rebuilding Cost €500k

MDAR* Rate 0.25%

**Annual Premium
€1,250**

$€500,000 \times 0.25\% = €1,250$

Fast Food Restaurant

Rebuilding Cost €500k

MDAR* Rate 0.5%

**Annual Premium
€2,500**

$€500,000 \times 0.5\% = €2,500$

The chance of fire is much higher in the fast-food restaurant than the office block.

**MDAR (Material, Damage, All Risks)*

External Drivers



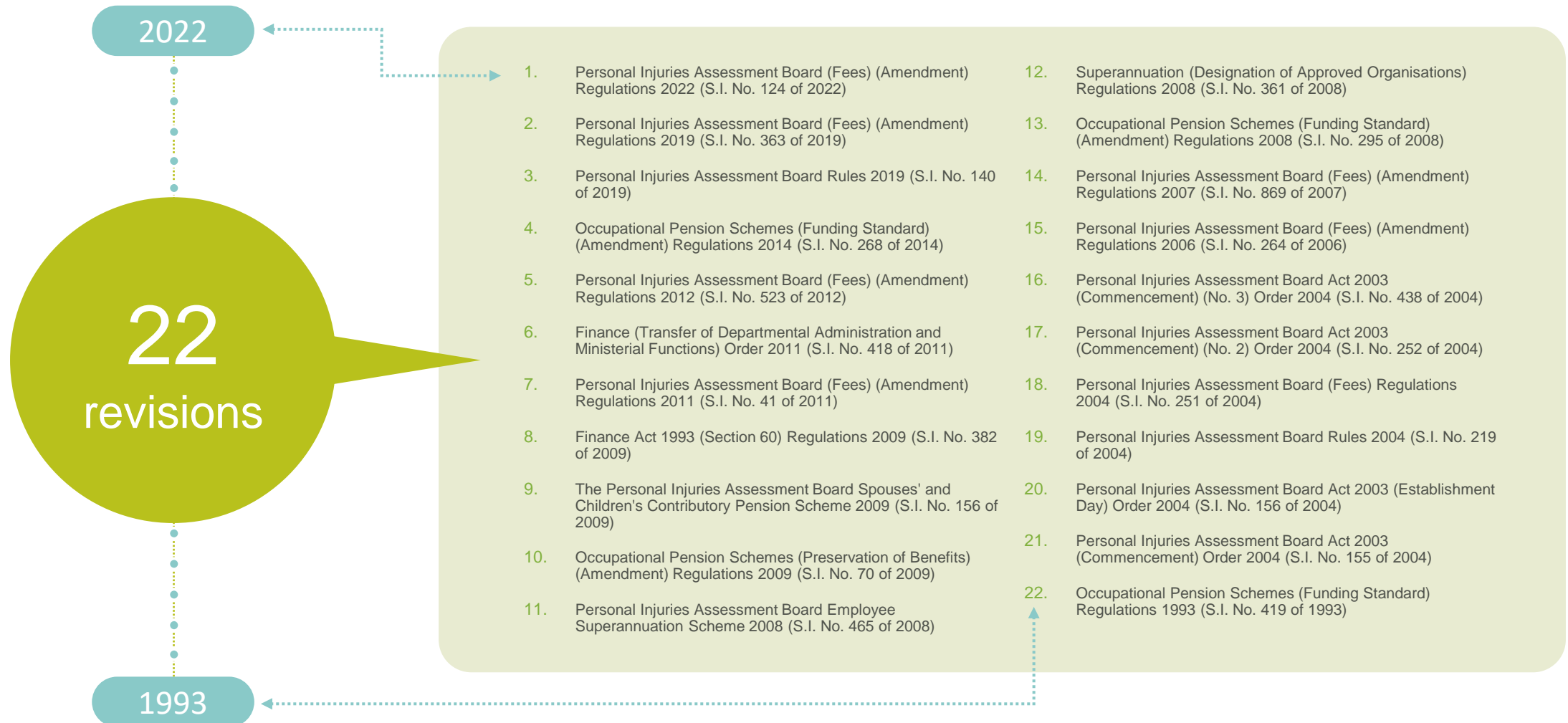
Property

- Sept 11th - 2001
- Grenfell Tower - June 2017
- Covid - 2019
- Ukraine War - 2022
- Climate Change - Now

Liability

- Legislation- Occupiers Act 1995
- Precedent
- PIAB - 2003
- GDPR - 2018
- Minimum Premiums

PIAB – Statutory instruments which affect or previously affected this revision



Personal Injuries Resolution Board Act 2022



Internal Drivers



Property

- Buildings – Construction Type / Activities
- Rebuild Cost
- Contents – Value
- Stock Type and Value
- Customers Goods
- Business Interruption – Gross Profit and Indemnity Period

Liability

- Public – Activity
- Premises
- Work Away (off-site, working from home)
- Employees Clerical / Manual
- Products

Property and Business Interruption



Sum Insured On House €200,000

Fire in the Kitchen – Damage Estimate €40,000

Loss Adjuster Agrees with estimate.
Measures the whole property

Kitchen is 10% of the house so total rebuild is
€400,000



**Claim
Payment**

$$\begin{array}{rcl} \text{Loss} & \times & (\text{Total Rebuild Value} / \text{Sum Insured}) \\ \text{€40,000} & \times & (\quad \text{€400,000} \quad / \quad \text{€200,000} \quad) \end{array}$$

= €20,000 (50% of the loss)

How to Mitigate Insurance Costs



In this section...



What can you do to Reduce the premium charged for your Property and Liability Insurance premium?



Who is making the decision on the cost of your premium, we have outlined their concerns?



How can we meet their concerns?

Underwriter is your Corporate Customer



What is the Underwriter's motivation to take your business on their books?



Risk transfer – you pay your premium and insurer takes all the risk



Risk sharing – How can we will take some of the risk?



Fire Alarm, CCTV, SOPs, training and sign off

Poll

**What mitigations have
you to improve the
property risk?**

Liability Cost Mitigation



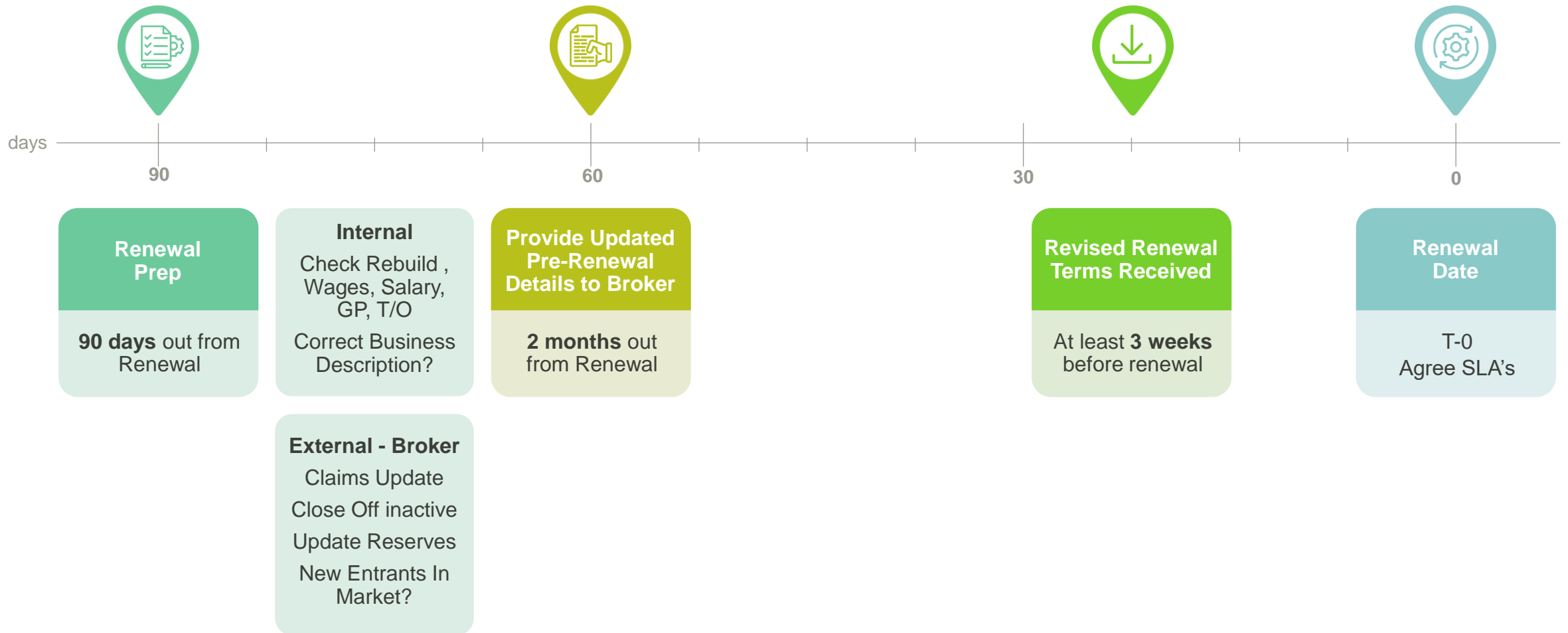
Poll

**What mitigation have you
in place to improve your
liability?**

Preparing for Insurance Renewal



Renewal Programme – Act Now!



Insurance Renewal Checklist



MANAGING YOUR INSURANCE COSTS RENEWALS AND CLAIMS			
Renewal Schedule Plan			
Input renewal date here -----> 20/05/2023			
DUE BY	YES/NO		
19/02/2023	Review Current Insurance Schedule		<input type="checkbox"/>
	Building's Sum Insured - Any new Buildings or renovation		<input type="checkbox"/>
	Business Description - Any planned changes in the coming year		<input type="checkbox"/>
	Are you providing Advice for a fee		<input type="checkbox"/>
	Employees - Any Changes to the Staff Requirements - New Manual Work		<input type="checkbox"/>
24/02/2023	Contact your Broker to establish outstanding claims		<input type="checkbox"/>
	Get a list of outstanding claims from Broker and latest update from their side		<input type="checkbox"/>
	What is the most recent interaction /update / Current Reserve/		<input type="checkbox"/>
	The Claimant / Any solicitors correspondence		<input type="checkbox"/>
	Arrange a meeting to discuss any changes highlighted above		<input type="checkbox"/>
	Other relevant Professional Correspondence		<input type="checkbox"/>
	Engineering Site Visit Survey Update/ is one required		<input type="checkbox"/>
	Has Insurance Company all the documentation they require to defend the claim		<input type="checkbox"/>
	Where no correspondence for 12 months request insurers to update files and close this file		<input type="checkbox"/>
	What is the Insurance market update, New Entrants / Offerings for your industry		<input type="checkbox"/>
01/03/2023	Internal Information gathering from relevant departments in your organisation		
	Turnover	Current Year € 5,000.00 Projected € 10,000.00	<input type="checkbox"/>
	Gross Profit	€ - € -	<input type="checkbox"/>
	Fees for Advice Only	€ - € -	<input type="checkbox"/>
	Wages Manual	€ - € -	<input type="checkbox"/>
	Wages Clerical	€ - € -	<input type="checkbox"/>
	Bona Fide Sub Contractors	€ - € -	<input type="checkbox"/>
	Other	€ - € -	<input type="checkbox"/>
21/03/2023	Renewal REVIEW Meeting with Broker		<input type="checkbox"/>
	Provide Updated Figures to Broker		<input type="checkbox"/>
	Any old items to ensure best position to present to insurance market 12 weeks prior to renewal		<input type="checkbox"/>

Renewal Prep
90 days out from Renewal

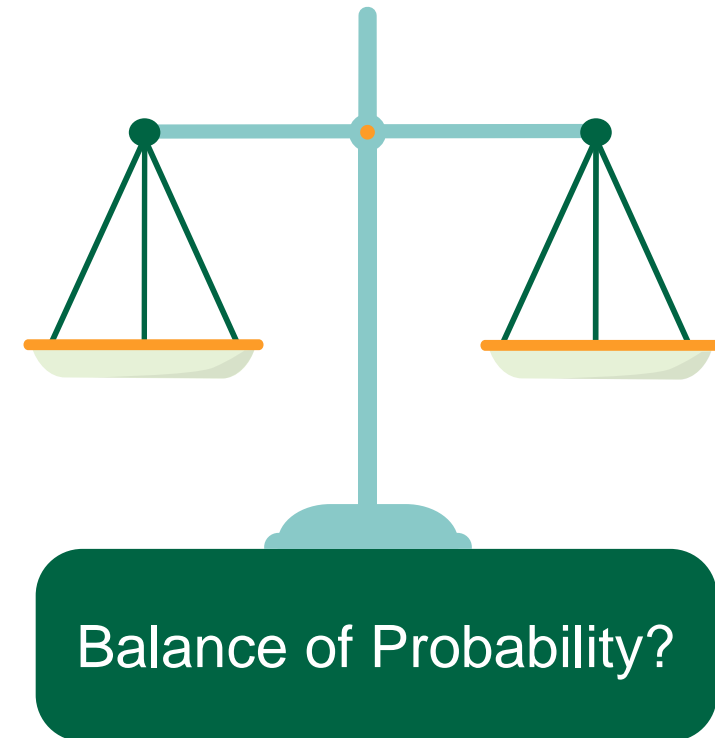
Internal
Check Rebuild , Wages,
Salary, GP, T/O
Correct Business Description?

Download Today

Accident & Claims Management



If you have a Liability Incident



Two checklists to take away!



MANAGING YOUR INSURANCE COSTS RENEWALS AND CLAIMS



Your Guide to Take Action

If you have a loss

ACTION	
Day One	
Gather all evidence of loss.	<input type="checkbox"/>
Incident report completed.	<input type="checkbox"/>
List the damaged property.	<input type="checkbox"/>
Take names of all witnesses and initial statements.	<input type="checkbox"/>
When a person is injured on your premises or by one of your employees, if it is appropriate, get a statement from them. Do not admit fault (stick to facts just a statement not a judgement).	<input type="checkbox"/>
Also note anything specific to the day e.g. it was the day Ireland played England in Six Nations. (this helps to recall as it could be years before it comes to court.)	<input type="checkbox"/>
Put the evidence in a safe place.	<input type="checkbox"/>
Follow Up	
Collect receipts and other documents/evidence (e.g. price from website of cost of damaged item) that show what you paid (current cost, as most policies are covered on a new for old basis, no depreciation) for your damaged property.	<input type="checkbox"/>
ASAP contact witnesses and record their statements and contact information.	<input type="checkbox"/>
Compare what is on your list of business property to what is gone or damaged.	<input type="checkbox"/>
Review your policy before you contact your Broker. What exclusions are in place? Any other Warranties?	<input type="checkbox"/>
Request a claim form from your insurer.	<input type="checkbox"/>
Start a log documenting your claim, which includes dates, summaries of conversations, and names, titles and contact information for claims personnel. This will protect you from accusations that claims delays were your fault and will provide time-saving information if the insurance company switches your adjuster.	<input type="checkbox"/>
Determine the time limit for filing your claim and get your claim in on time.	<input type="checkbox"/>
List the losses you can determine within the time limit and send a copy to your Broker. Explicitly note that the list is the initial list and you are still gathering information. This is to protect you in the event that you discover losses after the claim period has expired.	<input type="checkbox"/>
Report a third party's injury to your insurer and ask for advice about how to discuss it with the third party and your employees.	<input type="checkbox"/>
Contact your Broker or insurance company immediately if you are served with a solicitors letter or informed that an injured person is going to sue you.	<input type="checkbox"/>

MANAGING YOUR INSURANCE COSTS RENEWALS AND CLAIMS Renewal Schedule Plan			
Input renewal date here → 20/05/2023			
DUE BY			YES/NO
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Renewal Prep
90 days out from Renewal

Internal
Check Rebuild, Wages, Salary, GP, T/O
Correct Business Description?

Key Takeaways From Today

There are two times you need your insurance to perform
At renewal and if a claim happens

- Take control of your insurance renewal timeline
- Prepare for your insurance renewal as you would prepare for a meeting with the bank.
- Buildings Costs – Get professional advice on rebuild cost.
- Have you robust process' in place to shift the balance of probability to your advantage, if a claim is made against you?
- Systematically update your processes - this is valuable evidence.



Q&A

**Thank you for
Attending**