### THE CORE RENEWAL MANDATE: TREAT RENEWAL AS UNDERWRITING, NOT A PRICE CHECK

In a hard insurance market, start renewal work **90–120 days before expiration**. Assemble a complete master submission with verified values and a documented loss story. Be prepared to trade higher retentions or tighter terms for capacity before chasing the lowest premium. Incomplete files die in underwriter queues; complete files are evaluated on merit.

## 1. THE 5 HARD MARKET RENEWAL SIGNALS (EARLY WARNING MATRIX)

PRE-RENEWAL DIAGNOSTIC

| Renewal Signal | What You Observe on Your Desk | Underwriting Mechanism & Strategic Countermeasure |
|---|---|---|
| **1. Capacity Pullback** | • Incumbent carriers non-renew without an adverse loss reason.<br>• Carrier offers only sharply reduced limits (e.g., $5M sliced to $2M).<br>• Class or territory exits announced.<br>• Broker market letter shrinks from a dozen options to three; two want 45 days to quote. | **Mechanism:** Reallocating aggregate capacity to lower-volatility lines/zones.<br>**Action:** Tier broker outreach immediately: incumbents first, qualified challengers second, specialty/E&S excess towers third. |
| **2. Terms Harden Before Price** | • Wind & hail deductibles jump from flat dollars to percentage deductibles.<br>• Earthquake and flood sublimits shrink significantly.<br>• Co-insurance and margin clauses reappear on commercial property schedules.<br>• GL adds communicable disease exclusions or restrictive Additional Insured wording. | **Mechanism:** Squeezing exposure via endorsements and policy language before base rates move.<br>**Action:** Conduct an endorsement-level line-by-line audit; never evaluate renewal solely on dec-page premium. |
| **3. Intrusive Underwriting** | • Detailed requests for updated Statements of Values (SOVs) with building valuations.<br>• Demands for 5-year verified loss runs and CAT modeling files.<br>• Inspection photos mandated for roof, electrical panels, and fire protection.<br>• Follow-up interrogatories on maintenance deferral or operational changes. | **Mechanism:** Underwriters default to "decline" on thin files; requiring third-party verifiable facts.<br>**Action:** Pre-assemble loss-control evidence packs with dated photos, sprinkler certificates, and capital work orders. |
| **4. Rate Outpaces Loss Trend** | • Double-digit rate increases hit completely clean accounts.<br>• "Flat" premium quotes accompanied by materially gutted coverage grants.<br>• Commercial property and coastal risks feel the squeeze first; casualty lines follow within 1 cycle. | **Mechanism:** Global catastrophe losses, inflation, and reinsurance costs forcing broad rate-base restructuring.<br>**Action:** Model higher retentions/SIRs to absorb predictable frequency while protecting balance sheet limits. |
| **5. Narrowing Binding Authority** | • Carrier quote validity windows shrink from 30 days to 5–10 days.<br>• Multi-page subjectivities stack up before bind orders are accepted.<br>• Binders conditioned on pre-bind engineering surveys or loss recommendations.<br>• Renewal submissions consume more staff time than open claims. | **Mechanism:** Desk underwriters lose local authority; files require regional or treaty approval.<br>**Action:** Clear all operational subjectivities at submission; submit once and completely 90 days out. |

## 2. RAPID MARKET STATUS SCORECARD (SELF-CHECK)

CYCLE ASSESSMENT

### FIRM / HARD MARKET CONFIRMED (3+ CHECKS)

- □ Broker warns of carrier quota-share capacity limits.
- □ Incumbent demands property inspection before quoting.
- □ Flat-dollar deductibles converted to % named storm.
- □ Property values challenged under replacement cost indices.
- □ Excess casualty attachment points moving higher.

### IMMEDIATE ACTION PLAN (NEXT 48 HOURS)

1. Establish T-120 countdown calendar with internal finance & operations.
2. Order official 5-year currently-valued carrier loss runs.
3. Commission roof and electrical panel verification photo logs.
4. Convene treasury/lender review on liquidity for larger deductibles.
5. Prohibit broad 20-broker market blasts; enforce structured tiering.

**CRITICAL HARD MARKET WARNING:** The cheapest quote in a firm market routinely conceals the thinnest terms, hidden subjectivities, or an unrated carrier destined to exit at next renewal. Shopping on price alone transfers catastrophic unmanaged risk to lenders and balance sheets.

## 3. THE 90–120 DAY HEAD START RENEWAL TIMELINE

COUNTDOWN MILESTONES

| Timeline | Milestone & Internal Deliverable | Operational Action Required | Sign-Off |
|---|---|---|---|
| **T-120 to T-90 Days**<br>File Inception | • Open formal renewal master file.<br>• Confirm exact expiration dates across all lines.<br>• Audit named entities and commission structures. | Pull currently-valued 5-year carrier loss runs. Order updated property appraisals, replacement cost valuations, and engineering reports before broker carrier outreach. | Risk Mgr / CFO<br>□ Complete |
| **T-90 to T-60 Days**<br>Strategy & Tiering | • Tier carrier marketing strategy.<br>• Finalize Master Submission Packet.<br>• Review retentions with treasury. | Target incumbents first, then vetted challengers. Release complete master submission packet. Avoid blasting 20 markets to prevent "declined to quote" market burn. | Broker Lead<br>□ Complete |
| **T-60 to T-30 Days**<br>Underwriting Queue | • Underwriter Q&A & follow-up responses.<br>• Loss-control evidence inspection reviews.<br>• Retention trade modeling. | Respond to underwriter interrogatories within 48 hours. Submit loss-control photo logs and capital work orders. Model cash-flow impact of percentage deductibles / SIRs. | Ops / Facilities<br>□ Complete |
| **T-30 to T-10 Days**<br>Terms & Binding | • Quote comparison matrix & term audits.<br>• Clear all subjectivities.<br>• Board/Lender trade memo sign-off. | Compare full policy wording, sublimits, and exclusions. Draft renewal trade memo recording reasons for retention shifts. Issue formal bind instructions before quote expiry. | Treasury / Legal<br>□ Complete |

## 4. THE MASTER SUBMISSION PACKET (THE 6 NON-NEGOTIABLES)

SUBMIT ONCE, COMPLETELY

| Submission Component | Specific Documentation Required | Underwriter Red Flag Avoided |
|---|---|---|
| **1. Accurate Statement of Values** | Complete SOV with updated replacement cost building values, BPP, BI, construction type, square footage, and fire protection. | Prevents coinsurance penalties and restrictive margin clauses at claim time. |
| **2. Equipment Schedules** | Itemized heavy equipment, machinery, boilers, and tech schedules with serial numbers, ages, maintenance logs, and leased items. | Eliminates blanket exclusions and delayed physical damage settlements. |
| **3. Payroll & Revenue Splits** | Detailed revenue by operational line, state, and payroll by worker classification code. Prior year actuals vs renewal projections. | Avoids punitive mid-term audit billings and wrong classification re-rates. |
| **4. Fleet & Driver Lists** | Complete VIN schedules, radius of operation, gross vehicle weight, MVR run records, and telematics deployment summary. | Prevents driver exclusions and commercial auto capacity refusals. |
| **5. Certificates of Prior Insurance** | 5 years of verified dec pages, carrier names, policy numbers, and expiration dates across primary and excess layers. | Validates continuous coverage; stops prior-acts gaps on claims-made forms. |
| **6. Operations Change Narrative** | 1-page summary of acquisitions, vacant buildings, contractor volume, new product launches, and geographic expansion since prior year. | Eliminates coverage disputes over "unreported operational drift." |

## 5. LOSS STORY ARCHITECTURE (UNDERWRITING FORWARD)

NARRATIVE DISCIPLINE

### DO NOT DUMP RAW LOSS RUNS

Underwriters underwrite forward, not backward. For every claim over $25,000, provide:

- **Date & Exact Cause:** Physical peril or liability mechanism.
- **Paid & Reserved Amounts:** Carrier financial movement to date.
- **Closed Lesson Learned vs. Open:** Segment settled claims from open litigation.
- **Exposure Status:** Explicitly state whether the hazard still exists on site.

### CLOSED-LOOP CORRECTIVE ACTION PROOF

Prove that past frequency will not recur. Attach physical validation:

- **Work Orders & Invoices:** Repaired roofs, rewired panels, upgraded valves.
- **Retraining Dates & Logs:** Mandatory employee safety sessions.
- **Policy/Protocol Revisions:** Stricter hot-work permits, subcontractor standards.
- **Claims Controls:** Documented internal claims handling protocol.

**PACKAGE FOR A SPECIALIST READER:** Lead with your strongest operational facts: years in business, capital improvements completed in last 24 months, manager retention, and zero-defect safety records. Disclose blemishes proactively in the cover narrative alongside completed mitigations.