

Account Coverage and Risk Review Report

First Named Insured:	
Mailing Address:	
Named Insureds	66 different Named Insureds (Note: 72 properties – most of which are individual properties owned by separate Named Insureds) The Named Insureds need to be reviewed. There are no property owners shown as covered Named Insureds on the liability program.

Entities and Operations			
Locations 1 - 72	LRO	There are no occupancy listings in any documents found	Occupancy
Client Discussion Points:			
Operational questions:			
1. What discussion occurred regarding concentration of risk for purposes of the risk pooling of premiums?			
2. Has the property management company sent out that notification to the various property owners that clarifies that both the property and liability coverage limits of insurance are shared by all?			
3. Why is the total amount of fire insurance coverage placed less than some of the property values carried by some of the property owners?			
4. Have the property management company provide a spreadsheet of all types of occupancy in all properties.			
5. Why is there two separated DIC policies for 2 Owners and 3 Locations?			
6. Has the property management company provided leases for review by insurance broker?			
7. Has there been a review of the leases to determine that the building owners are following the leases written with all tenants in each building?			
8. Why have some of the property owners declined to purchase Business Income with Extra Expense? Is there a sign-off obtained by property manager for this lack of critical coverage? The policies as written do not conform to these requests as all are covered for the same coverages within that single limit of insurance.			
9. Why is the limit of \$1,000,000 provided on Equipment Breakdown coverage? Was this specifically requested by the owners or by the property management company?			
10. Review agency developed spreadsheet showing property owners, locations and coverages provided at each location with property management company.			
11. Ask for the most current owner, property schedule with current TIVs for comparison with all property and liability policies all assigned by individual property owners.			
12. Review the premium allocation used for all policies with Management Company including all taxes and fees charged.			
13. Does the management contract require them to purchase the property insurance on the building? The management agreement must be reviewed for the insurance requirements and obligations.			
14. Have the property owners completed a business income worksheet? None were found in file. The concern is the shared OLL limits on both property and equipment breakdown coverages would be exhausted before the insured could have the buildings rebuilt and operational.			

Exposures and Coverage Lines Overview

Coverage Line	Exposure	Offered	Rejected	Ordered	Received
Business Income / Extra Expense	Yes	Yes		Yes	Yes
Commercial General Liability	Yes	Yes		Yes	Yes
Commercial Property	Yes	Yes		Yes	Yes
Earthquake	Yes	Yes		Yes	Yes
Employee Dishonesty Insurance	Possible	Yes Inadequate		Yes	Yes
Employment Practices Liability	Yes	Quote only	No	No	N/A
Equipment Breakdown	Yes	Yes Inadequate		Yes	Yes
Fiduciary Liability	Yes	No	No	N/A	N/A
Flood	Yes	Yes		Yes	Yes
Money & Securities	Yes	No	No	N/A	N/A
Pollution Liability	Yes	No	No	N/A	N/A
Pollution Remediation	Yes	No	No	N/A	N/A
Professional Liability	Yes For Property Management Company	Yes	N/A	Yes	Yes
Terrorism	Yes	Yes	Yes Verify received from all insureds	N/A	N/A
Umbrella/Excess	Yes	Yes	N/A	Yes	Yes



Current Policy Listing

- Primary Property – property limit \$5,000,000
- XS Property/DIC – property limit \$10mn excess of \$5mn
- XS DIC – property limit \$10mn excess of \$15 (EQ only)
- DIC – 2 location risk – single owner (EQ / Flood only)
- DIC – 1 location risk – 1 location risk single owner (EQ / Flood only)
- Equipment Breakdown
- Crime
- GL
- XS Liability
- Professional Liability – Management Company

Global comments:

- There is no apparent reason why any of these policies were placed through non-admitted carries. I can understand the excess EQ and Flood layers, but not the property section or why a package policy was not created for the bulk of these client's exposures.
- At least one of the buildings insured exceeds the \$15,000,000 limit of coverage for all perils except EQ.
- The OLL limit of \$15 mn INCLUDES both direct and indirect. Should a single occurrence affect more than one property the coverage will be exhausted and the policy does not provide any method or pro-rating the coverage among the affected insureds.
- There are many serious corrections that need to be made to all of the property policies with some inquiries made of the property manager before proceeding.
- None of the coverage summaries reviewed indicated that the individual property owner is sharing either the property limits or the liability limits with all property owners.