

Case Study#6: Cost Containment Insurance

Snow Removal

- The costs for snow removal can add up quickly during any given winter season. For cities, and building managers, snow removal expenses are a very sensitive part of their annual budget.
- Many cities try to manage the possible expense overruns of their snow removal costs by purchasing a Cost Containment Weather Insurance policy from HCCS.
- For one Massachusetts town last season, the investment paid off, allowing them to keep their snow removal budget steady even in an extremely snowy winter.
- For this town, their contract for snow removal was set for each four inch storm that occurred during the season. The contract would cover the first six occurrences of a four inch or greater storm, but for every storm over that, an additional charge of \$100,000 would be invoiced to the town.
- When eight storms of the four inches or more were recorded that winter, HCCS provided the town with a check for \$200,000 which they were able to use to pay off the additional expenses charged to them by the snow removal company.