

Umbrella or Excess Liability

Umbrella or excess liability is a significant and growing exposure for insureds. For example, most automobile carriers provide a \$250,000 to \$500,000 split limit or \$300,000 liability limit coverage. With the risk of catastrophic personal injury including medical costs, pain and suffering, and loss of income, judgments can be in excess of the primary limits and usually satisfied with an insured's current assets or garnished from future earnings, home equity, and even retirement accounts. For many mutual companies, the exposure arising from ATVs, hunting leases, and agriculture related activity heighten the need for this product.

Alternative access and product development

Specialized carriers as well as affinity organizations such as independent insurance agent associations provide this coverage. In many cases, these channels may not fit the needs of mutual insurance companies. Aon Benfield has developed alternative access and product development highlighted below.

Case studies: customized solutions to grow business

Heavily driven by rural and agriculture exposures, Aon Benfield worked closely with a mutual insurer to develop a specialized product. We analyzed peer rates and filings, and developed a product that met their exact insured needs. We procured quota share reinsurance for up to \$5 million in limits with a co-participation of \$50,000 even though this product had minimal DWP compared to other lines and considered an ancillary offering.

Another mutual insurance client transitioned all of their umbrella business to a new IT platform causing significant administrative burden and IT expenses that had a long-term negative ROI. We developed a company specific umbrella product written through an A+ rated carrier. This was offered through their internal general agency, adding complementary coverage seamlessly to the insured as well as offering additional limits of up to \$10 million. The company retained no exposure and received fee income through their general agency.

Benefits and value generated to every party in the transaction

For agents: E&O is protected and new product is an opportunity to increase account penetration and generate additional commission.

For insureds: Cost-effective way to reduce exposure to catastrophic claims and provides possible gaps in protection where other liability policy(s) might limit or exclude such coverage.

For insurers: Adds depth to existing product offering, additional, non-risk bearing revenue (in case of QS or affiliation), and increased account penetration and retention.

We're here to empower results

We encourage you to access this product and innovative solutions through your existing Aon Benfield contacts who can engage specialists as necessary.

Cory P. Schilling, ARe
+1.678.297.2606
cory.schilling@aonbenfield.com

Visit aonbenfield.com to learn more about the world's leading reinsurance intermediary and full-service capital advisor.