

CASE STUDY EDUCATION

INSURE RIGHT
THROUGH
PROCUREMENT
AUSTRALIA

Australia's largest tertiary education provider enjoys \$485,000 in annual insurance premium savings while obtaining vastly improved levels of insurance protection and broker performance.

Senior members of Procurement Australia's (PA) insurance and risk management division were approached by a major Australian public research university to conduct a review of their insurance arrangements. With roots dating back to 1887, the university had grown to become one of the largest and wealthiest in Australia, with more than 81,000 vocational and higher education students and annual revenues exceeding A\$1.078 billion.

Having more than 80 buildings in one of Australia's biggest CBD's combined with a number of allied campuses and sites in metropolitan areas, as well as several international campuses, the client had a large geographical footprint that left them vulnerable to a number of exposures given the high volume of regular foot traffic from students, faculty and staff and pedestrians.

With a dedicated and focused outlook on better managing their inherent risk exposures, the university was seeking to explore opportunities to improve their existing insurance and risk management arrangements. Accordingly, members of PA's insurance team recommended a holistic approach comprising two core functions.

In the first instance, PA's team carried out detailed technical policy wording appraisals on the client's major classes of insurance; producing more than 120 pages of commentary that outlined opportunities to rectify a number of perceived weaknesses while also removing several onerous and/or restrictive conditions that were identified.

Secondly, in order to help the university maximise their position in the insurance market; thereby enabling them to negotiate improved terms from both a coverage and pricing standpoint, PA's senior members managed a comprehensive insurance broker selection exercise involving candidates with a proven track record in the education space.

As anticipated, the exercise generated a significant amount of competitive tension among the respective brokers tendering for the business, which in turn greatly enhanced the client's ability to not only secure vastly improved levels of insurance protection in line with the preceding wording reviews, but also achieve substantial insurance premium savings of more than \$485,000 per annum.