

# CASE STUDY AGED CARE

INSURE RIGHT  
THROUGH  
PROCUREMENT  
AUSTRALIA

National aged care and retired living provider enjoys **considerable cost savings of more than \$200,000** combined with various improvements in their insurance program as part of a comprehensive corporate governance exercise.

Procurement Australia's team of insurance and risk management consultants recently completed a comprehensive insurance review with one of Australia's largest, privately owned providers of residential aged care.

Established for more than 20 years, the client boasted one of the most geographically diversified portfolios of any aged care provider in Australia, with more than 54 facilities housing some 6,000+ residents nationally.

While the client was considered a relatively 'attractive' risk from an insurer's standpoint given their demonstrated commitment towards risk management, they were seeking to test the effectiveness of their existing arrangements following a series of recent operational changes brought about by the client's strong growth and expansion strategies, including third party acquisitions and a recent IPO.

The initial phase of the project was to implement and manage a competitive tender process for the provision of insurance broking and risk management services involving a select panel of brokers with proven experience in the aged care and corresponding sectors.

In addition to the extensive tender exercise, the team also carried out technical reviews on the client's four major policy wordings; comparing them to alternative products available in the market while also highlighting opportunities to address any perceived weaknesses found, including endorsements or warranties which could give rise to insurers repudiating a claim.

This process resulted in the client reappointing their incumbent provider who, armed with the findings outlined in the preceding wording review, **delivered a number of noteworthy policy enhancements and improvements in cover combined with premium cost savings exceeding \$200,000 per annum**; a majority of which were achieved with the incumbent panel of insurers, meaning the client also continued the long-term benefits associated with insurer continuity.