

# Maximizing The Value of Your Commercial Insurance

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A business owner within the forest products arena pays a substantial amount of money for commercial insurance, even for businesses that aren't that large. There is often a misunderstanding between the coverage and services provided, and unfortunately these aren't often cleared up until the damage has been done and the insurance was expected to be relied on. Having a solid understanding of the products and services offered by your agent and having an agent who has a solid and thorough understanding of your business operations are two of the best ways to minimize any potential negative experiences.

There are a few items that are essential to getting good value from your commercial insurance, they include:

- 1) Talking with your agent anytime there is a substantial change in your business operations. If you are expanding, buying new equipment or property, or performing different types of work this is a great time to make sure everything related to your insurance is up to speed with your business.
- 2) Review and provide copies of all contracts your business enters into to your agent, before you sign them. In addition to having insurance requirements some contracts can expose your business to additional liability and force your business to incur additional costs. While insurance agents are not lawyers (they should be reviewing these contracts also) we can offer some insight as to how certain contractual provisions can affect your business.
- 3) Report all claims and potential claims in a timely manner, especially work place injuries and any potential liability issues. Insurance companies have vast amounts of resources from cost containment to mitigation of liability issues regarding claim situations. They want to

get involved in any claim (or potential claim) as early as possible to use these resources and take a leading role in these situations. Additionally certain insurances have coverage exclusions or restrictions that can take effect if it is determined information has been withheld or not provided to your insurance company on a timely basis.

- 4) Pay your bills on time, and that means by the due date not the cancel by date. Credit scoring and financial history is being used in the insurance industry more and more as an underwriting and rating tool. Insurance companies price accounts with good credit and good bill paying history much more aggressively than those with poor or marginal credit history or late payments and/or cancellations for non payment. In fact many insurance companies will no longer even offer insurance to customers with a history of late payments.
- 5) Tell your agent anytime there is something positive or proactive that applies to your business. If you have completed continuing education, put a safety feature on equipment, developed a formal safety plan, or done anything that you think would make your company more attractive to an insurance underwriter let them know. A good insurance agent paints your business in as positive light as possible to different insurance companies. Things like reversing fans on equipment, fire suppression systems, spark arrestors/dust collection systems all help. If you are upgrading these things, installing for the first time, or have them already tell us.

Within the forest products industry the appetite from insurance companies to offer products is very limited. The better the relationship and understanding between agencies, insurance companies, and forest products businesses the better off all parties will be.