

## Case Study: Strategic Coverage Placement for \$50M Healthcare Development

### Challenge

A local construction, development, and property management company in the Indianapolis area partnered with a large publicly traded real estate investment trust (REIT) to secure debt and equity for a new healthcare-focused active adult living facility.

The planned project — a **\$50 million total insured value (TIV)** wood-framed development — is expected to take approximately 2.5 years to complete.

As the project progressed, both the client and the REIT independently engaged their respective insurance brokers to shop for builder's risk coverage through different market channels. The REIT's broker returned a quote based on a reduced TIV of \$38 million to keep total insurance costs within the project budget. However, this approach effectively removed **\$12 million** in value from the coverage, leaving key exposures uninsured and misaligned with the project's accurate risk profile.

### Solution

Serving as the developer's **fractional insurance executive**, KBIC collaborated with the developer's broker to market the project at the full **\$50 million total insurable value**.

The resulting proposal matched the REIT's option in deductibles, sublimits, and coverage terms — yet came in **\$0.08 per \$100 lower in rate**. This translated into an estimated \$60,000 in savings over the course of the project, while maintaining comprehensive coverage across all insurable aspects.

Through transparent benchmarking and direct market comparisons, KBIC demonstrated that its approach not only preserved complete protection but also produced measurable cost efficiency, validating the strength of its broker collaboration process.

### Why KBIC

KBIC helps small to mid-sized businesses compete on a level playing field with large institutional entities. While publicly traded partners and their brokers often have greater resources, KBIC provides an equally sophisticated, data-driven strategy that protects clients' interests without compromising cost or coverage quality — reinforcing the adage:

*“It's not the size of the dog in the fight, it's the size of the fight in the dog.”*

Through a combination of market intelligence, broker collaboration, and construction-specific expertise, KBIC empowers clients to make informed, strategic insurance decisions that strengthen their position in complex joint ventures and partnerships.

When you look at your internal team managing insurance, do they have the time and expertise to negotiate and collaborate with your brokers to achieve better outcomes? If not, bringing KBIC in as a **fractional insurance executive** — **serving as your fiduciary on your side of the table** — might be precisely what you need.

## Thank You and Introduction

Thank you for the opportunity to get to know you and your organization better. Our team is honored that you are considering KBIC's third-party fiduciary services as a resource to improve the efficiency of your internal insurance processes. Our approach is designed to create measurable results for both shareholders and employees.

Third-party fiduciary services are not the right fit for every organization. If key stakeholders are comfortable with their traditional insurance approach and are confident in their current results, engaging a third-party fiduciary like KBIC may not be necessary.

However, if stakeholders feel burdened by their insurance process, frustrated by the time and cost it requires, uncertain about the results, or uneasy about navigating a constantly changing landscape, partnering with a third-party fiduciary may be the right solution.

## Our Mission

To serve shareholders as their fractional Vice President of Insurance Operations. Through a transparent, fee-only, and fiduciary relationship, we pursue the elimination of unnecessary insurance costs and the insurance management burdens our clients face.

## Key Definitions

**Fiduciary (noun):** An individual or entity entrusted with authority and obligation to act solely in the best interests of another. A fiduciary must maintain absolute objectivity, total trust, and avoid any conflict of interest where personal benefit could influence judgment.

## Who is KBIC?

In 2010, we left our traditional insurance careers to start an independent consulting firm. We knew that to truly advise our clients with objectivity, we needed to completely disaffiliate from all insurance products, commissions, revenue streams, and industry biases.

Over time, our model has evolved into a **full-service, third-party fiduciary** supporting corporate insurance plans (benefits) and programs (property & casualty).

Our team manages internal insurance duties for corporations — responsibilities that often fall on the CFO, HR manager, or CEO, depending on company size.

Large organizations employ professionals such as Directors of Benefits or Directors of Risk Management. KBIC delivers that same level of expertise to **small and mid-sized companies**—typically those with **25 to 500 employees**—who need this specialized guidance but don't have it in-house.

We have grown from two partners, two laptops, two card tables, and no clients to a talented team of professionals serving **more than 60 organizations** as their **fractional VP of Insurance Operations**.



At KBIC, we do not sell insurance and have no affiliations with insurance carriers or distribution systems of **agents, brokers, or advisors**. This independence is critical. A fiduciary must remain completely objective. Our clients maintain their traditional service providers such as brokers, PEOs, carriers, and captives. KBIC collaborates directly with both current and prospective service providers to advance the client's insurance agenda.

KBIC operates under a **100% transparent, fee-only structure**. All revenue comes exclusively from these transparent fees. We do **not** share or receive any income, commissions, perks, or any other consideration from brokers, advisors, or service providers who also serve our clients.

Currently, **65% of KBIC's business** supports employee benefit plans, and **35%** focuses on property and casualty programs.

## In Summary

Our clients typically come to us because they are burdened by the **cost, management, compliance demands, and uncertainty** of their insurance portfolio. They value our independence — that we sell no insurance products and have no financial interest in the outcomes of their insurance placements.

By bringing KBIC on as a **fractional insurance executive**, clients achieve greater accuracy, save time and money, and gain confidence in their programs. Most importantly, it allows their talented people — CFOs, HR leaders, and executives — to refocus their energy on more profitable and fulfilling priorities.