

EDUCATORS PROFESSIONAL LIABILITY

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CARRIERS CLEANING UP WITH JANITOR ACCOUNTS

Competition increases for janitorial services accounts thanks in part to the Internet, which has made quoting and binding easier and much more cost effective for signing the mom and pop operations. These small outfits comprise the majority of potential janitorial services accounts. New entrants such as **Century Surety**, which came in through **MGA Abram Interstate** last March, are looking at major growth this year. **Atlantic Risk Specialists** signs on **Rockhill Insurance Co.** to write umbrella for janitorial services, and **Allen Financial Insurance Group**, which places business on **Safeco** and **Travelers** paper, attains the backing of a major janitorial association, and has other big plans. **Safeco Insurance** continues to snatch up new accounts in this class as well.

The competition has resulted in lower premiums, sometimes as low as \$100, where typically premiums have ranged from \$500 to \$1,000. But look for this year to bring a bounce-back, as the extremely soft market won't be sustainable much longer. Another factor making this class increasingly attractive to standard carriers is low losses. Janitorial service companies are still considered hard-to-place due to the auto liability exposure, which they all need to cover, and the fungus exposure, which is a standard exclusion.

MGAs Looking for Big Increases to Janitorial Books

Look for Allen Financial Insurance Group to bring a new carrier into the janitorial services market in June in order to set up an RRG. The MGA is also seeking to even out its rate structure across geographical territories. It currently uses Safeco paper nationwide and Travelers paper in certain states, in addition to being the sanctioned designated insurance broker for the International Janitorial Cleaning Services Association (IJCSA), which has 1,600 members. Allen Financial has been with the IJCSA since September. Allen Financial wrote \$350,000 to \$450,000 in janitorial services premium last year and has grown the program more than 10 percent annually since it started using Safeco's janitorial policies more than five years ago. Allen Financial, where **Brent Allen** is president and CEO, can write up to \$10 million in coverage, although 90 percent of its accounts take limits of \$1 million.

Allen Financial's premiums typically range from \$250 to \$800 for \$1 million of coverage, depending on the state. California premiums tend to be much higher than those in the Midwest. The policy is similar to a BOP and offers many types of property and liability coverages, including outdoor property, glass breakage, business crime, and many others. Auto liability, boiler and machinery, surety bonds, D&O, additional insureds, umbrella, and workers compensation are optional. Allen Financial can write accounts with up to \$15 million combined building and personal property values or up to \$15 million receipts per location. The Safeco coverage is admitted and available in all 50 states.

Abram Interstate is looking to increase its book by about 50 percent this year after placing about \$100,000 in premium for its Century Surety-backed janitorial services coverage last year. The MGA offers only GL and mainly receives owner/operator submissions. Limits go to \$1 million/\$2 million, with more available through excess, and premiums start at \$750. Lost key coverage is included with a \$10,000 limit at no charge. Deductibles start at \$500. Coverage is available for commercial and residential exposures and includes make-ready operations and crime-scene cleanup. It is available on a nonadmitted basis in California and Nevada and on an admitted basis in Arizona. Abram Interstate also offers limited coverage with Travelers.

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