

# ERA Finds 31% Savings in Insurance for a Global IT Company

## Project Information

Industry: Information Technology

Savings Category: Insurance

Savings: 31%



## The Client

Our client is a publicly listed Information Technology global company. The client approached Expense Reduction Analysts (ERA) to conduct a corporate governance exercise to satisfy the requirements of the Board Audit and Risk Committee.

## The Scenario

The review was not intended to be a cost-cutting procedure; instead, an opportunity to test the market regarding insurance broker expertise and to ensure policy coverage was sufficient for the organisations ever-changing and expanding risk profile.

The client decided that ERA's unique Conceptual Tender would be the most appropriate model for the client and the process was conducted, including all significant brokers with this sector specialisation.

## The Solution

While the client had stated they were pleased with the incumbent broker, the process unearthed some less than satisfactory findings of the current program, including:

- Hidden commissions and profit sharing
- Over fifty (50) gaps in coverage identified
- Significant coverage exclusions about the organisation's activities

The preferred intermediary was appointed, with transparency and advocacy ensured through a specifically worded Broker Service Agreement which included Key Performance Indicator Bonuses.

## The Outcome

While the client may have saved more than 30% in annual insurance costs, more critical issues were addressed. The policy coverages are now appropriate to the risk profile after a thorough analysis of all policies, risk management procedures and contracts.