

# MARSH IO+<sup>®</sup>: ENHANCED INTEGRATED OCCURRENCE COVERAGE



Growing litigation costs, evolving insurance coverage law, and changing underwriting approaches are just a few of the complexities that require risk managers to reassess their excess liability insurance programs. This is especially true for organizations that produce or sell products that, were they to fail in some way, could bring significant liability costs. For example, a program's structure could mean that an organization's excess casualty coverage wouldn't respond if multiple claims from a single product defect were deemed to arise out of separate occurrences. That could expose an organization to potentially millions of dollars in uninsured losses.

The "integrated occurrence" feature present in occurrence-reported excess casualty insurance forms can provide organizations with an added measure of protection from product and completed operations risks; however, other elements of these forms could limit coverage. Developed by our team of casualty insurance specialists in conjunction with leading insurers, Marsh IO+<sup>®</sup> form addresses many concerns about occurrence-reported forms. It offers enhanced integrated occurrence coverage for organizations seeking to better manage product and completed operations liability and excess casualty exposures.

## OCCURRENCE VS. OCCURRENCE-REPORTED

Changes in applicable insurance coverage law and the nature of an insured's business often require that organizations periodically review and reassess their excess casualty insurance program structures. In particular, organizations may need to review and reconsider the merits of two types of excess casualty insurance coverage: the occurrence and occurrence-reported forms. Depending on the loss scenario and applicable jurisdiction, there could be significant differences in how each policy responds.

### Who it's for

Organizations with significant product and completed operations exposures, including retailers and wholesalers, food and beverage companies, construction firms, and manufacturers.

### What you get

- Coverage enhancements to existing occurrence-reported forms, negotiated with leading insurers, including:
  - Un-aggregated auto or overall multiple aggregate coverage provisions.
  - Negotiation of drop-down coverage provisions.
  - Acceptance of standard umbrella submissions.
  - Expanded named perils pollution coverage with 30 days awareness or 90 days reporting.
  - Automatic 30 days of extended reporting.
  - Clarification of underlying exhaustion.
- Access to Marsh's dedicated claims advocates in the event of a loss.

One major difference between the two types of policies is the occurrence-reported form's integrated occurrence feature. This gives an insured the ability to "batch," or group, claims that might otherwise be considered separate into a single occurrence. This can allow insureds to limit the number of retentions that they might have to pay where, for example, the same event, condition, cause, defect, hazard, and/or failure to warn results in a large number of bodily injury or property damage claims occurring in one or more years.

## ENHANCED COVERAGE

Despite the advantage that the integrated occurrence feature can provide to insureds — particularly those with significant product and completed operations exposures — organizations have been reluctant to switch to the occurrence-reported form. Historically, one reason occurrence policies have been preferred is because they allow policyholders to "stack" limits in the event of an occurrence that spans multiple policy years; for many insureds that is still an advantage. In addition, some aspects of the form, such as a lack of drop-down coverage and a single aggregate limit, could limit the extent to which policies respond to certain losses.

Still, there are potential drawbacks to using an occurrence policy. Depending on the structure of an insured's program and applicable law, an insured may be obligated to pay multiple retentions in the event that

a product defect results in many claims that are each deemed a separate occurrence.

That's where Marsh IO+ can help. It allows insureds to reap the benefits of the integrated occurrence feature while also providing coverage enhancements that address some policyholder reservations about the occurrence-reported form. Key features of Marsh IO+ include:

- Un-aggregated auto or overall multiple aggregate coverage provisions.
- Negotiation of drop-down coverage provisions.
- Acceptance of standard umbrella submissions instead of the Bermuda market application.
- Expanded named perils pollution coverage with 30 days awareness and 90 days reporting.
- Automatic 30 days of extended reporting.
- Clarification of underlying exhaustion.

Marsh IO+ provides clients with all of these enhancements in a single endorsement. And like our proprietary enhanced excess follow form policy, Marsh XSellence, Marsh IO+ was developed with and supported by leading insurers in order to provide contract certainty. Policyholders also benefit from the expertise of Marsh's dedicated casualty claims advocates, who can help you position your organization to achieve the best claims outcome possible in the event of a loss.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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## WHY MARSH?

With extensive casualty insurance and industry knowledge, claims advocacy experience, strong insurance market relationships, and unmatched global reach, Marsh's Casualty Practice has the expertise you need to address your most critical liability risks. From our proprietary Marsh XSellence excess casualty form to analytics tools and more, our more than 450 specialized casualty colleagues deliver the industry's most competitive and innovative solutions to address our clients' unique needs. Through our centralized approach to broking, we can see insurance market and industry trends develop more quickly than our competitors. Through our global network of offices in more than 100 countries, we can deliver highly coordinated solutions and consistently high quality service to you. And as the manager of over \$10 billion in premium and loss costs annually, we bring unrivaled market experience and relationships to ensure that you have the best program structure and terms and conditions in your insurance program to manage your key risks.

For more information about Marsh IO+ and other excess casualty solutions from Marsh, visit [marsh.com](http://marsh.com), contact your local Marsh representative, or contact:

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