

## INSURANCE VALUATION SERVICES



Given the array of risks organizations face today — from fires and natural disasters to terrorism and other human element hazards — it is imperative that businesses have adequate insurance coverage to protect them when the unexpected occurs. Property insurance is a major expense for businesses and underwriters demand precise and detailed values before providing coverage. When responding to insurers' demands for financial information, organizations must use the right methodologies to determine how much coverage they need. Inadequate and/or inaccurate figures can lead to insufficient coverage or overpaid premiums. When such errors are identified, underwriters may deny coverage or impose coinsurance requirements or restricted sublimits in future policy years. Marsh Risk Consulting's (MRC) Financial Advisory Services (FAS) Practice supports organizations' efforts to provide accurate financial data for insurance coverage purposes so that the correct policies are in place and recovery funds meet with recovery needs post-event.

### SERVICE HIGHLIGHTS

MRC's FAS Practice helps companies accurately determine the appropriate level of coverage to preserve financial stability should the unexpected occur. Our experts have extensive knowledge and experience in conducting business

interruption and fixed asset replacement cost valuations for insurance purposes. Our objective, independent, and fully-supported valuations enable organizations to procure adequate insurance for their business needs. With our broad industry experience, we staff every engagement with professionals

#### Who it's for:

Any organization that is:

- Establishing, renewing, or updating its property insurance coverages.
- Considering new or additional insurance coverage.
- Updating its business continuity plans.
- Reviewing its supply chain exposures.

#### What you get:

- Highly qualified accounting and valuation professionals with significant experience in pre-loss calculations across all geographies and industries.
- More efficient and cost-effective coverage limits.
- Accurate and supportable valuation of insurable assets.
- Documented valuations to assist with Insurance coverage decisions.

who understand our clients' business, offering specific expertise and providing both time and cost advantages.

## BUSINESS INTERRUPTION VALUATIONS

With years of accounting and claims experience, our forensic and certified public accountants understand first-hand the importance of accurate pre-loss assessments. Our professionals provide pre-loss business interruption valuation and Anticipated Maximum Business Interruption Loss (AMBIL) calculations.

Instead of taking a "one-size-fits-all" approach, our professionals consider the unique characteristics of the organization and the industry in which it operates, going far beyond calculating the usual 12-month fixed value amounts. Understanding the importance of rental values, ordinary payroll, and pure extra expense in the values calculation, we provide detailed, location-specific estimates that help satisfy the demands of today's underwriters. Furthermore, our AMBIL calculations take into consideration factors such as the existence of business continuity plans, which can result in lower values and help reduce premiums.

## PROPERTY AND FIXED ASSET VALUATIONS

Regardless of the size of the organization or the industry, our valuation experts have the knowledge and experience to determine accurate replacement costs with the necessary detail to satisfy insurers and support property coverage decisions. Our experts can evaluate the validity of the data our clients use for their own internal analysis and the process by which the current Statement of Values was derived, or they can carry out the entire valuation process from initial data collection to final reporting.

Prior to entering into any engagement, our professionals assist in defining appropriate project scope while remaining focused on providing a supportable, high-quality work product in a time and cost-efficient manner. This approach can assist in mitigating engagement costs without compromising the integrity of the analysis.

For more information on these and other solutions from Marsh Risk Consulting, visit [www.marshriskconsulting.com/fas](http://www.marshriskconsulting.com/fas) or contact your local MRC or Marsh representative.

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## PROPERTY COVERAGE PLACEMENT

Our thorough valuations provide companies with an accurate determination of their insurable values, so they are not over- or under-insured. Every valuation that we conduct is backed with comprehensive documentation that supports our calculations.

To best service our clients the FAS Practice has developed a full range of property coverage valuation options which are objective, independent, professional, and performed or reviewed by qualified experts, such as Accredited Senior Appraisers, Members of the Royal Institute of Chartered Surveyors, and staff trained by the American Society of Appraisers.

Our solutions are always tailored to meet the unique needs of our clients and can include:

- Internally-focused building value tests based upon client-provided data reviewed by our professionals and processed through Marshall & Swift software.
- Value-based analysis that utilizes a client's fixed asset ledgers.
- Solutions consisting of site visits, fixed asset data gathering, asset inventory and tagging, book reconciliation, and/or standard valuation methodology based analysis.

Most work is done on a flat fee basis based on engagement scope. Deliverables include either a memorandum of findings or a full report documenting, explaining, and substantiating the analysis.

## FIXED ASSET COVERAGE LIMIT REVIEWS

Businesses that have existing insurance policies often call upon our valuation experts to assess their coverage limits. In valuing various assets of a company such as structures, contents, machinery, and equipment, we help to accurately determine that the proper policy limits are in place to cover a catastrophic incident should it occur.