

DISTINGUISHED.
PROGRAMS

LIVE WEBINAR | EXPERT INDUSTRY PANEL

Build Your Business:

Community Association & Small
Real Estate Umbrella Coverage

TRANSCRIPT



Barbara Bartson

Managing Vice President, Program
Manager, Community Associations
Distinguished Programs



Pat Bruen

Product Manager
Community Associations
Distinguished Programs



Chris Larson

Product Manager
Express Umbrella
Distinguished Programs

Ritchie Vener:

Hello everyone and thank you for joining us for Build Your Business: Community Association & Small Real Estate Umbrella Coverage. My name is Ritchie Vener, and I'm the Senior Vice President and Chief Marketing Officer at Distinguished Programs, responsible for developing and leading the marketing initiatives across Distinguished, and I'm pleased to be your host and moderator today.

Ritchie Vener:

Distinguished Programs is a leading national insurance Program Manager providing specialized insurance programs for Real Estate, Community Associations, Hotels, and Restaurants. Serving the same core markets and partnering with the most stable and reputable carriers, Distinguished Programs' high-limit umbrella and primary insurance programs remain the clear choice in its areas of specialty for superior coverage, competitive pricing, and attentive service.

Ritchie Vener:

Joining us today, Barbara Bartson. Managing Vice President, Program Manager, Community Associations at Distinguished Programs. With over 25 years of Commercial Insurance experience, Barb Bartson has focused her underwriting career on excess liability. Prior to joining Distinguished Programs in 2017, she underwrote for two national carriers: Great American Insurance and Liberty Mutual. Her roles included Production Underwriter, AVP Excess Liability Underwriting Manager, Product Management Consultant and VP Program Underwriting Manager. Currently, she assumes the responsibility of overseeing underwriting integrity and profitability for the Programs Group within Distinguished Programs.

Ritchie Vener:

Joining her is Pat Bruen. Pat Bruen is the Product Manager, Community Associations at Distinguished Programs. Pat brings forty-one years of diverse commercial property and casualty insurance experience in Underwriting, Marketing, Claims, and Program Management with a concentration in Commercial Real Estate and Community Association insurance. He offers our attendees decades of expertise and a strong track record of building, growing, and improving profitability, performance and value.

Ritchie Vener:

Also joining the panel is Chris Larson. Chris Larson is the Product Manager, of Express Umbrella at Distinguished Programs. Chris is a graduate of the University of Wisconsin-Madison and began his career as a Commercial Lines Underwriter for Sentry Insurance. Chris joined Distinguished in 2017 with a background in underwriting, and since joining has underwritten both new business and renewal accounts in accordance with Distinguished's underwriting and program guidelines for three different programs within Distinguished. He excels at working with retail brokers and carriers to meet their servicing needs and standards.

Ritchie Vener:

So it's a great team that we have talking to us today, so let's get started. Before we get to the attendee questions, I'd like to have our panelists just quickly run through some of the Express Umbrella basics. I'm going to start with you, Barb. Could you just say what are some of the program highlights?

Barbara Bartson:

So as you can see on the slide, we have outlined numerous advantages and coverage highlights. I'm not going to go through every one of them. I just want to point out a few that I think are really important. And one item which we're extremely proud of is that on Friday we got our online portal back up and running for you to submit quote and bind. We recognize ease of doing business is really important for this product, and we wanted to get that back up and running for you so that you can go from a submission to a policy if it meets the eligibility criteria area. So highly excited that we got that up and going. Chris worked really hard with the IT team and really feel that it's back where it used to be for those who used to work with us.

Barbara Bartson:

For coverages, one of the big deals that I think in the marketplace, especially now, is D&O. We continue. We'll follow form D&O, and we have certain criteria for our underlying carriers with that. It's a coverage that you'll still be able to have in the umbrella for the Express product.

Barbara Bartson:

And the last advantage I really want to point out and I think sometimes is forgotten is claims handling. And as we all know, unsupported umbrella claims are really challenging to handle and one that we have partnered with experts in the business. We ourselves have a high level of expertise and have partnered with a TPA who knows this, how they handle them well. So that truly is an advantage to this product. And it's never a problem until it is, but we all know how difficult umbrella losses can be. So I really wanted to point out is that is something that really differentiates us in the marketplace.

Ritchie Vener:

Oh, thank you, Barb. It's a great program. One thing that we could help the audience with is that, Pat, our biggest customer set for this product is community associations. I'm not quite sure if everyone understands everything that fits into community associations. How do you define them?

Pat Bruen:

We define it as a homeowners association, condominium associations, planned unit developments, or PUDs, and the difference between planned unit developments and homeowners associations are you're just picking up minimal amount of property and the liability coverage. With the homeowners' associations, you could also be picking up residential exposure. So it just depends how the CCNRs are structured for that association. But we could also provide coverage for co-ops, commercial condominiums, and mixed-use condominiums.

Ritchie Vener:

And Chris, can we talk for a minute about property types within community associations? What types of property are eligible for the Real Estate Express Umbrella?

Chris Larson:

Yeah. So really, like Pat just mentioned, mainly we're seeing community associations, that's your condo associations, your homeowners associations, and with this product, we're limiting it by the size for our eligibility. So we're focused more on the smaller association. So up to 100 units with a pool and up to 250 units without a pool. We also, as the slide mentions, can underwrite up to one owned auto and up to one employee of the associations. And we do require for the underlying coverage that the underlying carrier has an AM Best rating of A-VII or better.

Chris Larson:

The slide also mentions some things that are not eligible. So vacation rentals is one that we see quite a bit. So that would be if you have a property that's listed on, say, TripAdvisor that you could book for spring break. That'd be something that would not be eligible. But also, we see some unusual amenities. That could be like if an association has a private beach, things like that. Also, just focused on the size of the property, we'll not entertain buildings over 20 stories. And currently we're not available in three states, so Georgia, New York, and Florida.

Ritchie Vener:

What are some of the highlights of the Express Umbrella?

Chris Larson:

Additional highlights for this umbrella product is we're launching with three different limit options. So those are shown on the screen there. One, two, and 5 mil limit options. And we're excited to expand this to 10 million. We're hoping to have that here pretty soon available. Definitely sometime this year is our goal to have this product built out to 10 million. We feel like and have heard so far in the marketplace that our pricing for all three limit options are very competitive, so we're happy to see that the pricing is doing well out there and that is a competitive offering.

Chris Larson:

We do have people like Pat on the team who have decades of experience in this space. So we have some experts on the team that have really helped to put together a really comprehensive policy form. And with the product, Express Umbrella, it's an online portal product for our brokers to go in and have very quick convenient servicing and easy ability to go online and submit business for a quote.

Ritchie Vener:

Pat, let me ask you a question. We're focused just right now mostly on community associations, but I know that the Express Umbrella is also for other types of real estate. What other types of real estate is it for?

Pat Bruen:

Sure. We can do office buildings, strip shopping malls, stand-alone retail, rentals with underlying with our city insurance, our CHIP program. Some of the additional eligibility requirements, effective age of 25 years or less. So I keep hearing how many decades I have in insurances experience. I think we're going to have to change that up a little bit for the next call, please, Ritchie.

Ritchie Vener:

I think so. You're a young man, Pat.

Pat Bruen:

Thank you. Do five locations or less, maximum of one owned vehicle, maximum of one employee. And then some of the ineligible or automatic knockouts would be buildings over 20 stories, a single location larger than 100,000 square feet, accounts larger than 300,000 square feet, and currently unavailable in Georgia, New York, and Florida. And I know that's a big change from us, but unfortunately, right now those three states will be ineligible.

Ritchie Vener:

Let's get started with questions from the audience. We got a lot of questions in advance, so we're going to dive into the ones from attendees who sent in emails first since they went to trouble of sending them to us ahead of time. And then we'll go to the live questions from today's attendees. So the first one I'm going direct to you, Chris. What is Express Umbrella?

Chris Larson:

Express Umbrella really is Distinguished's small umbrella product. It's a broker portal-based product. So brokers can go right on our website to the broker portal to enter the business. And this is really a redesign of our DPUM umbrella product. Some people listening have probably heard that name or are familiar with DPUM umbrella at Distinguished. And that's a name that we've kind of sunsetted in now. This product is in its place as Express Umbrella. As we've mentioned, the intent is for this product to be available for community associations and also some of those small real estate accounts. And a new feature, as Pat just mentioned, that we couldn't do the past few years is we can now write rental apartments that are supported by our city homes program.

Ritchie Vener:

And Chris, this is a relaunch of the program. I mean, what's changed recently for Express?

Chris Larson:

Yeah. So the change is really the major one obviously is our insuring company is now a Sirius Point Specialty insurance corporation. They're not admitted paper. We've, again, focused our appetite a little bit more, so now we're more focused on those smaller association properties. So I mentioned earlier, they're limited by the number of units that we can review for eligibility.

Chris Larson:

And then also, with those small real estate accounts, too, we have some eligibility requirements around the size of the property. So we can entertain a property with up to 100,000 square feet for a building and up to 300,000 square feet for the full schedule, and that schedule being up to five locations.

Ritchie Vener:

Okay. And so that's things like office buildings, warehouses, strip malls?

Chris Larson:

Yeah. Strip shopping centers. We see some small retail. I think something that we see are some mixed-use condos, which would be a condo tower that also has a first floor of retail. So we see some like that as well.

Ritchie Vener:

Okay. All right. And Chris, I think you talked about this just a little bit earlier, but we got a number of questions in just saying, "How do you submit new business?"

Chris Larson:

Yeah. And really, the name of Express Umbrella, I want it to be quick and easy. So you can simply go to our website, distinguished.com, log in, and right there you'll be into the broker portal, and you can just hit a button to get a quote. And once you hit that button, you'll jump right into the application for the product. And simply there as a broker, you complete that app right in the broker portal, and you can submit it either for a quote right then or it may refer to an underwriter, depending on the risk. But it's very simple process for a broker just to jump online and submit for a quote.

Chris Larson:

The only note I would add there is if it's your first time trying to log in, you may need to register your agency. But once you do that step, every time you log in, you'll be able to pop right in and hit a button to begin the quote process.

Ritchie Vener:

Okay. All right. Thanks, Chris. And I'm sorry to keep picking on you. I'm going to ask you one more question before we go to some of the other panelists. But just to clarify, because it's important to our audience, and this question came in a lot, also. Is this product available in all states?

Chris Larson:

Yeah. Currently we're not available in three states. That's New York, Georgia, and Florida. There is a note with Florida, though, that we're working on the approval process with the state to get licensed. So we're hoping that very soon here we'll be able to write coverage in Florida, but currently we cannot.

Ritchie Vener:

All right. So Barb, I'm going to ask you a question from the audience. Is it an umbrella coverage form?

Barbara Bartson:

Yeah, so we are continuing as legacy DPUM had with an umbrella coverage form. It has follow form endorsements on it. The product, the coverage form is very similar to what we had on the legacy DPUM. So when you see it, you'll say, "Hey, this looks familiar," because it really truly is the same form, terms, and conditions.

Barbara Bartson:

We are starting on not admitted, as Chris mentioned, but truly this is just a filing process. We are working on getting the product filed, but the coverage, the rates, the carrier, everything will be the same. It's, again, just being filed in all the states. So if you're in a state that's file and use and the [inaudible 00:16:29] is very cooperative, we'll be able to use the new admitted product as soon as it's filed with the state. For other states, it takes a little bit longer, but we will keep you updated as that changes.

Ritchie Vener:

And new to the program is the carrier who we're working with. So who is Sirius Point?

Pat Bruen:

Yeah. Sirius Point is relatively new to this space. They were created out of a merger between Third Point Reinsure and Sirius International. They're really very exciting to work with, very cooperative, a great partner for us as they continue to grow and work with MGAs in the US. So we're excited to be working with them and collaborating on this product and moving it forward.

Ritchie Vener:

And Barb, another question we got a lot of is what limits are we going to be offering?

Pat Bruen:

Right now our limit options are one, two, and five million. We know this is a little bit different than what we had in the past, and we're striving to get 10 million. We're working to expand the capacity and hope to have it in the next three or four months. When we did an analysis of our DQM portfolio, it was recognized that 10 million truly sufficed the need for probably 80, 85% of our association and small real estate accounts. So we feel like 10 million is a good place to be. We may expand in the future, but by the end of the year, hopefully, by the fall, we'll have that offering to you. And when we do again, we will make sure that you're aware that you can offer that to your clients.

Ritchie Vener:

Hey, Pat, I'm going to send you this question. We got a number of these in. This is really just a paraphrase, so I apologize to the folks that sent it in. But what are some of the common exposures for community associations and how can umbrella insurance help?

Chris Larson:

Okay. Well, as we mentioned previously, regardless of the state, this is a very litigious environment right now. And I think the best way for associations, an excellent way for associations to protect themselves, would be through umbrella coverage. Some of the types of claims that we've seen are due to negligent security. General liability insurance typically provides a million, two million, but the claims are often a lot higher than that. Pools, drownings, slip and falls. I also would just throw in my ... Any association that has a water exposure that they're responsible for, so that's not just the pool. Lakes have been a source of some pretty tough claims. So any lake, pond, pool, you have to really be careful. And the association be exposed, because those areas seem that the type of claims that if you only have your one, two million GL limit, you'll really expose the association.

Chris Larson:

And then in addition to the association, we do have the D&O related claims. So boards need to be properly protected. They can be held accountable for decisions they make or don't make. Thinking of the condo down in Florida, where perhaps that board could have pushed through those renovations a little bit quicker. Those are the types of things that really expose the association and the directors to liability claims.

Ritchie Vener:

All right. Hey, Pat, I'm going to ask you another question, and this one came in, also, in a number of different forms. And basically, a number of brokers expressed that they need to find a way to sometimes convince a community association that they need an umbrella. So why does a community association buy umbrella? Why should they?

Pat Bruen:

Well, mostly due to any claim. Even, say, like a small or a minor auto accident. Everyone's always looking for over a million dollars for claims. When you have a community association that's got obviously multiple unit owners, you do have the exposure that they also community associations, a lot of ways, operate a little bit like a business. They operate like a government in that there are CCNRs that have to be really enforced, and the board has to step in in those instances.

Pat Bruen:

So the best way, I think, for an association to protect itself is through an umbrella. The premiums aren't as high as, I think, people who shy away from getting that coverage probably think the cost is a lot higher. As Barb mentioned, we do have a true umbrella form. We do follow form the underlying, but you can get proper protection at really a pretty affordable price. And with Chris being a guy who likes to do it quick and easy, I don't think we'll be putting our brokers through a lot of stress.

Ritchie Vener:

I'm going to take some questions from our attendees, but please note, if we run short on time and we can't get to all attendee questions now, I will be emailing everyone who registered a PDF with the questions and the answers from today's session. All right.

Ritchie Vener:

I'm going to address this to you, Barb, but if you're not the right person, please feel free to pass it on to the other panelists. Are you seeing any pullback from offering umbrellas over liquor liability, abuse, or molestation?

Barbara Bartson:

So our umbrella coverage form will follow form host liquor. Most community association real estate accounts don't have liquor liability exposure like a restaurant. So it will follow form the host liquor on the GL. We go over the D&O. No other profession besides the D&O. And abuse is not excluded, so we provide all the coverages the community association would need in that regard.

Ritchie Vener:

Will you offer coverage during build out?

Barbara Bartson:

I can answer that one. So are we talking about newly renovated? I assume newly renovated associations, and yes, we can. They have to have at least one house, one or two, but we have found a lot of success in associations as they continue to grow and expand, and we're there with them. The developer will probably be on the board, and the D&O will cover the developer in their role as a member of the board, but not for

their construction or development exposure. So we exclude the construction piece of it. But yes, we will entertain the newer associations as they continue to grow.

Ritchie Vener:

Chris, this one might be for you. Are there any plans to reduce turnaround time on accounts that are referred to underwriting?

Chris Larson:

Yeah, and I think, brokers, we just launched on the eighth. This portal will be back up and running for brokers to be able to submit it and get a quote. So if they were submitting business before the eighth, there was a much larger turnaround than typical. So I think our turnaround time should, again, pick back up to where it used to be in the past. And I will say that with our appetite now being a little bit more defined, I would say, by the size of the risk, I'm hoping that the broker experience will be improved. There'll be less of those gray area accounts that are referring. So hopefully the experience will be better than they may have seen in the past.

Barbara Bartson:

And I'll just add one additional point. Umbrella sometimes is the last-minute coverage that you're trying to put in place before you present to the board. Reach out to Chris or me, and we'll make sure we can escalate it if you feel like it's not getting the attention it needs. And we are very respectful of those, "Oh, I need a quote now," moments and try to serve that if you need that.

Ritchie Vener:

Pat, I'm going to ask this one to you. It might be a little bit too specific, but maybe you can offer some guidance to this person. He says, "I have a homeowner's association underlying written by Philadelphia. 262 homes, two miles of roads, and a lake with two beaches, a gated community written by Empire who left the market this year." So I guess the open question there is that the kind of thing, would do we do that?

Pat Bruen:

I'm not sure about the water exposures on that, how seriously we would be looking at that.

Chris Larson:

So with the water, we have some additional underwriting questions we'd ask about that. We'd get into the details about the water exposure. The one thing that I heard you say, Richie, was 262 homes, so it would be too large for what we would currently be considering in our appetite. I do think that one probably would be a knockout based on the new restrictions where we are only doing up to 250 units.

Ritchie Vener:

Do you have appetite sheets available for download?

Chris Larson:

On our website, we should have that available for you. So there's a bunch of different program eligibility and highlights right on our website. And within that, there should be, yeah, I believe some PDFs available with that information.

Barbara Bartson:

And on our website, there's a little link for resources, and if you click on the resources, it has highlight sheets that are very printable and easy to use and share.

Ritchie Vener:

Will this new company, and I believe they mean Sirius Point. Will this new company be able to entertain umbrellas for New York cooperatives, condo associations, et cetera?

Barbara Bartson:

Interesting question, because as we continue to have conversation with Sirius Point and understand their appetite, this program Express Umbrella really is never going to be designed for New York. We know some of the challenges around New York have, but they are scratching their heads on figuring out what is an opportunity in New York and how do we solve for it? So if anybody is familiar with Andy, you know he's always coming up with great ideas, and this is one of the ideas on top of his list to figure out how to solve the need for our excess liability in New York. And Sirius Point seemed interested in partnering with us on the idea. So that's something we're going to have right away. There's a lot of challenges around it, but it's definitely something we're thinking about.

Ritchie Vener:

Okay. All right. And we're fast coming up to time here. There are actually three or four questions, at least, on this one. When will you be raising limit to 10 million? What's the timeline on that look like?

Barbara Bartson:

Yeah, we can all dream, right? That's what I told my boss. So I'm working on it right now. Honestly, it was in a discussion this morning about doing that. We have some people very interested in expanding the appetite. So as soon as we can get further conversations with them, we'll be able to expand it. My hope is July, August that we'll have something. So I think all the hard work was done to get us to five million. It's now just really engaging with these other participants, carriers to get them involved in it.

Ritchie Vener:

Okay. All right. So we're almost out of time. And so, Chris, you run the umbrella here. Any final thoughts?

Chris Larson:

I think a final thought or maybe if there's one takeaway I'd want everyone listening to really take in is we've redesigned the name to Express Umbrella, and that's for a purpose. For me, I want the broker's experience in our broker portal with this product to be express, quick, and easy. I want brokers to really easily be able to enter an application and know does this fit our program or does it not? I don't want that gray area waiting period where they're unsure, especially in a lot of these smaller risks. And as Barb said, they may be looking for a quote last minute. I think that'd be my key, final takeaway is the name of the product, Express Umbrella, hopefully will also show what the broker experience will be like, that it should be express, quick, and easy.

Ritchie Vener:

So if you enjoyed today's webinar, please stay up-to-date on our latest events by following us on social media. We post about insurance market insights and industry news, and you learn about our latest three webinars, eBooks, and case studies. And thank you to everyone who joined us on today's webinar. Thank you to our panelists, Barbara Bartson, Pat Bruen, Chris Larson.