

Case Study: Driving Ancillary Income Through Compliance

A vertically-integrated multifamily real estate operator recognized an opportunity to improve the performance of their portfolio after a large fire made it clear their residents were not maintaining renters insurance. LeaseTrack was hired to help manage compliance, mitigate risk, and drive additional revenue.

In August 2019, the vertically-integrated multifamily operator with over 10,000 units suspected their residents were not maintaining renters insurance after providing proof of coverage. The firm had the components of a successful renters insurance program; a preferred renters insurance provider, a tenant legal liability (TLL) alternative, and a team of leasing agents managing compliance.

Client Objectives:

- Centralize Compliance: Increase adoption through automated certificate validation, tracking and management
- Drive Ancillary Income: Insurance choices for residents while tracking certificates and holding them accountable
- 100% Covered Units: Outsource compliance management to experts, eliminating local leasing agents from the process of enforcing the requirements set forth by ownership.

Problem

This client's residents were not maintaining renters insurance after move-in. The client's reporting indicated that 67% of their residents maintained renters insurance. 23% were being assessed a TLL charge and automatically enrolled in the client's master tenant legal liability program, and the remaining 10% were unaccounted for. Unfortunately, the client's data did not show the full picture, and the fire proved to them that they had more uninsured residents than they initially thought.

The LeaseTrack Solution

Built on a decade of experience managing renters insurance programs for some of the largest owners and operators in the country, LeaseTrack was

founded to address the national noncompliance problem; 19.5% of all renters cancel their insurance policies within the first 180 days of issuance. Having tracked more than 1 million renters insurance certificates inside of property management systems, LeaseTrack had the technical expertise to drive this client's portfolio to 100% compliance.

19.5 % of all renters insurance policies cancel within the first 180 days of issuance

Centralized Compliance

Prior to using LeaseTrack, the client's lease data monitoring was spread across multiple divisions, including numerous local leasing offices who each processed insur

Client Outcomes:

100%

lease compliance

70%

increase in fee revenue

10%

risk eliminated

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ance proofs differently. This created a wide compliance gap, as there was no centralized control to the compliance process.

Ancillary income

Prior to launching, LeaseTrack conducted a data audit for the client and discovered a bug in their data that revealed customers without compliant insurance were not being charged a non-compliance fee as required in their lease.

After addressing this bug and deploying across the portfolio, LeaseTrack increased the client's fee participation rate within a 14 month period from 23% to 40%, a 74% increase.

LeaseTrack was able to increase the client's participation rate from 23% to 40% in a 14-month period.

100% Compliance

One of the first corrective measures LeaseTrack implemented on behalf of the client was to initiate accurate tracking of all third-party policies. After this framework was put into place, residents were provided with a variety of options for obtaining coverage. The client became able to hold the correct residents accountable

for not maintaining insurance, without needing to rely on leasing agents to determine accuracy.

Prior to LeaseTrack, the client was inaccurately monitoring their renters insurance policies, After deploying the LeaseTrack solution, they were able to both monitor and accurately manage compliance, while providing residents value, and unburdening leasing agents.

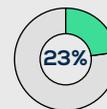
Conclusion

By establishing centralized control of compliance, and accurately tracking the status of all insurance policies, the LeaseTrack software and compliance team was able to reduce user error by 31% by removing compliance determination from leasing agent's desks, while making more money for the client.

As a result of using the LeaseTrack solution, the client's revenue increased 74% within a 14 month period. LeaseTrack was able to accomplish the client's objectives of driving ancillary income through 100% covered units while centralizing the compliance process.

To see how LeaseTrack can help you increase data accuracy, compliance, and profits, call 800.430.8075.

Before LeaseTrack

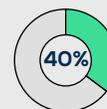


23% of residents paid the compliance fee



Only 90% of residents were accounted for

After LeaseTrack



40% of residents paid the compliance fee



100% of residents were accounted for

clean data

+

coverage



compliance

clean data

+

coverage

=