Case study

# Cairn Housing Association: Turning an Insurance Renewal transaction into a Risk Strategy

## Annual savings: 18.5%

Delivering a significant six-figure annual saving plus post-renewal non-contractual rebate of £31,000.

"ERA did the heavy lifting for us. They tested the market properly with a process that respected the competing brokers and underwriters to safeguard our reputation in the market, asked the right questions, and kept things moving when we simply didn't have the capacity to do so. The saving mattered, but so did the fact our insurance cover and broker service were maintained and the process didn't become a burden for the team."

KEN TUDHOPE, DIRECTOR OF FINANCE,
IT & RISK AT CAIRN HOUSING ASSOCIATION

### The client

The client Cairn Housing Association sought an independent review of insurance spend and total cost of risk to establish whether they were achieving the best "value" the market could offer as they had experienced rising costs year on year. The aim was to minimise total cost of risk sustainably – not just for one renewal period.

### The challenge

Cairn were concerned their long-standing broker relationship had become too comfortable as previous market reviews had failed to generate any real appetite or competitive tension from alternative Insurers.

At the same time, capacity at Cairn was tight internally (a busy CFO with additional responsibilities and a comprehensive property revaluation programme demanding time and attention), meaning the solution needed to be practical. Not a disruptive "rip-and-replace" exercise.

### The results

ERA Group didn't fall into the trap of chasing cheaper premiums by flooding the market with multiple brokers a couple of months prior to renewal. Their specialist Housing Association insurance team alongside consultant Russell Baker reset the playing field and gave Cairn control again running a structured mid-term broker tender, introducing alternative brokers with housing-association expertise and broader insurer access, culminating in a new broker being selected as the best long-term fit.

ERA Group expertly managed the initial renewal alongside Cairn management who chose to retain the incumbent broker in the short term for sound practical reasons. ERA's team used their experience and market expertise to challenge the broker to ensure that the initial objectives of the project were achieved – including lower rates, wider cover and improved processes. Notably, an onerous and impractical subcontractor-checking clause proposed in the new policy wording was renegotiated with a workable solution reducing operational burden and potential compliance risk for Cairn.

Cover improvements were secured within the new arrangements alongside lower premium rates so there was no reduction in the scope of cover provided to "win" the saving.