

Insuring a Diverse Commercial Real Estate Portfolio in a Major City with a Tight Deadline

An Alera Group company based in Southern California was retained by a commercial real estate property manager to review the insurance policies of a large, diverse portfolio of buildings in downtown Los Angeles, valued at more than \$200 million. The portfolio included many types of buildings: high-rise, low-rise, retail strips, offices, one vacant property and even a historical building. A new owner had just purchased the portfolio, and the property manager contacted Alera Group because of its demonstrated expertise in a previous working relationship.

Process

Alera Group's first step was to analyze the existing insurance policies for each building, taking extensive notes about any gaps in coverages, deficiencies and other concerns. The analysis was then compiled into a comprehensive report and presented to the property manager and portfolio owner.

From there, Alera Group worked closely with the property manager to create a new, customized insurance solution for each property, taking into account the various ages, uses and occupancies of each building, as well as any unique physical and/or geographical considerations.

After Alera Group determined an ideal coverage package for each property, a multi-stage process requiring inspections, appraisals and underwriting began. The team hustled to coordinate all of this, while ensuring that the pricing was fair and that the policies covered every possible contingency.

Challenges

Because of the fast-paced nature of commercial real estate, this project was extremely time sensitive. Upon purchase, the portfolio owner inherited outdated, inadequate insurance – a situation that could cost exorbitant amounts of money in the event of a claim – and that needed to be remedied immediately.

Results

As a result of Alera Group's attention to detail and sense of urgency, the portfolio owner benefitted from:

- Insurance policies that filled in coverage gaps
- Insurance policies that eliminated unreasonable restrictions for filing claims
- Insurance policies that accurately reflected replacement costs, due to immediate appraisals
- An insurance premium savings of approximately \$200,000 in the first year

Additionally, the property manager achieved "rock star status" with the portfolio owner for proactively reaching out to Alera Group for a detailed and efficient insurance review. He now consistently refers his colleagues to Alera Group for any insurance needs.