

# Food & Agriculture Case Study

*A Beef Processor's  
Cost-Saving, Risk  
Mitigation Solution*



One of the largest beef processors in the United States hired Brown & Brown to assist with their property insurance program. The customer was a complex risk for insurers due to having two unprotected processing facilities that each had total insurable property values of more than \$1 billion and business interruption exposures equating to more than \$1.5 million per day. Brown & Brown developed a property insurance program with more than twenty insurance markets to obtain sufficient capacity to provide an adequate loss limit.

Given the nature of a layered/shared property program, it was critical to designate a capable, independent loss adjusting firm. After a thorough search, Brown & Brown found the right fit that demonstrated a rich background in food processing. Once the firm was engaged, Brown & Brown facilitated multiple meetings and an onsite tour with the local plant managers and engineers. The loss adjustment firm gained a unique understanding of the facility operations, local contractors, and business objectives.

Six months after adding the loss adjustment team to the program, a microburst significantly damaged the roof of a mission-critical box storage building that held valuable inventory. The loss adjustment team immediately responded so a temporary roof could be put in place and was promptly onsite working together with Brown & Brown and the customer's local team.

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MANAGING  
CHALLENGING  
RISK IN A DIFFICULT  
MARKET PUTS  
A RENEWED  
EMPHASIS ON  
CREATIVE PRE-LOSS  
STRATEGIES.

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With a temporary solution in place, the issue of a full roof replacement remained. Roofing contractors estimated the entire roof replacement project would cause 30-45 days of downtime at the facility, leaving the customer exposed to a \$50 million business interruption loss and risk of losing market share. The loss adjustment team understood the importance of eliminating downtime and worked with Brown & Brown to find a roof replacement solution that would not halt production. This solution eliminated additional downtime and mitigated the loss by more than \$50 million.

The establishment of the customer/loss adjuster partnership resulted in the following positive impact:

- 30+ days of mitigated restoration time
- Reduction of estimated loss expectancy by 90% (\$5.5 million vs. \$55 million)
- Net loss ratio improvement of 99% (net loss \$500 thousand vs. \$55 million)

This mitigation success story was critical to Brown & Brown's ability to retain incumbent capacity to renew the customer's property program. If not for this proactive mitigation approach, the customer would have faced market share pressure, and insurers would have been hit with a huge loss, making the customer's already challenging risk even more difficult to insure.

## Experience in Complex Industries

Brown & Brown's success in the food sector is driven by our deep expertise and willingness to leverage partners that drive even greater risk mitigation cost-savings for our customers. By partnering with an industry specialist, such as an independent loss adjuster, our customers benefit from another value-added consulting partner.

These industry specialist partnerships are leveraged to:

- Proactively identify potential shortcomings in disaster planning, loss mitigation, business interruption, and supply chain issues.
- Differentiate when negotiating terms and conditions with insurers.
- Establish a connection between expert and customer before a loss occurs.
- Seamlessly execute a post-loss strategy that avoids significant downtime, business interruption losses, and loss of market share.

Connect with our Brown & Brown team to learn about our expertise in your industry, how we build our risk mitigation strategies, and how we can aid your business in creating a cost-saving property insurance program.

