



## Property Performance Series<sup>®</sup> Sales Playbook



Bring on tomorrow



Property Performance<sup>®</sup> is a sophisticated property damage and business interruption insurance product for medium to large sized risks. It offers outstanding benefits to our broker partners and clients, taking clients' business continuity capabilities to higher levels and providing brokers with exciting business opportunities.



## Market opportunity

The potential market for brokers to sell Property Performance is substantial – as it is suitable for high caliber businesses in all sectors and multiple countries and jurisdictions.

## Business acquisition

Property Performance is clearly differentiated from competing Property Damage/Business Interruption products. This in turn helps our broker partners stand out from their competitors and get a strong foothold with potential new clients.

## Business retention

The outstanding coverage and service provided by Property Performance also makes it a powerful business retention tool for our brokers.

## Sustainable business continuity

Property Performance coverage and service is designed to help clients maintain their business continuity. This strengthens our brokers' positioning as valuable risk management partners to their clients, generating increased client loyalty.

## Cross sell opportunities

Property Performance coverage extends to several non-traditional property exposures such as Cyber and Upgrade to Green<sup>®</sup>. It opens the door for discussions about clients' exposures in these areas and additional insurance solutions.

Property Performance is designed for medium to large businesses across multiple sectors.



## Size

Property Performance is designed for businesses with total Property Damage and Business Interruption sums insured over \$25 million and premiums in excess of \$100,000 (or local market equivalent).

## Sector

Property Performance is designed for businesses in a wide range of sectors, including manufacturing, engineering, technology, services, leisure, and education.

## Geography

Property Performance is not just for local business but also for clients with one or more overseas locations. Our global wording provides consistent coverage for all locations at the local level. AIG's vast global network means expert local support on the ground, wherever in the world your clients' facilities might be.

## Broad Comprehensive Coverage

### Fewer conditions and warranties

Property Performance is for mid-sized to large clients who are interested in broad coverage and contract certainty. In response to client feedback, we have removed many of the warranties and conditions traditionally included in property policy wordings. For instance, there are no protection warranties or penalties associated with incorrect valuations, such as coinsurance or margin clauses.

### Full replacement cost

Clients benefit from full replacement cost coverage to ensure all their needs are met in the event of a loss. Our underwriters work with our broker partners and clients to ensure values are adequate.

### Simpler claims settlement and business continuity

A key objective of the Property Performance Policy® is to provide a contract that is easy to read and navigate. We are also committed to ensure a smooth claims process start to finish, so clients get their claims paid quickly, with minimum interruption to their business operations.





## Optimized Business Interruption Cover

### Client choice of cover - to maximize business continuity and optimize recovery

Property Performance gives clients great flexibility after a Business Interruption loss by allowing them to select the most favorable basis of settlement. Cover on a Gross Profits basis provides loss of Business Income up to the maximum period of indemnity. Cover on a Gross Earnings basis provides loss of Business Income up to when the property is repaired and the business can resume operation.

The most favorable basis of cover depends on the individual loss scenario. To ensure your client gets the benefit of this, we undertake both calculations and pay the greater of the two amounts.

### When is cover on a gross profits basis advantageous?

After a loss, repairs are completed quickly and the business resumes operations, but there is an ongoing loss of business income, as it takes time to recover sales lost to local competition. In this situation, a Gross Profit basis of claims settlement covering loss of business income up to the maximum indemnity period may be preferable to clients.

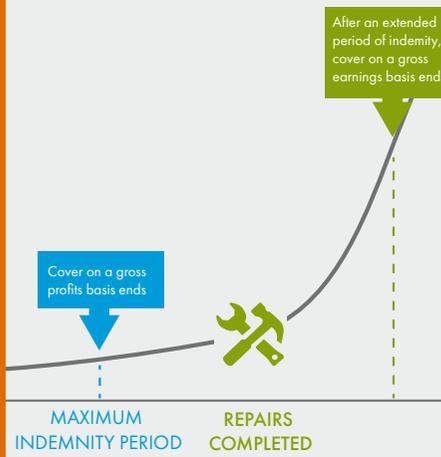
[VIEW CHART >](#)



### When is cover on a gross earnings basis advantageous?

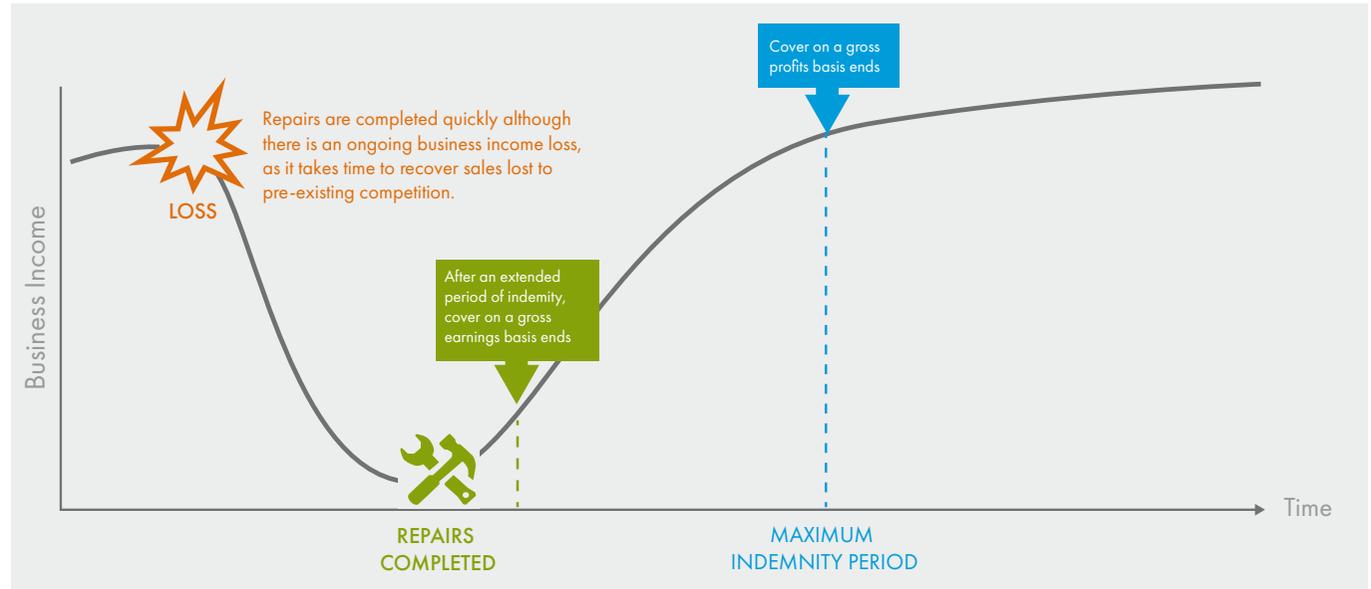
After a loss, repairs can take longer than the indemnity period. (This can be the case after a local catastrophe creates difficulties sourcing labor and materials, or there may be delays when the premises are not owned and controlled by the client). In these situations, cover on a gross earnings basis up to the point where the property is repaired may be preferable.

[VIEW CHART >](#)



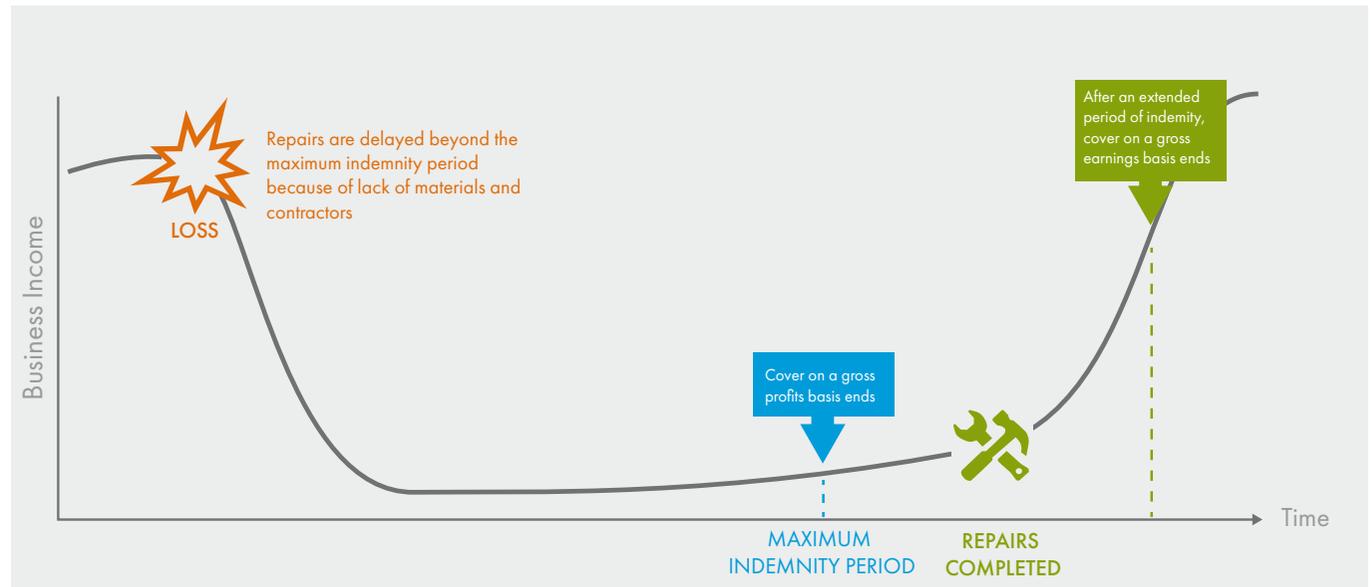
### Chart 1

In this scenario, recovery on a gross profits basis for loss of business income within the indemnity period may be more beneficial to the client than cover on a gross earnings basis.



### Chart 2

In this scenario, settlement on a gross earnings basis for loss of business income may be more beneficial to the client than cover on a gross profits basis.





## 100% Solution

### The benefits of one AIG

AIG provides some of the highest property insurance limits available in the market, allowing us to write 100% of your clients' property insurance needs. This gives your clients the certainty of having all their property damage and business interruption with the same insurer and avoiding potential gaps in coverage. Most importantly, it delivers real client benefits at the claims stage.

### Claims promise

By writing all of your clients' property needs, we manage claims very effectively and help clients get back to business as quickly as possible. It also means we can deploy our claims promise to advance 50% of the agreed estimate of the property repair costs, clean up costs and expenses, once coverage is confirmed.

We know how critical cash flow is for businesses in this situation, and our willingness to make these upfront payments quickly is a key component of our ability to maximize our clients' business continuity.

## After a loss

We will advance the client 50% of the estimated property damage, clean up costs and expenses once coverage has been confirmed and the estimate for damage has been agreed.



There is significant stress and disruption following a major loss and clients can face long restoration periods, dislocation of staff, and other unforeseen challenges. Our goal is to help our clients mitigate their losses and get back up and running as soon as possible. Our policy of advance claims payments can be vital to sustain cash flow and business continuity.

Property Performance cover has been extended in many areas to strengthen clients' business continuity.

### Contractual penalties

Coverage is provided for contractual penalties the client is legally liable to pay due to a material breach in a pre-existing contract and directly resulting from a covered loss.

### Crisis management

If a civil or military authority prohibits access to a covered location due to a violent crime, suicide, attempted suicide, or armed robbery, resulting business income and extra expense loss to the client is provided.

### Cyber

Although a standard cyber exclusion has been common in commercial property policies, Property Performance not only covers clients' costs to repair or replace damaged electronic files (including damage by hacking, virus and other unauthorized access), but it also covers the resulting business interruption costs as well.

### Equipment breakdown

Property Performance covers equipment breakdown, including electrical and mechanical breakdown and computers.

### Environmental clean up

Property Performance covers the costs of cleaning up pollution from land or water at the insured's location after a covered loss. This is a first party coverage element from environmental insurance that complements other environmental insurance products.

### Upgrade to Green®

Rebuilding damaged property with certified green materials to certified green standards may cost more than standard repairs, and this is covered by Property Performance. Local authorities may have green guidelines. Clients also benefit from demonstrating their green credentials from a Corporate Social Responsibility perspective, while owners can command higher rents from green properties.

The Property Performance Series offers individual, industry-focused forms that are tailored with additional coverage extensions designed to meet client needs. Each form was custom-built and is serviced by industry experts focused on particular market segments — from healthcare and manufacturing to real estate and retail.

### Education

- Research animals and materials
- Evacuation expenses
- Fundraising expenses
- Relocation expenses
- Professional employee replacement expenses
- Research and development expenses
- Personal property of a patient or patient visitors
- Patient and tenant relocation expenses
- Spoilage coverage broadened to include accidental extremes of temperature and relative humidity change

### Healthcare

- Evacuation expenses
- Fundraising expenses
- Personal property of a patient or patient visitors
- Patient and tenant relocation expenses
- Professional employee replacement expenses
- Mobile medical and diagnostic equipment
- Home healthcare medical equipment
- Research and development expenses
- Research animals and materials
- Spoilage coverage broadened to include accidental extremes of temperature and relative humidity change

### Manufacturing

- Research and development expenses
- Research and development restoration expenses
- Deferred idle period
- Tax treatment of profits
- Warehouse legal liability
- Control of damaged merchandise
- Spoilage coverage broadened to include goods in transit

### Real Estate

- Historical building reproduction and consulting costs
- Tracing and access of water and oil damage
- Unauthorized use of electricity, gas and water
- Rent free period
- Archaeological expenses
- Warehouse legal liability
- Leasehold interest
- Evacuation expenses
- Tenant relocation expenses



### Retail

- Warehouse legal liability
- Fine valuables added for theft
- Tax treatment of profits
- Spoilage coverage broadened to include accidental extremes of temperature and relative humidity change and goods in transit
- Specific valuation for retail goods at manufacturing plant or warehouse and retail stores

Working closely with clients, understanding their businesses and how they're changing means our loss prevention engineers can help our clients positively manage their risks.



### AIG loss prevention: at the heart of business continuity

Brokers and clients have access to AIG's world class loss prevention engineering expertise. Our engineers work closely with clients to gain a deep understanding of their business and provide practical solutions to risk exposures, with detailed analysis in the form of risk engineering reports. Our engineers are highly sensitive to clients' business needs, identifying "easy wins" that can be implemented with minimum disruption to the operation, to more substantial risk improvements with investment requirements that are prioritized to help safeguard the business.

### Benchmarking clients against their peer groups

Our engineering experience across industrial sectors and geographies means we can benchmark our clients' operations, wherever in the world they are, against industry standards. This means that clients can see how their different locations perform against their peer group, where their relative strengths and weaknesses lie from a risk management perspective, and where to focus improvement activities. It also helps clients develop their own informed risk management guidelines all designed to maximize their business continuity.

### Catastrophe Expertise

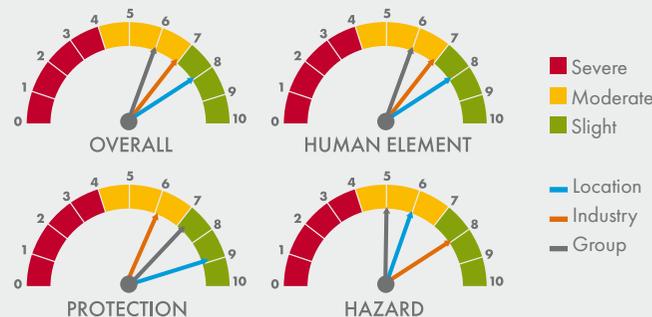
#### Before the event

With world class catastrophe expertise, we routinely model our clients' wind, flood and earthquake risks before any loss to help them manage their exposures and develop back up plans. Business continuity is a key concern for our clients and we can work with them to ensure contingency plans are robust and that design specifications are followed for any necessary risk improvements.

#### After the event

After a catastrophe our international claims capabilities have proved vital to many clients. As soon as we are alerted to the possibility of a catastrophe, we identify vulnerable clients, and move a claims team to the affected area to support them. Whether that's with advance payments, alternative accommodation, identifying invoices falling due and making early payments on account, it's all focused on helping clients rebuild and resume their operations as quickly as possible.

Benchmarking client operations at site and group level against industry norms helps focus risk improvement activities by highlighting best practice and areas for improvement.





WHAT'S THE SALES OPPORTUNITY?

WHAT DO TARGET CUSTOMERS LOOK LIKE?

BROAD COMPREHENSIVE COVERAGE

OPTIMIZED BI COVER

100% SOLUTION

COVER EXTENSIONS

INDUSTRY-ENHANCED FORMS

LOSS PREVENTION ENGINEERING

MULTINATIONAL

Property Performance is currently available in these countries – with more to follow.

AUSTRALIA

CANADA

FRANCE

GERMANY

IRELAND

ITALY

NETHERLANDS

PORTUGAL

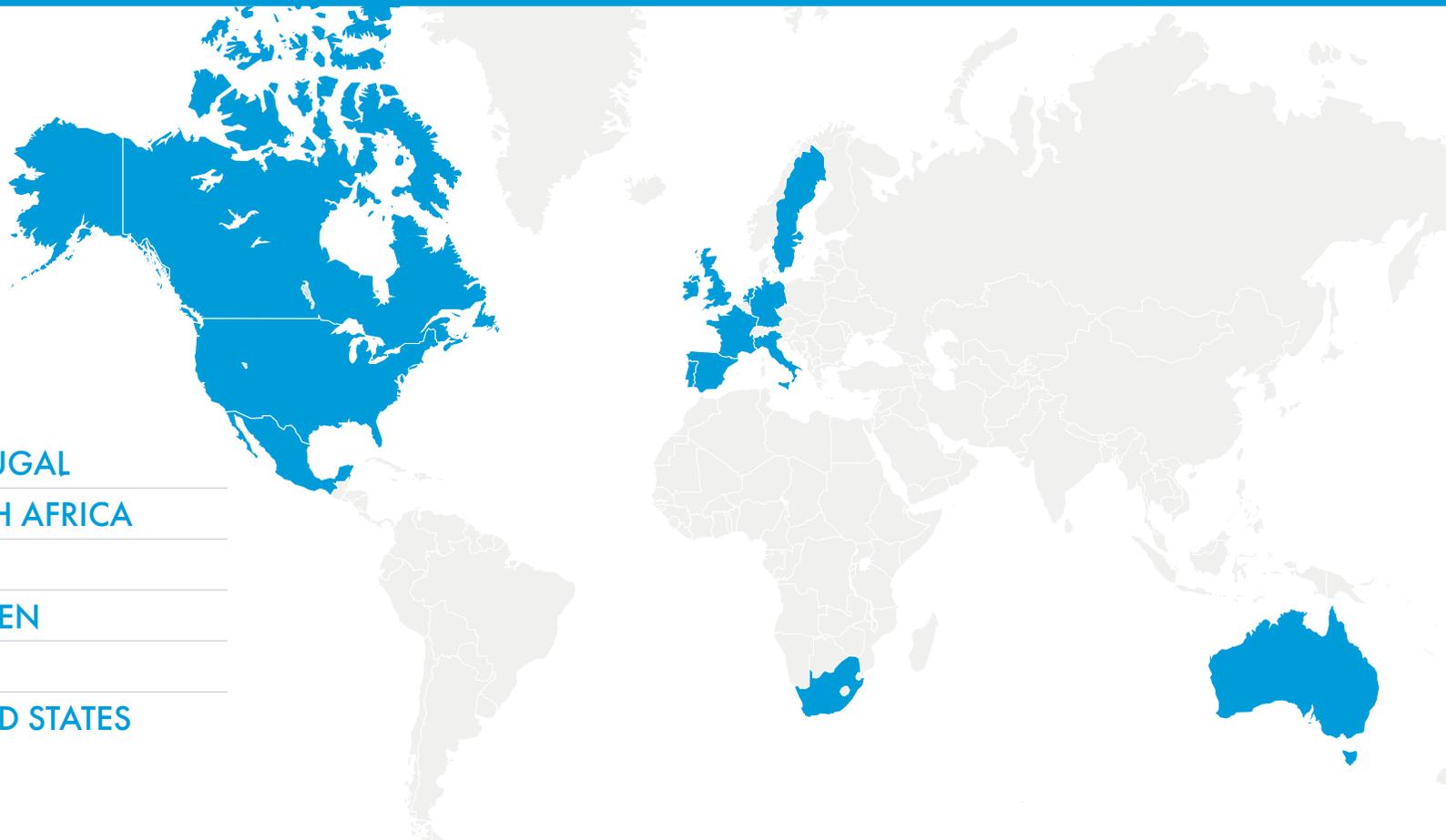
SOUTH AFRICA

SPAIN

SWEDEN

UK

UNITED STATES



American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at [www.aig.com](http://www.aig.com) | YouTube: [www.youtube.com/aig](http://www.youtube.com/aig) | Twitter: [@AIG\\_LatestNews](https://twitter.com/AIG_LatestNews) | LinkedIn: [www.linkedin.com/company/aig](http://www.linkedin.com/company/aig)

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