

4 ways to make insurance renewal work for you

Guest editorial
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It's fairly easy to guess how companies may feel about insurance policy renewal. It's a pain...it's time consuming... it's tedious. But I challenge you to rethink it — or, dare I say, even welcome it. Remember, insurance protects everything you've worked for, so it's worth your time to be an active participant in the process. Besides, there are key benefits resulting from a thorough renewal review process with your insurance professional.

1. Save money

Often, when operations are not reviewed for several years, you may find coverages that are no longer needed or operations that have been discontinued. For example, you may be an upfitter who no longer maintains a dealers' license, so vehicle inventory or dealers' liability

coverage isn't needed anymore. Another scenario could involve major safety changes resulting in more attractive property premiums — maybe you installed an alarm or sprinkler system, or replaced old electrical systems. These are items your agent would discover during the process and could bring to the underwriter's attention at renewal for possible savings.

2. Fill coverage gaps

This can be as simple as discovering the agent wasn't informed of a new vehicle purchase during the year. Or it could be as complicated as learning your board of directors makes important decisions on behalf of your company, but you don't have Directors & Officers (D&O) Liability insurance. Using the first example, an uninsured accident can be devastating to a small company. Depending how it's written, your policy may not provide coverage for an unlisted vehicle. In the second scenario, you may not be aware of any exposure for D&O liability —

however, these losses can be the largest of litigated claims, ranging from \$150,000 to more than \$1 million.

3. Learn how insurance dollars are spent

The better you understand from where your premium is derived, the better you can control that cost with accuracy. For example, if you know your General Liability policy has several operational classifications (upfitting, repair, parts sales, etc.), and each is assigned a rate per \$1,000 of estimated sales, you and your agent can appropriately classify your revenues. By not doing so, underwriters will generally lump all sales into one classification. Thoroughly reviewing your operations and listing them accurately for the underwriter can be helpful during an audit, and potentially save you from being double-charged.

4. Identify overlooked exposures

Risk assessment can come in

many forms — from an insurance company inspection to an old-fashioned conversation with your insurance agent.

The inspection can help identify operational areas that could lead to a claim — and often, recommended solutions are easily implemented. For instance, you may need to service your fire extinguishers, fix an eye-wash station, or clearly mark shop areas where the public is prohibited. While these seem like small things, they can lead to hefty losses, so resolving them is likely easier than the alternative.

Candid conversation with your agent about current and discontinued operations, and plans for the future is paramount. Your insurance professional may have suggestions not previously considered.

So, the next time policy renewal comes around, use it as an opportunity to understand what you're insuring (and not), identify exposures, and learn how you can help manage risk.



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