

So, you don't have an insurance broker...

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I see so many clients, really intelligent business people, with no – or the wrong – insurance broker. Remember that a broker offers coverages from many different insurance companies; a direct writing insurer uses agents or reps that only handle that company's policies.

Most clients thought insurance was just a commodity so it didn't matter. Or they told me they were reluctant to talk with a "sales person". Some haphazardly bought auto insurance from a State Farm rep, for example, a business package from an Allstate agent and Workers' Compensation from the State Fund on-line (all these companies function without brokers). Their renewal dates were all over the calendar and they easily forgot what needed attention and when.

Is this a big problem?

Well, who's giving you advice about additional options or new coverage applicable to your business? What about proper limits, and how to get the best price? Who's telling you about gaps and overlaps, the right valuations for property and equipment, and the perils of co-insurance? This neglect can happen not only with the reps or agents of direct writers who have few or no choices of coverage to offer, but also with the "wrong" brokers.

Recently a broker responded to my recommendation about a key coverage enhancement by saying, "Well, I could look into that at the next renewal." I don't think he was clear on the concept of client-first service. Another agent convinced an insured to save \$100 by removing the critical Non-Owned and Hired Auto coverage from the commercial auto policy. I consider that criminal neglect.

You don't have to stand for this ~

1. For your business, do yourself a huge favor and get a "real" independent broker. Choose carefully (I know this isn't always easy) and then put all your insurance policies with that office. Coordinate your renewals to one date, and insist on professional advice, help, and advocacy. See [RiskSmart Tip #2](#) (*Is broker service an oxymoron?*), and [RiskSmart Tip #12](#) (*Read Your Policy*).
2. For your personal insurances do the same – or put it all with one direct insurer if you're willing to be pro-active and take charge. Don't necessarily listen to the gecko about saving money on auto insurance. Ask your broker or agent about the multi-policy discount for home and auto because it can be substantial. Coordinate your renewals to one date and use a monthly payment plan if you need to spread premiums out. That's better than haphazard renewal dates.
3. Be pro-active about managing the relationship and getting the advice you need: make sure key dates are in your calendar and meetings and updates happen on time.