

## **Example:** Premium design (2001/2002)

In August 2001 we conducted, prior to the tragic events of September 11<sup>th</sup> (World Trade Center Collapse) a Risk-Check for a distributor. The result was that, we dealt with a well protected risk, based on:

- **Good organisational fire protection**
- **Automatic fire suppression system throughout**
- **Automatic fire detection system throughout**
- **Public fire department close by**

After September 11<sup>th</sup> (2001) and the consequential tense insurance market situation the underwriter of the insurance conducted an inspection to assess the risk, with the intention to increase the premium.

It needs to be added that the insurer took on this risk three years before, without any inspection. At that point in time, the suppression and alarm system was covering only a small portion of the site.

Upon our client's request we were present during this site inspection.

The, for the insurance relevant, documents from our Risk-Check, as well as the graphical presentation of the risk assessment were handed over to the insurer. Before commencing with the site survey an explanation of the risk strategy together with the safety measures of the company was given.

Present: Client, broker, insurance, DVS Risk Service GmbH

**Result: 100% increase of the premium**

At the first sight this seems to be negative. However, this impression changes, if one knows, that under the current insurance market situation other comparable distributors of the same insurance had to deal with premium increases which ranged between

**200% and 300%.**

Apart from the evaluation and the suggestions for improvement of our fire protection report, the appropriate risk presentation of this company, on the basis of our Risk-Check, was profitable.

On this basis our client recommended us to other distributors.