

Association of Lloyd's Brokers

"All in a Day's Work"

February 16, 2010

Presented by:

**William Hildebrand
Executive Vice President**

Chartwell Independent Insurance Brokers LLC

*“Adversity weakens the
weak and strengthens the
strong.”*

– Mark Twain



Chartwell Independent Insurance Brokers LLC

- **Ben Beazley**

- The Beazley Name
- 25 years/22 years
- Howden/Tri-City/Swett
- Brokerage/Programs

Chartwell Independent Insurance Brokers LLC

- **Chartwell**

- Chartwell was the family home of Sir Winston Churchill from 1922 until his death in 1965.
- The Chart Well which rises on the western boundary of the site fed the existing lake and gave the estate its name.
- Chartwell was the meeting place during WWII where strategies were developed with Allies.

Chartwell Independent Insurance Brokers LLC

- **Chartwell**

- 5 ½ Years
- 28 Employees
- 3 Offices (CA, AZ, GA)
- Consistent Growth



*“We make a living by what
we get, but we make a life
by what we give.”*

-Winston Churchill

Force Placed/REO

Force Placed -

“coverage obtained by the lender to protect it’s security interest in a property where the borrower has failed to renew existing coverage”.

Real Estate Owned (REO)-

“property in the possession of a lender, investor and/or party of interest as a result of foreclosure or forfeiture”. (In today’s world this class has been expanded.)

Force Placed Insurance Program

Insured's

- Banks
- Thrifts
- Mortgage Bankers
- Other "Lending" Entities

Force Placed Insurance Program

Purpose

- Last Resort Insurance
- Protect Interest of the Lender
- Obligation to Notify
 - Borrower not entitled to proceeds
 - Limited liability coverage

Force Placed Insurance Program

Form/Coverage

- Special, Broad, Basic,
 - ACV
 - RCV
 - Agreed Amount (Lender's Interest)

Force Placed Insurance Program

Lines of Coverage

- Flood
- Property
 - Residential-Occupied/Vacant
 - Commercial-Occupied/Vacant
 - Mobile Homes
 - Construction/Builders Risk
 - Etc.
- GL-If Applicable

Force Placed Insurance Program

Lines of Coverage Cont.

- VSI-Equipment
- Wind
- Quake
- Terrorism

Force Placed Insurance Program

Triggers (default by contract/document)

- Borrower Neglects Proof of Insurance
- Borrower has no Insurance
- Borrower has Insufficient Coverage as Outlined by Contract
- Other

Force Placed Insurance Program

Characteristics

- Proof of Adequate Insurance
- Clarify Requirements
- Automatic Coverage Period (30-90 days)
- If Notified of Cancellation/ Automatically Force Coverage
- Expenses Charged Back to Borrower
- Higher Rates Due to no Underwriting and Class of Business

Force Placed Insurance Program

Market Coverage Available

- Broad Form - No Underwriting
- Limited Insurance
- Restricted Lines (i.e. no W/C, PL, etc.)
- Max TIV's
- Limit on Losses with Annual Aggregates
- Deductible Options

Force Placed Insurance Program

Tracking

- In-House
- Fully Outsourced
- Partially Outsourced (Flood Only)
- Immediate Reporting
- Monthly Boudreaux
- Etc.

Force Placed Insurance Program

Markets and Capacity

- London
 - Syndicates
 - Companies
- Domestic Carriers
- MGA
 - Direct
 - Retail
 - Wholesale
 - Combination

Force Placed Insurance Program

Conclusion

- Pricing
- Availability
- Wind/Quake
- Self-Insurance/Captives
- Due Diligence

“Some see private enterprise as a predatory target to be shot, others as a cow to be milked, but few are those who see it as a sturdy horse pulling the wagon.”

-Winston Churchill

Real Estate Owned- REO

Insured's

- Banks
- Mortgage Bankers
- Investment Groups
- Investment Portfolio's
- Trust's
- Private Investors
- Property Owners

Real Estate Owned- REO

Purpose

- Insuring Assets
- Carving Out “Non-Performing” Assets
- Liability Protection
- Temporary/Short Term Coverage

Real Estate Owned- REO

Form/Coverage

- Basic, Broad, Special
 - ACV
 - RCV
 - Agreed Amount
- General Liability
 - Premise Only
 - Products & Completed Operations
 - Full CGL
 - Construction Defect

Real Estate Owned- REO

Lines of Coverage

- Flood
- Property
 - Residential - Occupied/Vacant
 - Commercial - Occupied/Vacant
 - Mobile Homes
 - Construction/Builders Risk
 - Other

Real Estate Owned- REO

Lines of Coverage Cont.

- Contents
- Wind
- Quake
- Terrorism
- B&M

Real Estate Owned- REO

Coverage Available

- Broad Array - No Underwriting
- Limited Insurance
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Conclusion

- Pricing
- Availability
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- Self-Insurance/Captives
- Due Dilligence

*“You can always count on
Americans to do the right
thing—after they’ve tried
everything else.”*

-Winston Churchill

*“The only thing worse than
being talked about, is not
being talked about.”*

-Oscar Wilde