



# Client Case Study

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## **J & J Air Conditioning**

# Insurance Cost Reduction Services

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## Case Study for J & J Air Conditioning

### Client Profile

J & J Air Conditioning is a progressive, successful, and well-managed HVAC contractor, performing a complete range of commercial and industrial HVAC Services from their San Jose, California location.

#### KEY COMPANY FACTS:

- » Since 1978, the company has been a leading servicer of commercial air conditioning systems in California's Silicon Valley area
- » Owner: Jerry Hurwitz
- » Location: San Jose, CA
- » Years in business: 28
- » Bulk of market: Industrial-commercial
- » Buildings under contract: 450
- » State Contractors License: #394587, Class C20,C36 & C38
- » Dun & Bradstreet: #051181154
- » Total employees: 45
- » Total service technicians and installers: 33
- » Web site address: <http://www.jjair.com>

### Business Situation

The owner, Jerry Hurwitz, was generally satisfied with his insurance program when we first met with him. His insurance vendor had been responsive to most of his needs and requests to date. Acceptable certificates of insurance appeared on request by the company, claims were being paid out as expected, and the renewal cycle had so far generally been a smooth one. The owner was under the impression that current policy pricing was generally competitive in the marketplace.

Despite his general overall satisfaction with his account management, J & J's owner is an open-minded individual who is open to exploring additional avenues to improve the level of servicing and pricing his company receives. When he was initially approached about ICRS' services, he saw an opportunity to become a more educated insurance buyer, and get some needed assistance in the insurance renewal and management process. He was also interested to ascertain if ICRS could help further increase his bottom line profitability by lowering the premiums he was paying for his current levels of policy coverage.

### Strategic Actions Taken

ICRS performed its standard services, starting with the development of a thorough set of insurance renewal bid specifications. The company's existing insurance program was analyzed to identify strengths and weaknesses. While carefully respecting the relationship with the current insurance broker, additional resources were introduced from the insurance marketplace. Numerous quotations were solicited from additional insurance vendors using the newly developed

insurance bid specifications, and the resulting quotes were examined and compared to current policies.

## Results

The competitive energy that resulted from a professionally orchestrated renewal bidding process was significant, and had numerous benefits for the company. The owner was spared from having to deal with numerous quoting vendors, which saved him a great deal of time and frustration. Further, because the insurance specifications were well developed, there were no questions from any of the quoting companies in regards to their contents or the company's insurance profile and needs. Instead, the owner was presented with a timely quotation analysis performed by ICRS which summarized the quotes received.

The resulting quotation summary developed by ICRS lined up received quotes side-by-side to allow for easy policy comparisons, including clearly delineated sections comparing policy premiums, rates, and coverage. A review of the financial strength of the quoting insurance companies was also included. Quoting brokers had committed to specific services they would provide if they were selected, and this information was included as well.

As a result of this process, the company owner was empowered to rapidly make an informed decision, which ultimately took him less than an hour. **The move reduced annual company insurance costs by 34%.**

Despite initial beliefs to the contrary, it became quickly evident to the company that the incumbent vendor had not been providing truly competitive pricing. In addition to the strong financial gains resulting from this process, the company also found that their insurance coverage and customer service from their broker improved. They also felt better empowered and informed about the insurance buying process from a buyer's perspective.