POWER BROKER: AT LARGE

Diana Hyde, ARM

Casualty Placement Specialist
Willis Towers Watson, Gaithersburg, Md.

Crushing Renewals, Hard Market-Style

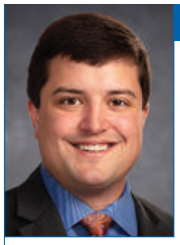
A hardening umbrella/excess liability market was making it extremely difficult for one major real estate company to find coverage at renewal. Previously, Corporate Office Properties Trust had enjoyed broad coverage at competitive rates, but its lead carrier was now demanding a higher attachment point, pricing itself out of the lead umbrella business.

With past marketing efforts resulting in higher premium quotes and compromising coverage terms, Diana Hyde stepped in. She suggested marketing the primary layer with the strategy of garnering interest from lead umbrella markets and presented her client's exposures, underwriting results and loss experience to the market.

She was able to get competing primary and lead options from two alternate markets, convincing one of those markets to write a lead with a limit that was $25 million above the incumbent's primary program. Hyde reduced the premium on continued competitive coverage terms.

Daniel Rettig, director of operations at Corporate Office Properties Trust, said: "Diana got us a better premium than what we went into our renewal with, with coverage through all the tiers. That was all down to her knowledge of the market and the risk and being able to explain that effectively to the underwriters to get the best terms and price for us."

"Diana is involved in just about any transaction that may have an implication on the casualty insurance program, and she is very responsive to our needs," said another client.



William Jackson

Area President
Gallagher, Monroe, La.

Securing a Production Safety Net

Knowing your product is key when it comes to specialty lines of insurance. So when foam siding and roof underlayment manufacturer Perma R Products came to William Jackson looking for coverage for its niche products, he was able to help them secure it in an extremely tough market.

The foam industry is seen as exceptionally risky by carriers because of the chemical make-up of the components it uses, particularly a combustible gas called pentane. But because Perma R Products uses beads with pentane already in them, there is no gas blowing required in the manufacturing process, therefore making the property risk significantly lower.

Supplemented with additional data from a local engineering firm about the product, Jackson was able to explain the risk to the underwriter, ultimately retaining the coverage in the traditional market rather than the excess/surplus market, where most of these risks are placed.

For another client, national plant nursery Speedling, he helped to reduce claims by more than 30% after using Gallagher's proprietary safety modules and workshops to advance training for its workforce and partnering with its workers' compensation carrier to have a boots-on-the-ground presence at all its locations.

"I have been in business for 30 years and have dealt with a lot of insurance guys, but William is different," said Carl Koestler, president of Koestler Pallet Sales.

Matt Klein, CPCU, ARM, ARe

SVP – Food and Beverage Team Leader
Lockton, Kansas City

Highly Acclaimed

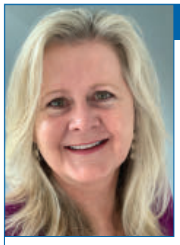
Product recalls involving co-manufacturers and third parties can be thorny situations indeed. So thorny, that some brokers might balk at sticking by their clients' side when the going gets tough. Not Matt Klein. Klein came "highly acclaimed" to Cliff Henderson, the risk manager for Monogram Food Solutions. Henderson is glad he signed on with Klein and his team at Lockton.

"We got the best of both worlds with the focus on our industry and the additional resources for a company that is growing as quickly as ours is," said Henderson. No sooner had Klein helped Henderson and his team navigate the brambles of a product recall when they threw another curve ball at him.

This time they ventured into the realm of buy/lease back for some of their locations; something they had never done before. The negotiations went well enough. But there was one issue the opposite party was immovable on. No problem. Klein handled it. "The flexibility that he provided with that solution was great," Henderson said.

Jeff Diesen, the CFO of Maschoff's Family Foods, said Klein and his team have done an excellent job understanding his company culture and its strategy around risk. "In addition, they have been very good about providing us with high-level expertise in areas they are not even brokering for," Diesen said.

"When you say, 'Get outside the box,' he doesn't get anywhere near the box," is how Juliette Rumage, EVP of risk management for Rosen's Diversified described Klein.



Linda Leigh Long, CPCU, ARM, CIC

Senior Vice President
Marsh, Los Angeles

Every Tool in Her Belt

Few brokers can claim to be true subject experts in more than one area, but that's exactly what Linda Leigh Long is to her clients. One day she could be dealing with defense contractors, the next real estate developers, manufacturers or retailers.

One of her aerospace clients with Defense Base Act exposure can run any number of high-risk projects at one time, including flying airplanes above 30,000 feet with oxygen masks rather than pressurized cabins. It also has operations in Antarctica, which is one of the most expensive locations to rescue injured employees.

Because many of its projects are classified, Long often enters the market with limited information for the carriers when trying to find coverage. But after an extensive legal review to ensure the forms meet government requirements, she is able to switch up carriers and secure competitive pricing and superior coverage forms scripted specifically for the client.

Another client, convenience store Circle K, acquired a company with 90 trucks that hauled fuel on an interstate basis. Long proposed restructuring its whole program, which required separating out the c-stores from the trucking operation.

Thanks to her persistence, Long was able to achieve this within the short timeframe required, securing coverage for all the new exposures as well as an additional $50 million umbrella/excess limit.

Corey Lewis

Vice President
Aon, New York

Getting More for Less

Broker Corey Lewis lives and breathes tax insurance programs. When a renewable energy client came to him looking for a solution to a deal-breaking problem with a major investment project in California, he knew exactly what to do.

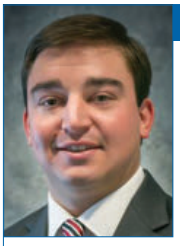
After approaching several tax insurance markets to explain the underlying risk, Lewis was able to obtain a program at a competitive price with the required terms and conditions.

Drafting language that provided the correct, specific and appropriate covered tax position, he placed a first-of-its-kind $20 million seven-and-a-half-year tax insurance program that protected his client against losing the California property tax solar energy system exemption on its investment in a 100-megawatt solar project.

For another renewable energy developer and tax equity investor, Lewis secured a program that protected it from a reduction in investment tax credits claimed, relating to its residential solar energy systems.

Working with excess tax insurance markets to provide the most cost-effective additional capacity, Lewis was able to bring the cost of the program within his client's budget. He also ensured the carriers understood the covered tax position and were able to provide true follow form coverage to the underlying primary program.

The client said: "What I like most about Corey is he knows his stuff intimately. He's able to get to the bottom of issues quickly and resolve them."



Will Wilson, Jr.

Risk Adviser | Partner
McNeal, Sports & Wilson Risk Advisers, Waycross, Ga.

Thinking Ahead

Going the extra mile has enabled Will Wilson Jr. to secure improved coverage and save his clients thousands of dollars in premiums. After his client J&L Package Service acquired competitor BL Moore, it took on several open workers' compensation claims, some dating back two years.

But having reviewed four years' worth of historical payroll and claims data from BL Moore alongside J&L's, Wilson proposed J&L should file its ERM-14 change of ownership form as soon as possible. Doing so would combine the two entities and their experience modification rates, which was effective because BL Moore's was considerably higher.

As a result, he was able to immediately reduce overall premium spend by 16% and future term premium spend by 27%.

Leah Burgeson, controller at J&L Package Service, said: "Will was able to come in and take care of everything very professionally. He improved our experience modification rate and our workers' compensation program — without him we wouldn't have been able to get any of this done."

Wilson has also helped Pierce Timber Company reduce its overall retention exposure by 42% and premium spend by more than 30% after reviewing its program.

Realizing that there was no formal process for equipment change coverage, he helped management set up a protocol for all changes to flow through one point of contact.