

SIMPLE WAYS TO KEEP YOUR INSURANCE PREMIUMS FROM GOING OUT OF SIGHT!

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Spiraling insurance costs seems to be on the tip of the tongue of every business owner today. As I go around and meet with my existing clients, we discuss ways to keep the protection they need, while keeping the costs affordable.

This is no easy task in today's insurance marketplace. Throughout the 1990's we were all riding the wave of huge investment gains. Insurance carriers were no different! Insurance carriers were writing coverages at a loss knowing they would be able to make up the difference in the market.

Just three years ago we were pricing light trucks on a commercial auto policy for just \$300-\$400 per year with very low deductibles on physical damage. It doesn't take a rocket scientist to know that just one windshield claim on that vehicle would cause us to lose money on that vehicle we were insuring!

How times have changed! Light trucks generally are priced at \$750-\$800 per year on new business, while some renewal pricing is inching towards these numbers. Renewal increases are all over the board with tougher classes of businesses seeing bigger increases.

However, there is some good news to report. There are ways to control these rising costs. Here are some simple ways to keep your INSURANCE COSTS LOW:

1. Save your insurance for the catastrophe. Too many times I see clients turning in claims of \$250, \$175, or even \$100. Insurance carriers do not like to see frequency issues on claims. They would rather see a large loss than several small ones.
2. Increase deductibles. I can't even tell you how often I talk to a client that has been in business for 10 years, never had a claim, but still has a property deductible of \$250. Typically, the credits you see for \$1,000 are not that high, but your agent should be able to negotiate a better deal by selling a higher deductible.
3. Keep your property clean and in good shape. Most underwriters want to see pictures of property before insuring it these days. Now, I'm pretty good "doctoring" up the pictures with the aide of software, but you can help too! Keep your building painted and the surroundings well maintained. This is a sign of pride in your workplace. Most underwriters will translate that to quality work as well. Check out this analogy for you sports fan.

4. Have you ever seen a sports official, primarily at the high school level that comes to the park dressed professionally. Their shoes are polished, hair trimmed nicely, and in good shape. Then you have the guy who shows up 80 pounds over weight wearing a torn shirt with the balloon chest protector? If there is a questionable call the guy who is dressed professional is going to get the benefit of the doubt over the guy who looks like a slob and is out of position because he can't move. The same can be said about insurance. The nice neat looking place of business is an easier sell for an agent than a building that needs a little work!
5. **Work with an independent agent.** Independent agents represent several carriers are typically technically trained better than most direct writers. Independent agents also are not limited to just one carrier. If I only had one carrier, I don't know what I would do. Can you imagine only having one supplier to choose from to buy your inventory? Insurance is no different. Some days one carrier may be hungrier than an other which will allow better pricing for you!