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## **The 8 key items that come into consideration when pricing insurance for a real estate portfolio**

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Most prudent business owners look to see where they can save money. Real estate owners are no different.

There are hundreds of insurance agencies in the state of Massachusetts. Your average agency represents anywhere from 3 to 7 insurance companies. At Twinbrook Insurance Brokerage we represent over 25 of the best insurance companies in the nation. What does that mean to real estate owners? At Twinbrook, we will find you the best coverage for your money.

When you work with an agent that only represents a handful of insurance companies, you are only going to get the best that those few carriers can offer.

What makes one real estate owner pay more premium for their coverage vs. their peers? There are eight key items that come into consideration when pricing a real estate portfolio. They are: age, construction, occupancy, protection, maintenance, exposure, claims history and management attitude.

**Age:** Newer buildings are more attractive to insurance companies. Rehabilitated buildings typically are considered to be as old as the last major rehab.

**Construction:** The insurance rate for a building made of wood frame construction will be higher than a building that is solid concrete block. There are a number of construction classes.

**Occupancy:** Real estate owners typically have buildings where the occupants are either office, retail, warehouse, residential or a mixture of a few. If you have a building that is a strip mall with a few restaurants in the building, it is more likely to cost more than an office building of the same size.

**Protection:** Sprinklers, smoke detectors, fire alarms that ring to a fire dept or central station, response time from a fire dept, and burglar alarm systems. Having one or more of these to protect your building would generate a better rate than if your building was left unprotected, but more importantly, they will help protect your investment by mitigating a possible loss.

**Maintenance:** It is imperative to maintain your properties on an ongoing basis. Constant maintenance provides a safe environment for your tenants.

**Exposures:** They range from location of building, to what is adjacent to it. If your building is situated on the ocean vs. the same building that is located in the middle of the state, and all else remains the same, the cost to insure the building on the ocean will cost more than the one that is in the middle of the state. Exposures along the coast are more susceptible to flood and wind perils.

Claims: Claims history is very important. Real estate portfolios that do not have a frequency or severity of losses are seen as more favorable to the insurance companies.

Positive management attitude toward safety practices is imperative in order to get a very well priced insurance program. When insurance companies make recommendations to properties, the recommendations are for the best interest of the real estate owner. In many circumstances they are proven recommendations that will limit or mitigate a situation before a loss occurs.

At Twinbrook, we specialize in working with real estate owners. We understand their business. We partner with the best insurance companies. We market our client's insurance program on a regular basis to make sure we are getting them the most comprehensive and best priced program at all times. We have found that when working with real estate owners for the first time, we are able to save them at least 20% on their program! We will sell them on price and win them with our service.

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