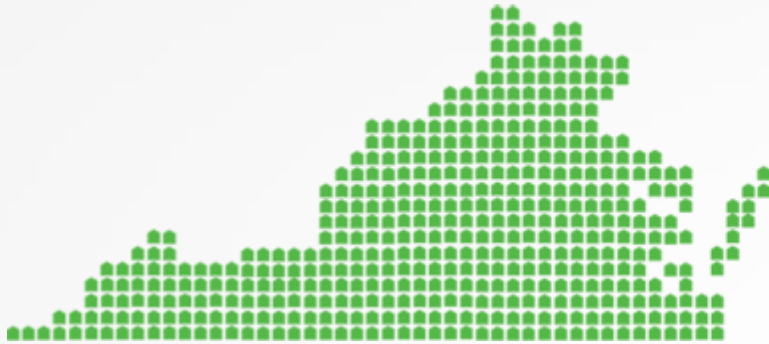


Employee Owned



Est. 1864



**Virginia**  
Housing Alliance

Expanding Housing Opportunity and Ending Homelessness

**“Skinny Your Pro Forma”  
Breakout Session**

**Presented By:  
Nathan Kerr  
Scott Insurance - Affordable Housing Group**

*Employee Owned*



*Est. 1864*

# **Taking Control of Your Insurance Cost**

1. Understand the Game

1. Take Control of the Narrative

Employee Owned



Est. 1864

# Insurance Pop Quiz

1. Why does Warren Buffett own so many so many insurance companies?
2. Why do so many insurance companies have their names on skyscrapers and ballparks?
3. Are your company's claim costs volatile and unpredictable?

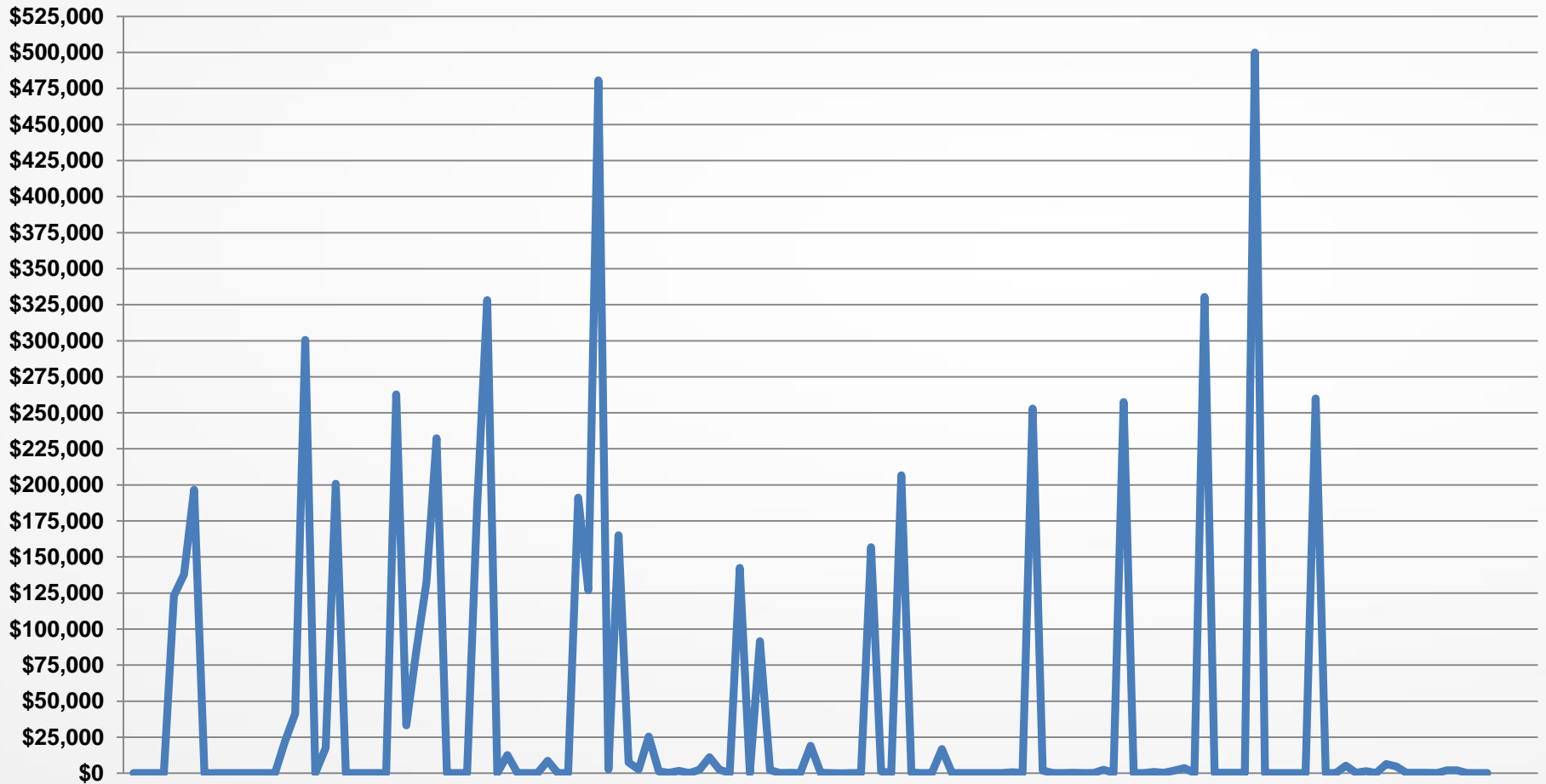


Employee Owned



Est. 1864

# Volatility

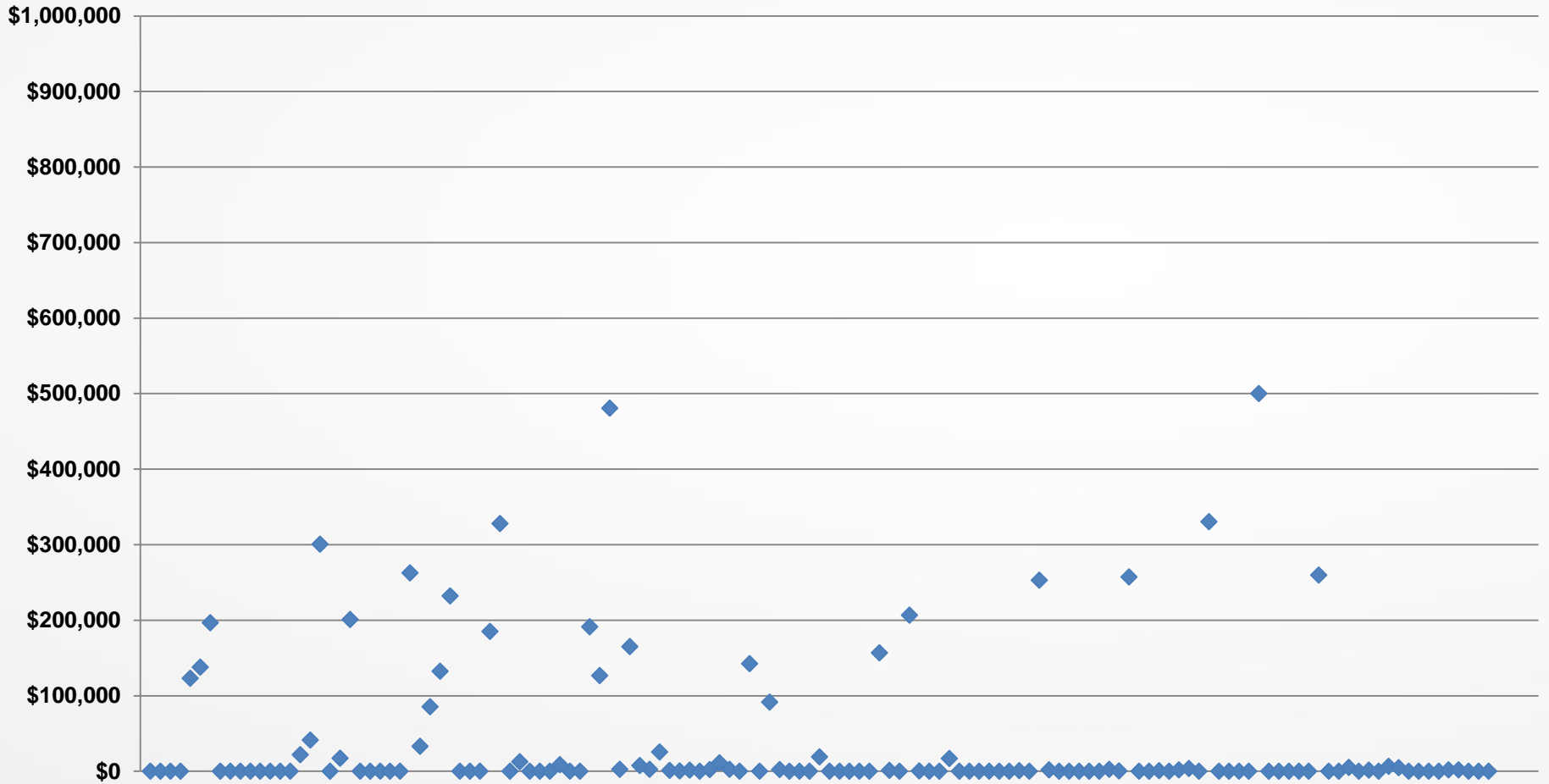


Employee Owned



Est. 1864

# Predictability



Employee Owned



Est. 1864

# Anonymous Company Performance (AC) (Insurance Company Lens)

## General Liability

Year	Company	Losses
2014	Berkley	\$5,000
2013	Berkley	\$21,199
2012	Berkley	\$82,238
2011	Berkley	\$45,988
2010	Philadelphia	\$3,058
2009	Philadelphia	\$36,510
2008	Philadelphia	\$1,500
2007	Philadelphia	\$0
		<b>\$195,493</b>

## Property

Year	Carrier	Losses
2014	Berkley	\$3,942
2013	Berkley	\$280,993
2012	Berkley	\$24,634
2011	Berkley	\$60,482
2010	Philadelphia	\$269,982
2009	Philadelphia	\$0
2008	Philadelphia	\$0
2007	Philadelphia	\$15,818
		<b>\$655,850</b>

Employee Owned



Est. 1864

# AC True Performance

## General Liability

Year	Company	Losses	Premium
2014	Berkley	\$5,000	\$32,000
2013	Berkley	\$21,199	\$50,000
2012	Berkley	\$82,238	\$50,000
2011	Berkley	\$45,988	\$50,000
2010	Philadelphia	\$3,058	\$40,000
2009	Philadelphia	\$36,510	\$40,000
2008	Philadelphia	\$1,500	\$40,000
2007	Philadelphia	\$0	\$40,000
		<b>\$195,493</b>	<b>\$342,000</b>

## Property

Year	Carrier	Losses	Premium
2014	Berkley	\$3,942	\$250,000
2013	Berkley	\$280,993	\$250,000
2012	Berkley	\$24,634	\$250,000
2011	Berkley	\$60,482	\$250,000
2010	Philadelphia	\$269,982	\$225,000
2009	Philadelphia	\$0	\$225,000
2008	Philadelphia	\$0	\$225,000
2007	Philadelphia	\$15,818	\$225,000
		<b>\$655,850</b>	<b>\$1,900,000</b>

## Other Lines

Year	Company	Losses	Premium
2014	Berkley	\$0	\$15,000
2013	Berkley	\$0	\$23,000
2012	Berkley	\$0	\$23,000
2011	Berkley	\$0	\$23,000
2010	Philadelphia	\$0	\$20,000
2009	Philadelphia	\$0	\$20,000
2008	Philadelphia	\$0	\$20,000
2007	Philadelphia	\$0	\$20,000
		<b>\$0</b>	<b>\$164,000</b>

2007-2014 – AC paid \$2,406,000 in premiums while the insurance companies paid \$851,343 in claims.

*Employee Owned*



*Est. 1864*

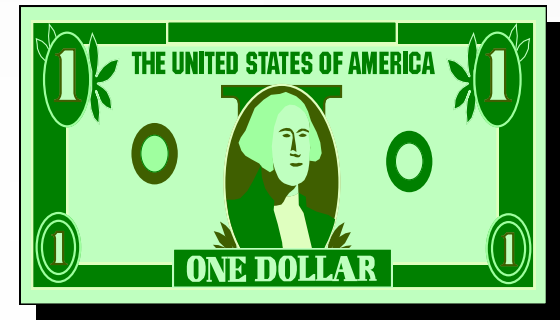
# Take Control or Be Controlled





# Conventional Insurance Dollar

$$\begin{array}{r} 35\phi \\ \text{Fixed Cost} \end{array} + \begin{array}{r} 65\phi \\ \text{Losses} \end{array} =$$



## Questions:

*Who benefits if fixed costs decrease?*

*Who benefits if claims costs are lowered?*

*Who keeps the investment income?*

*Employee Owned*



*Est. 1864*

# Reframe the Conversation





Employee Owned



Est. 1864



Employee Owned



Est. 1864

# Your Story/Narrative

- Portfolio/Community Enhancements
  - Divestures/Sales
  - Range Queens, Sprinklers, Security
  - Risk Transfer
- Future Plans/Vision
- Explain Past Losses and Preventative Measures for the Future
- Meet Carriers and Take on Tours of Your Communities