NEWFRONT

CASE STUDY

# *Creating Leverage and Better Outcomes* for a Global Tech Company

## The Challenge

A global tech company had grown rapidly and was managing a large and fragmented insurance program spread across multiple brokers and dozens of carriers. This siloed approach to insurance coverage had resulted in four different brokers negotiating six programs, ultimately exposing the company to higher premiums without any of the added benefits of stronger relationships or leverage with carriers. Newfront's John McCall recognized the problem immediately. The client's large spend, coupled with this disjointed approach, was a missed opportunity that he couldn't ignore. The task was herculean—putting the company in a more advantageous position with carriers to see immediate benefits and cost savings, all within one renewal cycle—but McCall was confident he could make a difference quickly.

## The Solution

No carrier was responsible for the lion's share of the company's insurance limits, and as a result, the premium was severely inflated, and the company's leverage was low. None were heavily invested, nor were they willing to offer better coverage or better premiums. McCall knew that building a tower with fewer carriers who were more invested across multiple lines would increase negotiating leverage and lead to a better outcome for the client and the carriers, so he set out to maximize the tech company's spend. He approached the lines of coverage holistically, looking to consolidate the number of partners and drive better terms and conditions. The Newfront team opened new discussions with the existing insurers and explained that they were only interested in working with carriers who would underwrite multiple lines of coverage, enabling the client to have a meaningful relationship approach from its insurance partners.

"Having carriers invested across coverages creates more buy-in—there's more at stake than just one line of insurance. This means the client can expect more from its insurance partners, " McCall says.

## The Results

Newfront was able to dramatically improve terms and conditions for the tech company, from coverage to claims handling. The carrier who had the largest participation across the client's insurance program only supported one line of coverage; they were replaced by a carrier that provided $25 million limits in risk protection across all six programs for nearly the same premium cost.

McCall's group took over the work of four brokers and cut the total number of markets from 28 to 23, with eight carriers underwriting 3-or-more lines of insurance. Rather than writing dedicated limits per product, the policy wording was amended to address several exposures in one bespoke form. McCall also tapped other Newfront experts, including Senior Vice President Ivoree King, to expand the company's coverage to include key cyber and property & casualty lines. Risk exposures were more broadly shared amongst carriers, significantly reducing the company's total spend.

When Newfront's carrier negotiations were over, the company added $25 million in D&O limits that now included entity investigations coverage, doubled the EPL limits, more than doubled the Fiduciary limits, and added an additional $10 million in Crime coverage, all while lowering the total cost by more than $2M.

CONSOLIDATED CARRIERS

INCREASED COVERAGE

DECREASED PREMIUM SPEND BY **$2M**

**10X** INCREASE IN SOCIAL ENGINEERING CYBER COVERAGE

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*"The measure of a good broker is the ability to change the conversation in any situation, and to change it in a way that makes it more thoughtful and beneficial to all parties in the transaction."*

**John McCall**

***Practice Leader***

SVP, Financial Institutions & FinTech
Practice Leader Newfront

**Newfront.** Newfront is transforming the delivery of risk management, employee experience, insurance, and retirement solutions by building the modern insurance platform. Transparent data delivered real-time translates into a lower total cost of risk and greater insights. Newfront makes insurance work for you.

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