

Top 10 Business and Insurance Blunders

We've all seen the various top-ten lists – some ad nauseam. And even with all my years in and around the insurance business and working with hundreds of companies large and small, I'm sure I haven't "seen 'em all"!

Here are some of the classics I've observed – which you can easily avoid.

10. Don't hire friends and relatives. Do get real skill-based job descriptions and hire **only** to those criteria. Lousy productivity and employment practices liability are significant and costly dangers.
9. Don't let Dan Denial be your risk manager. Do invest in safety and quality. Procrastination can be very expensive. Large company risk managers know that fixing something after a loss costs 8 to 10 times more than prevention.
8. Don't try to save money by underinsuring your property. Do insure to full replacement value and use higher deductibles to save premium cost.
7. Don't keep your computer backups next to the server. Do set up an automated off-site backup procedure. The first rule of risk management is "duplicate" and then, of course, keep it somewhere else! This goes for all key documents – inventories and pictures of property, valuable papers and contracts, and contact information for emergencies (employees, clients, suppliers).
6. Don't sign contracts you don't understand. Do read, ask questions and get legal and insurance advice from professionals. Understand what you're giving away and the potential consequences.
5. Don't stand for mediocre service from your broker. Be pro-active: schedule meetings, be clear about your needs, and insist on explicit answers and no jargon.
4. Don't let "junior" staff handle all customer service. Do stay involved to protect your reputation. Handle all complaints personally, and regularly ask for input and feedback.
3. Don't shoot from the hip with company processes and procedures. Do create a manual of guidelines. Consistency and not having to re-invent the wheel are strong measures to improve quality and productivity and reduce Employment Practices Liability.
2. Don't argue with a dissatisfied customer. Find out what they want and fix it, or refund it quickly.
1. Don't "abdicate" your insurance protection to your broker or agent. Sure it can be hard to understand, but it's way too dangerous NOT to pay full attention.