

National Housing & Rehabilitation Association

# Annual Meeting & Symposium

February 21-25, 2018 ♦ Palm Beach, FL



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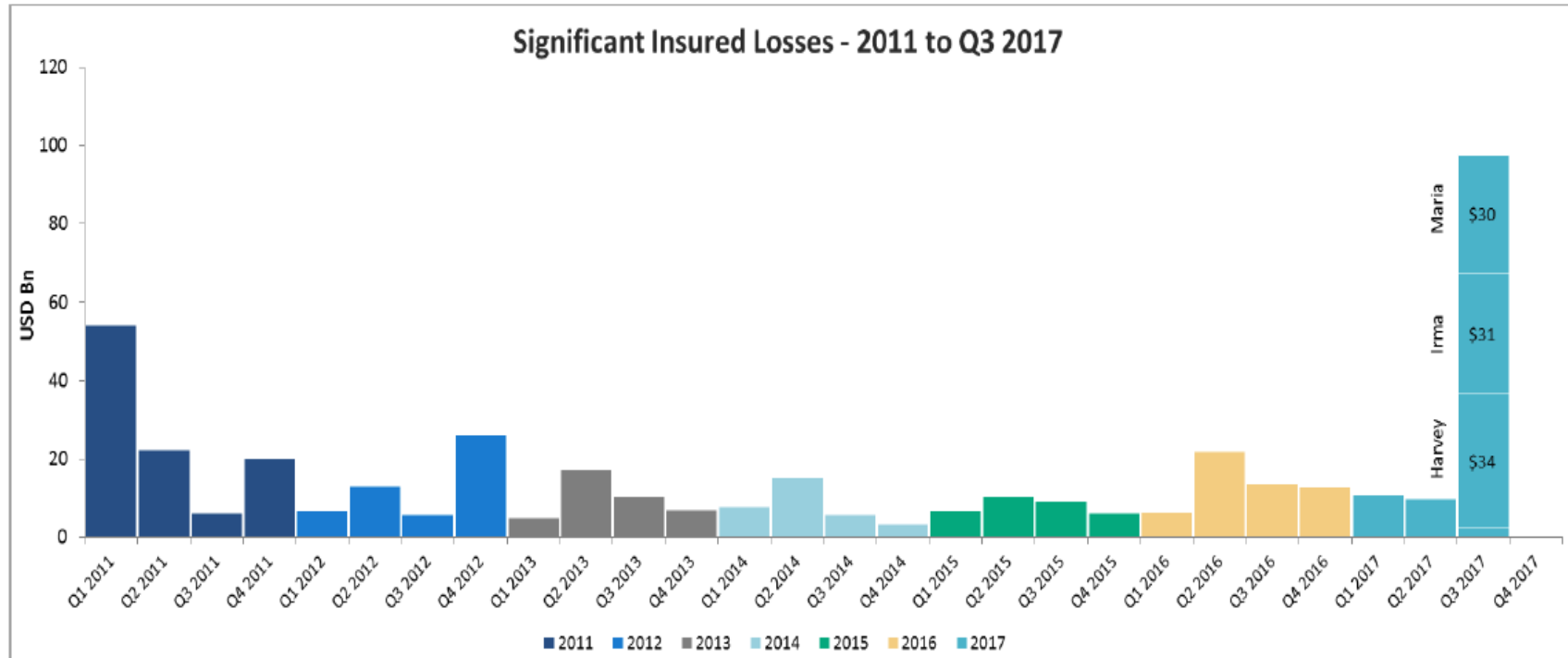


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# State of the Market – “Record Setting” ‘17

- **17 Named Storms, 10 Hurricanes (6 Major)**
  - Harvey – (34 B)
    - 60 inches of rain - most ever recorded from single storm
  - Irma – (31 B)
    - 185 mph sustained winds for 37 hrs – longest at this intensity on record
  - Maria – (30 B)
    - Strongest hurricane to affect Puerto Rico since 1928
- **Other**
  - Mexican Earthquake (2 B)
  - California Wildfires (8 B)

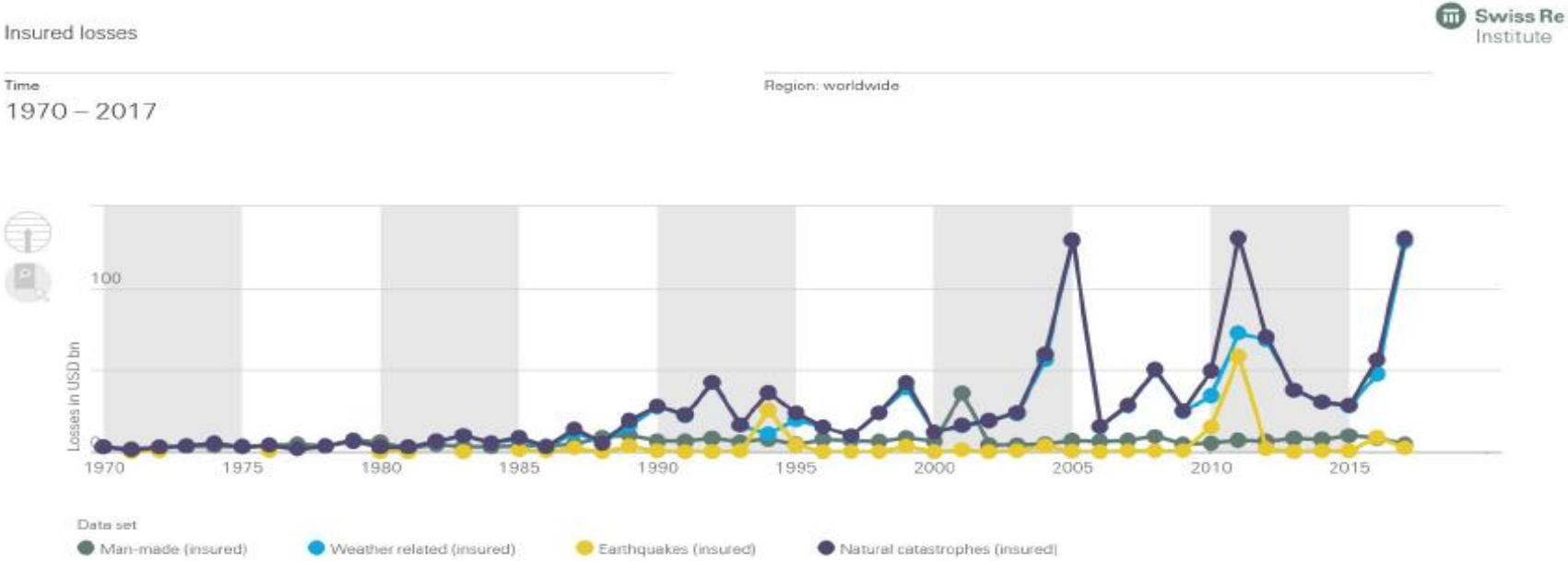
# State of the Market – Global Losses ‘11-Q3 ‘17



Losses in excess of USD \$100 million; Harvey, Irma, Maria and Sept 19 Mexico EQ losses are preliminary estimates subject to significant uncertainty; Does not represent any Q4 losses such as Hurricanes Nate and Ophelia and CA wildfires

Source: Press releases, PCS, Perils, GC Business Intelligence

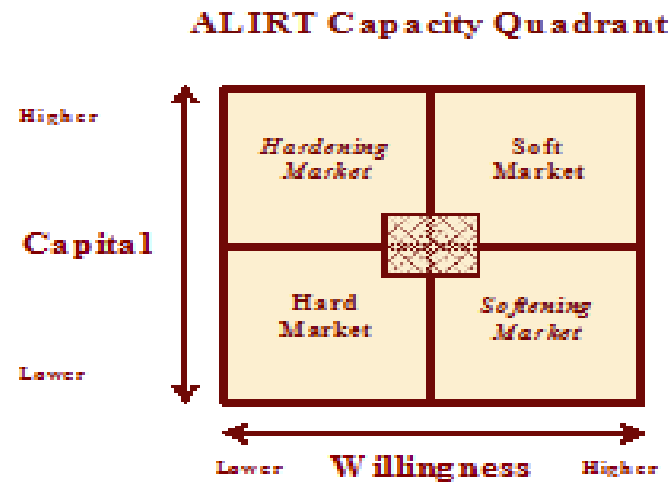
# State of Insurance Market – Global Losses, 1970-2017



Source: Swiss Re Institute  
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# State of the Insurance Market – Lots of Supply

- Approximately \$700 billion as of 6/30/17
  - Highly Capitalized due to Alternative Capital
- \$100 - \$200 billion dollar hit leaves significant capacity



# Claims: Lessons Learned from 2017

- Importance of prior proper planning
  - Proactive vendor management
  - Business continuity plans
- What is in the policy/How will it be interpreted
  - Written by attorneys and underwriters, interpreted by claims managers
- Service interruption coverage
  - Most don't have it
- Understanding named storm deductibles
  - Equate the percentage to cash amount
- Resiliency
  - Tale of 2 insureds

# Navigating Your Next Renewal

## Best Practices from the Inside

- Broker Selection
- Data Integrity
- Catastrophe Modeling
- Coverage Specifications
- Renewal Timeline
- Demand Spreadsheet Comparisons
- Make Counteroffers Thoughtfully
- Implement Annual Service Plan for Accountability