POWER BROKER: MANUFACTURING

Traci Barlage, CRM, CIC

Global Practice Leader, Global Risk
Oswald Companies, Cleveland, Ohio

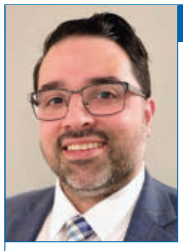
Getting Results

Given the market volatility in property and casualty, Traci Barlage's goal was to look at a client's portfolio growth and identify markets that could support future placements, while avoiding standalone placements on a deal-by-deal basis.

Between January and May 2024, Barlage worked with the client to secure location-specific underwriting data in order to approach the market with the best data available. Together, they rebuilt the client's statement of values, with a focus on construction quality, cost per square foot, number of unit(s) accuracy and overall quality construction occupancy protection exposure. Barlage streamlined deductibles to attract large portfolio markets that could also withstand a significant growth strategy, advocating to smooth deductibles across the various lines of business by creating a loss fund to support higher retentions.

The end result was a year-on-year 17.55% rate decrease for the client's property coverage and a 20% rate decrease for its casualty coverage. The alternative quota shared and layered structure also represented a $1.3 million saving from not renewing the program with incumbent markets.

One of Barlarge's clients said: "Traci provides individualized services and solutions that suit our needs. She never simply pulls a pre-packaged program off the shelf and presents it as the only option. She unearths all the positive alternative solutions and presents them to us, including the pros and cons of each."



Phillip Faries, RPLU

Vice President
Aon, Chesterton, Ind.

Rising to the Challenge

When Phillip Faries' client Haworth International was faced with a significant limit reduction and a rate increase at renewal, he knew he had his work cut out.

With courts opening back up after COVID and nuclear verdicts rising, markets were looking to reduce exposure by managing their aggregates and pricing limits accordingly, putting greater pressure on renewals. In his client's case, the lead umbrella needed to cut back from $25 million to $15 million, while the first excess market needed to reduce from $25m to $10m.

With a substantial premium rise and the loss of 50% of its tower's capacity, a full marketing effort was needed. Faries and the primary broker agreed the best outcome was to work together to build a combined primary/umbrella option.

After securing the primary layer, he used the markets that compete on the umbrella to complete the tower, in total leveraging 23 different options. Faries also managed to reduce the rate by 28.8%, on the same terms.

Faries also helped another client, Miner Enterprises, to reduce its premium 7.15% by securing a new insurer for its primary general liability coverage.

Becca Garcia, director of administration at Miner Enterprises, said: "Phil has a rare gift of being able to see the bigger picture with coverage towers and limits, and how to stack. He thinks proactively and acts proactively. He is, honestly, one of the smartest and most skilled people I have ever worked with."

Michael Mack, ARM

Senior Vice President
Marsh, Southfield, Mich.

Multiple Taskmaster

Michael Mack is no stranger to spinning multiple plates at the same time. Tasked with facilitating the incorporation of an autonomous vehicle (AV) subsidiary's insurance programs and single-parent captive into General Motor's (GM) corporate risk management program, following the departure of its dedicated risk management team, he had many challenges to overcome.

The most critical were managing the logistics between new management, the legacy brokerage team and his brokerage team; determining how to handle integration of the captive; and generating cost efficiencies for GM through the consolidation.

To tackle these issues, Mack took the lead in coordinating between the subsidiary brokerage team, GM, the carrier partners and his service team to serve as a single point of contact. His solution included novation of existing liabilities to GM's owned captive, agreement with the fronting partner/TPA to continue to administer the fronted policy reinsured by GM's captive and agreement on putting the AV captive into dormancy for a de minimis service fee. This outcome not only achieved the strategic goals set out, but it's also expected to reduce GM's spend on the captive by almost 70% and placement spend by approximately 50%.

One of Mack's clients said: "Michael does not just look at a single line of coverage or respond to our stated existing needs, but is continually looking for other product opportunities that fit our company's specific risk profile. We completely trust Michael."

Neal Moser, AINS, ARM, CFPS, CPCU

VP, Property Consulting Solutions
Marsh, New York

Safety First

Given the proliferation in extreme weather events in recent years, the need to protect clients against such perils has arguably never been greater. To tackle the problem, broker Neal Moser developed a comprehensive Flood Emergency Response Plan (FERP) for BAE Systems U.S. tailored to specific U.S. locations.

The plan was collaboratively created by Moser, Dave Peck, facilities compliance manager at BAE Systems U.S., other BAE personnel and the local site team. Such is its success that it's now used as a model/template globally.

Among the key challenges Moser faced in establishing the plan were that some locations had limited data available onsite due to high security restrictions. Taking note of this, he turned it to his advantage to build a deeper partnership with BAE. Another problem was the inability to take pictures or notes onsite and having to rely on the client to send specifications of the property. Despite the constraints, Moser was still able to complete the first FERP and modeled flood review, going on to roll out FERPs at coastal locations.

One of Moser's clients said: "After a fire broke out in one of our manufacturing plants, leading to substantial damage, Neal came in and looked at the safety measures we had in place ... He advised installing interlocks and heat detectors and low/high-level flow alarms throughout our corporate network of industrial locations, thus significantly lowering the risk loss estimates by $160 million for one of our main plants, while spending only $40,000."

Frank Proctor

Senior Partner, Business Development Executive
Conner Strong & Buckelew, Camden, N.J.

Exceptional Service

A former Navy nuclear submarine officer, Frank Proctor has always prided himself on providing the highest standard of service.

During a recent client renewal, he had just 75 days to get his hands around the very sophisticated risk of non-destructive testing. He used his background in metallurgy and power plant systems to understand the significance and convey that to the underwriters.

After traveling to Canada to visit the client Mistras' operations and set up a local brokerage relationship, he went to France and the UK to coordinate with local broker partners, establish the servicing criteria and direct the partners to integrate with the local Mistras managers in their respective countries.

Bringing a fresh perspective to the program structure resulted in the company restructuring its global program to take advantage of economies of scale.

Proctor also combined several redundant policies and eliminated others, creating a more streamlined, efficient structure that contributed to the $1 million savings achieved at renewal.

"Over his 30 years of service in the insurance industry, Frank has come to recognize that product knowledge is an area where many agents and brokers fall short," a client said. "In order to really be able to sell and service with integrity, he believes you have to fully understand the product that you're selling."

Brian Sebold, CIC

Managing Director
Aon, Dallas

Problem Solver

Being able to respond quickly and think creatively to solve complex challenges is a requisite of any top broker. Thankfully, those are qualities that Brian Sebold has in abundance.

Responding to a request for proposal where a company was acquiring another one of a very different size and program structure, Sebold had to provide recommendations on limits, retentions and overall structure on a go-forward basis for the combined entity.

Sebold simulated multiple program structures based on individual coverage lines, namely automobile liability, general liability and workers' comp.

He worked with actuaries to model different scenarios using both companies' actual losses at multiple retentions, with their proprietary algorithms estimating the premium for each option.

He developed 64 different scenarios and, using his modeling, he was able to plot each of these options onto a graph. He calculated that the most efficient TCOR structure was a five-million-dollar automobile liability retention, and a one-million-dollar general liability and workers' compensation retention.

One of his clients, Leldon Bulkley, head of risk at Wilks Brothers, said: "Brian's customer service is outstanding; he's always responsive, attentive and ensures we feel supported throughout the process. His attention to detail and proactive approach helped us to tell our story to the market and got high recommendations from the underwriter on the account."