

POWER BROKER: AT LARGE



Pamela McElroy, CPCU

**Senior Vice President
Marsh, Chicago**

Top Negotiator

Ensuring a positive settlement outcome for a major claim is a challenge. But that's exactly what Pamela McElroy achieved. One of her client's employees filed a \$10 million lawsuit against a vendor for negligence after they suffered a serious accident. The client offered a \$1 million contribution towards a settlement, contending that the vendor had majority liability. However, the vendor insisted on a 50:50 settlement split. Because the two parties couldn't agree, the vendor settled directly with the employee for \$7.5 million and sought a contribution from McElroy's client.

The matter went to arbitration, with the judge ordering her client to pay a 50% split of the settlement value, citing a breach of contract. The client's insurer, which had initially defended it through arbitration maintaining that its contribution should be \$1 million, also changed its position, denying coverage based on the breach of contract, which was a policy exclusion. But McElroy argued on behalf of her client that none of the facts that had originally caused the insurer to offer \$1 million towards the settlement had changed. Stating that if the insurer was willing to offer \$1 million, based on the arbitration award, it should pay \$3.5 million as no new facts had been presented to change the coverage trigger in the general liability policy, to which it later agreed.

"Pam brings national knowledge to our claim reviews, which is a value that is needed," said Tracie Anair, claims manager at telecom company, Consolidated Communications.



Bradley Rutt

**Senior Vice President/ Cannabis Practice Leader
HUB International, Los Angeles**

Fluency in Risk

Every little benefit you can give your client is key to being a top broker. That was the case for Bradley Rutt, when his client, cannabis operator Parallel, approached him because it had a machine imported from China that was stuck in a Los Angeles port, and the team was unable to do anything with it because the instruction manual was in Mandarin.

Luckily for the client, Rutt is fluent in the language, so he was able to translate it and get it moved to the site where it was going to be used.

"I can name case after case where Brad has helped us out time and again, not only with our insurance," said Reece Fulgham, CEO of Parallel. "I can pick up the phone, at any time, about almost anything, and he will either have or come back to me with a solution. I know exactly what I'll get from him and trust him implicitly, so I give him carte blanche to do what he needs to do within the company."

Another client asked him to streamline its 135 insurance policies, which were costing it more than \$15 million per year and had continued to increase in premium year-on-year for the past three years. Whittling the policies down to 62, Rutt also more than halved the premium to \$6.8 million.

"As far as Brad is concerned, every dollar spent on insurance is a dollar wasted," said the client. "His focus is on mitigating the risk so that it saves the client money on coverage."



Jimmishea O'Lee

**West Region Middle Market Property Leader
Aon, Los Angeles**

New Risks, Same Stellar Broker

Cryptocurrency and digital assets are a relatively new and complex risk to handle. That's why industry expert Jimmishea O'Lee is worth her weight in gold. Among the most challenging areas to secure coverage is for property, due to the high levels of equipment, considerations of currency and their impact on business income and overall risk engineering concerns

stemming from cryptocurrency miners usually built within the containers. As a result of these exposures, insurers are constantly changing their risk appetite and capacity.

When her client Core Scientific's insurance wasn't renewed and values tripled, O'Lee managed to secure coverage at full limits, with 75% of the capacity from direct retail markets. Given that most markets that write cryptocurrency do so through wholesale brokers, this was no mean feat. The task included the culmination of a full year's engagement, involving risk engineering and making sure the insurers could get comfortable with her level of involvement with cryptocurrency property broking.

O'Lee also structured a complex insurance tower for Bitcoin mining company Riot Blockchain. Using a coordinated market strategy, she secured the large insurance capacity needed to service its specific property conditions and values.

"Jimmishea helped us navigate this complexity by relying on her depth of experience, creativity and effective communication skills to give us the information and confidence that we need to make critical decisions for our business," said Colin Yee, CFO for the company.



Emily Quinlan

**Vice President
Alliant Insurance Services, San Francisco**

No Stone Unturned

Climate change may be the single biggest risk impacting the wine sector, where it's hard to secure full coverage at an affordable price. That's why Emily Quinlan came up with an alternative solution to the problem. She carried out comprehensive due diligence on property markets globally, then filed submissions to hundreds of insurers with a risk appetite for northern California

property to see what coverage and terms were available. In addition, Quinlan dialed into California State government calls addressing wildfires and property insurance. Armed with this information, she approached alternative risk transfer underwriters to see what coverage options were available, specifically looking at group captives as a solution.

After establishing a risk mitigation plan, Quinlan worked with California's Department of Forestry and Fire Protection and local fire departments to determine the free services provided to commercial clients. She also found the state's budget allowed for wildfire preparedness and mitigation grants, which could be used to buy equipment to protect against a fire. Off the back of her research and communications, she presented a group captive solution to her clients, identified the most effective risk control measures for obtaining insurance and placed effective and affordable coverage for this year.

"Emily handles each account as if she's the owner of the company she is insuring," said one client. "She believes that in order to be the best risk manager and secure the best coverage ... she needs to know what her client's biggest concerns are."



Rebecca Salagan, CIC, CPCU

**Vice President and Senior Broker
Aon, Southfield, Mich.**

Hour of Need

There can be few more devastating events than a property being completely flooded, but that's exactly what happened to Rebecca Salagan's client, Detroit Public Schools District, many of whose schools were extensively damaged following severe flooding in the city's metropolitan area in late June 2021.

In February 2022, the incumbent insurer withdrew its public K-12 school district book of business due to unfavorable loss history. The challenge was to find a property market willing to write all the client's total insured values, which are split between replacement cost and actual cash value locations. Added to that, the renewal premium had to be within its budget and the insurers considered the recent multi-million dollar pay out for the water damage claims from the flooding.

After scouring the property market, which involved months of numerous discussions with underwriters in the U.S., London and Bermuda area, as well as her internal team, Salagan obtained a 100% total insurable value quote from a standard market willing to split the statement of values between replacement cost and actual cash value locations, with various deductible options and comparable coverage terms and conditions, all within her client's budget for the 2022/2023 term.

"Rebecca takes the time to listen to her clients and fully understand their needs and goals," said one client. "She keeps all lines of communication open during the renewal process with both clients as well as her team to enable her to deliver the best solutions."



Steve Wagner, ARM, AINS, AIS

**Vice President
Marsh, Chicago**

Breadth of Knowledge

Versatility is a key trait of broker Steve Wagner.

In the last year, one of his clients was directly impacted by two mass shooting incidents in the workplace. The unique challenges of these two incidents were compounded by the company's high-loss frequency liability claim exposures. With the client in urgent need to extend risk and claims management support,

Wagner stepped in, leveraging the trust built through his long-standing partnership with the company to immediately engage with its risk leaders and provide support.

By deploying a comprehensive complex liability support team, Wagner was able to help the client navigate the crisis and handle loss claims, with a view to mitigating reputational risk. He also enabled it to maximize its risk transfer and mitigate the ultimate pay out.

Another client was faced with one of the largest and most challenging tort liability claim verdicts in U.S. history. But by proactively supporting the company's corporate risk management and legal leadership team, Wagner successfully helped it overcome the crisis and mitigate any adverse outcome.

Client, Louis Caraballo, casualty risk manager at Charter Communications, said, "We had a recent claim that needed much attention, and Steve drove that through all the excess carriers. He also reached out to his internal partners to get excess involved and participated in settlement negotiations."