

# Catastrophic Marketplace

## NEWS

DATELINE SPRING 2009



**Worldwide  
Facilities, Inc.**

### Treaty Renewal Update

The Catastrophic peril marketplace is changing as Treaties come up for renewal. The January renewals saw increases of 10-15%. We expect the April renewals to experience similar or even greater increases. Treaties that renew in July will most likely see increases closer to 20%. Because of this jump in treaty rates, the carriers will be increasing rates and offering lower limits. There will also be less reinsurance available - Warren Buffett recently stated that his reinsurance companies will be selling less catastrophic limits this year. All of this leads to a tightening of the market and a ramping up of rates. Expect renewals going up 10-20%.



### Worldwide Can Help

Our professionals assure us that there is still capacity out there for Earthquake, Wind and Flood. Whereas underwriters have been mandated to get increases on renewals, new business is not constrained by these same requirements. There are other means to keep costs down ranging from increased deductibles, loss limit policies and a review of coverages and values. Worldwide has the experienced brokers to help come up with solutions.



### What about Rate Increases?

Expect Wind rates to increase more sharply than Earthquake rates due to the nature of the beast. The Wind blows every year and Earthquakes are more spread out. Carriers are still reeling from Ike losses in Texas and the Midwest that caused billions of dollars of damages in the Ohio basin area. Ike, a real sleeper that got lost in all the bad economic news, is predicted to be the third costliest storm after Katrina and Andrew. "A Zone" Flood is still the most difficult to procure and the most costly of the three Cat perils. Following are some ideas that should be considered for your Cat accounts. Contact us for more information.

### Offset Increases by:

- Increasing deductibles
- Decreasing limits
- Rearranging layers
- Extensive marketing of accounts
- Considering the necessity of other perils-is Flood needed, required?
- Reviewing values with client-do Time Element values need to be amended if revenue is down?
- Review coverages needed. Extra Expense instead of Loss of Income?

### Why Worldwide?

Worldwide Facilities has the "A" rated admitted & non-admitted markets with the capacity you'll need for your accounts. Keep us in mind for all your DIC/EQ, Flood and Wind because we have the experience to bring innovative alternatives to challenging accounts.

### Coverage Features

- Minimum premiums starting at \$3,000
- Limits available up to \$100-200,000,000
- Deductibles
  - Per unit vs. per building or TIV per location
  - Waiting Day Period
  - Deductibles on Time Element
- Deductible buy-backs
- Loss Limit or Full Limit policies
- Building Ordinance coverage
- Replacement Cost, Functional Replacement Cost, ACV
- Extended Period of Indemnity
- Drop Down Clause
- Alternative of including All Risk or other perils

### Quote Requirements

- Acord application
- COPE info-construction, age, number of stories, parking info
- Excel spreadsheet if more than 5 locations

### Who to Call

Kim L. Randall

Property Director/Broker

**(213) 236-4530**

krandall@wwfi.com

Craig Reeves

Broker

**(213) 236-4527**

creeves@wwfi.com

M.C. Burton

Broker

**(213) 236-4535**

mburton@wwfi.com

Jeff Conley

Broker

**(213) 236-4534**

jconley@wwfi.com

**www.wwfi.com**

Offices throughout the United States.  
CA Lic. #0414108