



SOMPO INTERNATIONAL

INSURANCE

How to Prepare A Winning Property Submission

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While the commercial property market continues to provide ample capacity for insureds, it is more expensive today, requiring more prudent underwriting after years of unsustainable erosion in terms and conditions. As the market continues to harden, rate increases are expected to continue as the industry will be coming off a record year of natural and man-made catastrophes. Losses from these events have to be spread over any carrier's portfolio, especially in a market environment characterized by rising reinsurance costs combined with little or no investment income to offset potential underwriting losses.

Against this backdrop, many brokers have expressed frustration about being unable to have their submissions noticed by underwriters. This is often due to incomplete property submissions that fall to the bottom of an underwriter's list of competing priorities. The following provides a few tips that may be helpful in getting your submissions noticed and moved to the top of the pile.



TIMING – Get out in front of the renewal date by at least 45 days for shared and layered submissions. For 100% single carrier programs, we ask for submissions 75 to 90 days in advance as our underwriters may want to have some facilities pre-inspected. We understand that this is easier said than done because often your client may be working on their own timeline, however persistent brokers can be very effective in managing client expectations.

KNOW YOUR RISK – The more you and the underwriter know about the risk, the faster the submission review process. To avoid delays and unnecessary consternation, do your homework. Take time to fully understand the physical risk so you have a clear handle on the losses, the loss expectancy potential and a sense of the insured's willingness to take higher retentions, smaller sublimits and more restrictive terms upfront. Focus on what the client actually needs in terms of coverage

as opposed to what they currently have in place. For more challenging industries, the broker should have a loss control advocate assigned to their client.

SUBMISSION CONTENT – Present your client's information in a format that includes:

- An executive summary
- General and physical information of the potential risk
- Coverage specifications
- Full underwriting information, including Statement of Values in an Excel spreadsheet
- Complete loss data
- More than just a request for a quote. Please state the brokerage situation, provide premium expectations and be prepared to defend them, but be mindful that a clean loss history is not always the best defense.
- Basis for insurance valuations
- Engineering surveys, or at least current carrier's loss prevention recommendations that have been presented to your client
- ACORD forms are not required.

TRANSPARENCY – In order for a Sompo International underwriter to generate an offer, they must engage supporting functions such as risk control, claims, catastrophe modeling, actuarial services and other underwriting staff as part of the risk review process in addition to taking steps to ensure reinsurance alignment. Our underwriter's goal is to find the right price for the risk and not simply to offer terms to keep an incumbent market in check. At Sompo International, our underwriters are focused on offering terms that reflect our understanding of the risk and our risk appetite. With a finite amount of underwriting resources, we may ask questions about the competitive market for a particular risk to ensure that we are working on a genuine opportunity for us to apply our disciplined underwriting approach.

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