

# Maiden Re expands its equipment breakdown to include homeowners

Interview with Maiden Re's Equipment Breakdown team.

Today, the value of reinsurance goes beyond the traditional risk transfer mechanisms of the past. For Maiden Re, it has come to include solutions that bring new technologies to our clients, advanced modeling resources to identify opportunities for helping our clients improve their profitability, and product initiatives that allow our clients to engage with their customers in more meaningful ways. That, in fact, was the motivation behind Maiden Re's expansion of its Equipment Breakdown product to the Homeowners line.

In 2016, Maiden expanded into the Equipment Breakdown, aka Boiler & Machinery, line focusing on commercial risks. Based on the interest and feedback we received from our clients, it was determined that there was strong demand for a personal lines product. Whether it is a sophisticated home entertainment system, top of the line appliances, or emergency generator, there is greater demand than ever for homeowners to have protections for these new exposures. While warranty contracts are available in the market from different sources, homeowners are looking to their insurers to protect them via the convenience of their Homeowners policies.

"Building on our recently introduced commercial Equipment Breakdown product, the expansion into Homeowners Equipment Breakdown is another forward step in our commitment to support our clients with products that connect with their customers' needs, while increasing their revenue stream," explains Stacy Armstrong (pictured), Executive Vice President overseeing equipment breakdown and new product development. "Our product design and development approach provides our clients with a "turnkey" solution allowing quick execution and maximum flexibility to meet individual client needs."

Maiden Re's Homeowners Equipment Breakdown product gives our clients not only an additional stream of revenue, but also a more comprehensive product offering for their customers. The endorsement expands the Homeowners coverage to include expedited repair or replacement of many items including computers and computer-controlled equipment, boilers, home security systems, central heating and A/C systems, electrical systems, security systems, and most appliances from losses caused by or resulting from sudden equipment breakdown of electrical, electronic, mechanical or pressure systems. The annual premium for this coverage is nominal, with deductibles comparable to the typical Homeowners deductible.

More affordable and typically more comprehensive than warranty contracts that can have restrictions on the types of equipment, parts and labor covered, Maiden Re's product provides coverage that can be offered to policyholders through a Maiden Re developed manuscript endorsement. All rates, forms and filing documents have been prepared for use in all 50 states, creating a "turnkey" product with minimal effort needed for product execution.

Flexibility is built into every aspect of the coverage, including the reinsurance structure and cession percentage. This feature means that insurers can determine the amount of risk they are comfortable retaining while relying on Maiden Re for as much or as little marketing, training, underwriting and claims support as they need. And to maintain an important touch point with policyholders, an insurer can handle these claims directly with its customers or turn over

some of the responsibility to Maiden Re.

Providing an equipment breakdown product however is more than just offering another product to our clients. It's another way for our ceding companies to build on their relationship with their customers. In an age of ever increasing connectivity, insurers can be at a disadvantage. Often limited to low impact renewal notices or high stakes claim situations, the reasons to connect with their customers may seem few and far between. Interactions between a carrier and customer on new policies – such as increasing coverage or replacing an existing policy – can be critical in shaping long-term relationships.

In the years ahead, products that speak to customers – whether they broaden protection or provide increased convenience – are likely to be one of the most effective ways to engage customers and move the needle on customer loyalty. "Product initiatives like our Equipment Breakdown products have become a key component of Maiden Re's client value proposition," says Cass Kuhlke, Vice President and Equipment Breakdown product line leader. "In our continued endeavor to further build out our products to meet client needs, our latest product in development is Service Line. This is an additional endorsement for Homeowners policies that will be available before year end."

Maiden Re, with our strong balance sheet and A rating from A.M. Best, will continue striving to add value to the reinsurance relationship for our customers, through this, and other products we currently have under development. We strongly believe that the reinsurance relationship should be about much more than just a transaction, and we view each agreement as the foundation of a long-term partnership. ●

