

How Can You Get the Best Broker, Coverage, Price and Service?

By Charles T. Wilson

Insurance programs, like cars and people, need a regular check-up or review to ensure their vitality and fitness. A judicious review can bring significant benefits because business risks can change a lot in today's litigious world, and new ones can crop up without warning.

But most people dislike the thought of insurance. They put risk and insurance permanently on the back burner – until there's a problem. Then it can be too late: studies show that 80% of small businesses that suffer a big loss without a contingency plan go bankrupt.

An Insurance Program Review gets you the right broker and service, the right coverage and price, and it's not difficult. A little discipline can save you time and hassle if there's a claim, and money because, in the long run, your awareness and prevention planning will mean you have less risk.

Start by determining if you have the right broker. Is there evidence of:

- Knowledge and experience with your industry?
- Understanding and interest in your business?
- A back up team in case he or she isn't immediately available?
- Access to major insurance companies? and
- Transparency with regard to commissions, fees and any special bonus arrangements with insurance companies?

Next create a list of your service needs and expectations. This might include:

- A binder of all policies and coverage summaries;
- A detailed conversation about coverages and exclusions;
- A loss control inspection to detect possible flaws in your plans;

- Regular visits to check on changes in your business, discuss your losses and update you on the overall insurance marketplace.

Negotiate your needs and get agreement up front. Don't be vague: insurance is a vital business decision and a major expense.

The third step is a thorough review of your current business risks, contingency plans and protections. Ask, what could go wrong and how much would it cost? What protections do you have in place (including your insurance policies) and what gaps do you need to fill? Look at all areas of your firm: assets and liabilities; leases and contracts; employees, suppliers and customers; operations and bottlenecks; advertising and web content, to name a few.

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Finally, make sure you have a great story to tell the insurance company about your business – your Risk Profile. It includes your commitment to quality, customer service, training, safety and loss prevention to get an insurer's attention and possibly bring your premium costs down. Then get recommendations for appropriate insurers (financially strong, reputable for claims service and locally licensed), and ask your broker for several quotations to compare prices – they can vary widely. Don't automatically choose the lowest price: weigh service reputation and financial strength in your decision.

By following this insurance program review process you can be sure to get the *best* broker and service, the *best* coverage and price, and the lowest risk. And you may even save money in the process!

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