



NOT JUST DATA. DIRECTION.

THE IMPACT OF SPECIALTY RISK CONSULTATIONS

A CASE STUDY



THE PROBLEM

A large manufacturing client followed their advisors' recommendations and had a suite of management liability policies including Directors & Officers (D&O), Employment Practices Liability, Fiduciary Liability, Cyber and more, but their executive leadership team was not comfortable with all of the industry-specific terms in the policies, nor did they fully understand the nuances of how they would be covered in the event of a claim.

22% OF COMPANIES HAVE HAD AN EMPLOYEE STEAL COMPANY FUNDS, EQUIPMENT, INVENTORY OR MERCHANDISE

THE SOLUTION

Kapnick Specialty Risk experts scheduled an in-depth, internal coverage review with the company's legal counsel. The information session included a language review in order to ensure everyone understood how various policies worked independently, and together, and which would respond to various claim scenarios. At the end of the session, leadership understood more thoroughly what their premium dollars were going to, how their policies mitigated relevant risks, and why their coverage added value to their business.

THE NUMBERS

More than a third of US businesses do not purchase any management or professional liability insurance, despite two-thirds of US private companies having experienced some type of event related to management or professional liability in the past five years.

Average reported losses for private companies:

- | D&O - \$399,394
- | Employment Practices Liability - \$102,915
- | Commercial Crime - \$297,009

CYBER LOSS EFFECTS ON COMPANIES:

Financial loss effects 90% OF COMPANIES	Loss of productivity or man-hours for 33% OF COMPANIES
--	---

Brand or reputation hit for 31% OF COMPANIES	Morale/company culture hit for 30% OF COMPANIES
---	--

Disclosure notification required for 19% OF COMPANIES	Loss of executives or personnel for 19% OF COMPANIES
--	---

