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A Forum for Insurance Process Control

Sample Issue

Wisdom Shared

This issue will focus on **Rising Insurance Rates should not mean Poor Insurance Service.**

With all the press lately about greed and corruption in management, it has come to my attention that there is quite a bit of mistrust out there among the business insurance buying public. **Can you blame them?** That was not a rhetorical question.

We all live in subjective worlds of convenient standards and a short supply of time.

Yesterday's problems are a distant remembrance and yet we continue to live by their standards day to day. Until a new issue or problem arrives, we lack motivation to implement change. We are too busy trying to drain the swamp or make budget estimates or some other objective of importance.

Until such problems impact the bottom line. Like Insurance.

The squeaky wheel gets the grease, the annoying cry gets the attention and when issues become problems we begin a new and try to find balance.

With all this said, it is time to assess your insurance buying process effectiveness for 2003.

Please read on....

Higher Premiums should translate to higher levels of Service.

Any successful business owner understands the value added customer benefit of seamless service. Customer retention and future loyalty depend upon it. So why are your levels of insurance service suffering?

Insurance agents and brokers are caught in a paperwork nightmare.

Many agencies or brokerage houses are understaffed to handle the increased level of paperwork required to properly service your business insurance account. You can measure their service level by auditing returned phone calls, timeliness of paper work and number of contacts after the sale.

Insurance companies are swamped with applications. As prices increase, your broker must remarket your account to numerous carriers or else multiple brokers are out there approaching numerous carriers. Either way, the number of new applications for insurance carriers is staggering.

The first insurance buying adjustment to be made is to start the renewal process 6 to 9 months in advance of renewal date. While it is true that insurance companies don't start working on your renewal pricing that early – it is imperative that you start to gather information, select market assignments for brokers and assess your loss experience.

There has never been a more important time to establish guidelines for your insurance buying process.

If you are going to pay a Cadillac Premium you should receive Cadillac Service, right?

Insurance Carrier Rating Watch

Who is watching your insurance carriers financial rating?

While you may be depending upon your agent or broker for this advice, remember the squeaky wheel. The problems that permeated Enron and WorldCom were invisible to those who were closest to the problem – employees and vendors.

Remember this, your insurance company rating at the time of renewal may be 6 months old. Any change or review might take months and you might be the last to know when problems are declared.

Why not get a quarterly update on their financial rating from your broker? Or at least, you can check yourself on the Internet by typing in the name of the company and Best Rating Services.

I would recommend that you subscribe to a rating service and get quarterly reports that include updates, changes and reviews.

Insurance Issues in the First Half of 2003

Those of you with insurance renewals coming up in the first half of the year have to be wondering if it can get any worse. Unfortunately the answer is MAYBE.

Accounts renewing after January 1, 2003 will be subject to new re-insurance pricing increases. Insurance company capacity problems and umbrella liability scarcity will make it even more imperative that you secure independent counsel to put your account in it's most attractive light.

The commitments and resources of your agent or broker should always be challenged.

Those values and services must be understood and coordinated to be the most effective in controlling your insurance buying process.

There is a method to sorting out this madness and positioning your company for the most attractive rates from an insurance carrier that will be there with the money.

If after reading this newsletter you feel your organization might benefit from an initial conversation regarding your company insurance renewal and future positioning that allows you to be in control of the process call Jay Johnston at 952-253-2710 or e-mail at Jay@TheSafetyLeader.com.

How to Use this Newsletter

This newsletter is primarily designed to encourage proactive thinking and insurance process control. It is filled with opportunities for you to expand an old idea or tryout a new concept.

You may notice that this issue was focused on **Rising Insurance Rates should not mean Poor Insurance Service.**

If you have concerns about controlling your insurance process and think you might benefit from an initial discussion of ways you can take control and audit your insurance service providers – please give me a call.

Consumer advocacy is the essence of consulting. You deserve an advocate.

Jay Johnston – Editor

PS. At Jay Johnston & Associates, I offer cutting edge Consulting services in the areas of; Safety and Risk Management, Market Evaluation, Bid Management, Insurance Company/Agent Negotiations, Investigation and Leadership Development.

My insights are drawn from experience and are ever focused on credible results for your business. My educational programs on Safety, Insurance and Leadership can help take your company to the next safety level.

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