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# AMERICAN Agent & Broker

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## 800-Pound Gorilla: Coastal Property Dominates East Coast Insurance Scene





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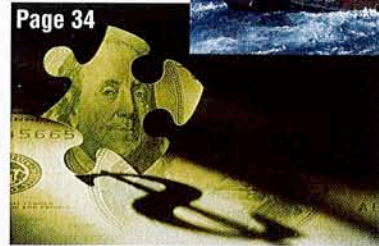
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Looking beyond the green label  
By MARLYSS GAGE

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**GUEST OPINION** By **MARLYSS GAGE**, senior vice president, enterprise underwriting, Travelers

## Looking beyond the green label

**W**ith customers increasingly focused on environmentally responsible purchases, brokers and agents are fortunate to have a wide variety of green insurance products available. We continuously seek ways to enhance existing and develop new products and services to assist our customers in protecting their assets while encouraging environmentally responsible behavior.

For those agents and brokers who want to add real value to the service they provide customers, it pays to partner with an insurer who goes beyond sticking a “green” name on a policy. The best bet: Look for a company with not only a strong portfolio of green products, but also the expertise to deliver appropriate risk control advice and a solid track record of working with those who are addressing environmental issues.

When the nonprofit coalition Ceres issued its 2007 annual report on insurer response to climate change, it found that the offering of green insurance products had more than doubled from the prior year. The report identified 422 green products—compared with only 192 in 2006—provided by 190 insurers in 26 different countries. As the report noted, “Insurers are seeing and seizing the opportunity that climate change-related issues are providing.”

Today’s insurance products offer a variety of incentives and protections for environmentally responsible choices. Examples include:

- Discounted premiums for buyers of hybrid cars and electric boats. These not only encourage consumers to make greener choices, but also provide a financial incentive to partially offset the higher cost of the vehicles.

- Extended coverage for replacement costs that include green products, services and technologies. For instance, green building coverage enhancements are designed to cover the additional costs to use green materials or construction techniques when rebuilding after a loss and also may include coverage extensions for vegetative roofs and the higher cost of using recycled materials. Another example is boiler and machinery policies that provide for the increased costs to replace damaged equipment with more efficient and environmentally friendly equipment following a loss.

- Policies tailored for alternative energy production, such as wind farm coverage. These products provide custom-

ized coverage for the specific needs of these growing sources of clean, renewable energy.

Whether buying organic food, installing rooftop solar panels or purchasing recycled products, today’s environmentally attuned consumer has proven willing to patronize those whom they see as aligned with their philosophy. Many are savvy shoppers who look past green labels and demand proof that their purchases are environmentally responsible.

Brokers and agents can win the hearts and minds of these customers by partnering with insurers who go beyond calling their policies “green.” Among the services these types of insurers provide is risk control advice, which addresses a world that is seeing wide swings in climate, allowing brokers and agents to help customers protect assets and prepare for recovery after disasters.

In addition, by offering customers resources that explain green building techniques and the implications behind new technologies and strategies, brokers and agents can help set appropriate expectations and highlight potential pitfalls.

They also can offer their customers assurance that claims involving environmentally responsible services and technologies will be dealt with appropriately, based on the insurer’s green expertise.

Finally, by choosing insurers who have a visible profile in the groups that are working toward sustainability and environmentally responsible policies, brokers and agents know they and their customers will be kept abreast of this dynamic field as it evolves.

Brokers and agents want to meet the needs of their environmentally focused customers with products that are tuned in to today’s green revolution. Those who also can offer specialized guidance to help customers navigate the green scene effectively will stand apart from their competitors. **A&B**

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