

SUCCESS STORY**Financial analytics case study**

How making informed decisions helped an agriculture company reduce liabilities

The goal

An agriculture company was unclear how their carrier was calculating its collateral requirements and wanted options for reducing it.

The action plan

The MMA analytics and insights team examined the agriculture company's portfolio and collateral requirements. It determined that based on their current open losses, they were slightly under-collateralized, which is a good position. The MMA team then provided a detailed explanation on the findings:

- Four open claims that accounted for 82% of the current open reserves were identified. The MMA analytics and insights team recommended engaging a claims advocate to target the open claims, which if closed, could result in at least a 10% overall reduction and bring outstanding liabilities down by \$79K.
- Small, old open claims were causing a significant amount of added collateral. One open claim with \$3K of reserves from 2015 accounted for \$127K in outstanding liabilities. A 2016 claim with \$5K in reserves was holding the year open and accounted for \$173K in outstanding liabilities.

The achievements

The agriculture company was able to address the claims that were most impacting their renewal and have a better understanding of how calculations affect collateral requirements in the future.

Your future is limitless.SM



Educated the leaders on how collateral requirements are calculated.



Defined what it means to be under-collateralized and its advantages.



Provided a breakdown on each claim, its impact on collateral requirements, and a plan to target individual claims that most impact overall reserves.

Learn more

Learn how our financial analytics team advisors can help you obtain measurable results.

MarshMMAMidwest.com

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. Copyright © 2023 Marsh & McLennan Agency LLC. All rights reserved. MarshMMA.com