



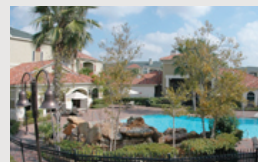
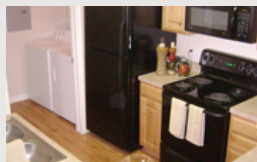
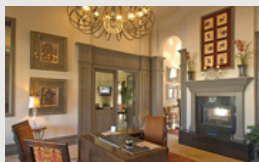
Renter's Insurance Saves Property from Catastrophic Fire

Company: CWS Apartment Homes, LLC

Units: 100 total units

Location: Riverside Square, Austin, Texas

Web site: www.cwsapartments.com



“When we experienced a major fire at our community, our renter's insurance program saved our property a substantial amount of money and helped with resident retention, because those who were affected were taken care of in its aftermath.” – **Shanna Teague, Risk Manager**

Business Challenges. Looking for ways to manage expenses associated with resident-caused damages, CWS added renter's insurance to its risk management program to protect its operational budget. When resident negligence was the cause of an April 2009 fire that damaged 30 units, the community was able to realize considerable savings and retain residents, because the residents were insured.

Solution. A required renter's insurance program transfers cost of risk to the renters, and offers renters liability coverage for damage they may cause and protection for their belongings.

- Creates operational savings.
- Saves on the cost of the deductible for the property owner.
- Improves resident relations for stronger retention.

Why LeasingDesk? It is the only insurance service provider with programs exclusive to multifamily.

- Flexible coverage options that can cover a portfolio's properties nationwide, with policies carried by "A" rated underwriters.
- Robust, pre-approved coverage offered to residents at highly affordable rates.

- Provides ancillary revenue stream via a partnership that provides a marketing fee for every unit that is covered.
- Easy to administer, with LeasingDesk managing the program turnkey; from implementation to claims facilitation.

Results. LeasingDesk renter's insurance manages risk, delivers greater protection for CWS' operational budgets, drives resident retention, and delivers security to residents in the event of loss or catastrophic event.

- Protects the CWS operational budget because residents are covered through their own policies.
- Reduced the property and casualty premium through transfer of risk.
- Eliminates misconception that the community is responsible for reimbursement of lost possessions.



Manage Risk. Save Money. Improve Resident Retention.

LeasingDesk® Renter's Insurance

The Decision to Implement Renter's Insurance

CWS Apartment Homes began requiring renter's insurance as a condition of residency to help reduce the cost of the increasing number of claims the company was experiencing at its properties. The typical claims CWS experienced were from an assortment of resident-caused accidents, such as fires caused by unattended candles and cigarettes, to a flood caused by an overfilled bathtub. The cost for these claims comes directly from the community's operating budget, including cost of the deductible or paying for below-deductible repairs. Even a single accident can substantially impact the property's budget, unless there is the protection that comes from renter's insurance.

Riverside Square, Austin, Texas: A Costly Fire

In the early hours of April 11, 2009, the Austin fire department was dispatched to a 3-alarm fire at Riverside Square, managed by CWS Apartment Homes, LLC. One 30-unit building was consumed by a rapidly growing fire started by a lit cigarette left on a third-floor balcony. Twenty-two units sustained extensive smoke, water, and fire damage. The remaining units in the building, though untouched by the fire directly, were deemed uninhabitable because of major damage to the building's electrical system. As a result, nearly 100 residents were displaced. The estimated damage to the property exceeded \$2 million.

"This fire emphasized the exceptional value renter's insurance provides not only to us, but to our residents," said Shanna Teague, director of insurance and risk for CWS. "Renter's insurance not only protected our community from the tremendous financial responsibility, but also delivered peace-of-mind to our residents, an invaluable benefit during the time of crisis." Those who had insurance received checks within a matter of hours; many relocated to other CWS communities. Those few who

didn't have insurance were far more frantic and faced significant challenges to restart their lives. The renter's insurance program eliminated any expectation from residents that CWS would be responsible for replacing their personal possessions. It is estimated the residents affected by the fire collectively experienced \$500,000 in personal property loss.

The Results of a Renter's Insurance Program

The community's forward-thinking strategy to implement a LeasingDesk renter's insurance program delivered financial savings on several levels and worked to boost resident retention.

"The savings to our bottom line is huge," said Teague. In addition to covering the costs of this incident, CWS saves on resident-caused damages which are now paid for by renter's insurance. Furthermore, the company was able to reduce its property and casualty premium by controlling loss potential through the transfer of risk through a renter's insurance program. In addition to these savings, CWS receives an ancillary revenue stream from LeasingDesk for their marketing assistance of the program to residents.

