

Partners in risk

How to choose a business insurance provider

INTERVIEWED BY ROGER VOZAR

When it comes to insurance, people are accustomed to choosing an insurance program strictly by rate — a point proliferated by many commercials emphasizing premium savings.

But price definitely shouldn't be the only consideration when it comes to purchasing business and personal insurance, says Derek Hoch, president of Leverity Insurance Group.

"Technology has forced that upon us as consumers. Everyone's talking about rate and not about relationship," says Hoch. "Business insurance is a partnership. Your insurance partner should be a trusted adviser who helps you leverage your risk. They should be very involved in your business, like your accountant or lawyer. It's a long-term relationship rather than a commodity."

Smart Business spoke with Hoch about business insurance and what people should consider when looking for an agent.

What is business insurance?

'Business Insurance' is a broad name for different coverage available to a business owner to protect against losses and to insure the continuing operation of the business. At the very basic level, it can be defined as the management of risk. There are insurance risks that, while they may never occur, can be so catastrophic that it makes sense to plan ahead and manage the risk. Insurance companies take in premium payments from many businesses, invest those payments, and create a 'pool of money' to pay out to a business if they suffer a covered loss.

What should be considered when choosing a business insurance agent?

You want to look beyond just price.

DEREK HOCH

President
Leverity Insurance Group

(216) 861-2727, ext. 517
derek@leverity.com

Insights Business Insurance is brought to you by **Leverity**



Independent agents have access to multiple insurance carriers. They represent your best interests by leveraging their resources to find solutions to every type of risk associated with your business. An insurance agent should do their homework and get to know the prospective client by meeting with key people in safety, engineering and operations, and asking them open-ended questions to get them to talk about their business in order to identify its exposures. Truly, you want an insurance agent who will provide you with a thorough second opinion, rather than just quoting on an 'apples-to-apples' basis.

Are there ways to tell if an agent provides good service?

Good service is about the ease of doing business, like immediate customer service that includes same day turnaround on certificates of insurance, 24-hour claims service, online claim reporting and account servicing for things as simple as adding an automobile or a driver or getting additional coverage. They should also be able to provide other risk management services like disaster planning and workplace and fleet safety programs, to name a few.

What are commonly purchased types of business insurance?

General Liability, Property, Auto Liability,

Workers' Compensation and Professional Liability are probably the most familiar. However, those that might not come immediately to mind are Cyber and Privacy Liability, Employment Practices Liability, Fiduciary Liability, Directors and Officers Liability and International coverage.

When looking for an agent, you want to look for someone who is knowledgeable beyond the common types of commercial insurance policies that any agent can provide.

How important is it for the insurance agent to have a background in the client's industry?

It's vital. When seeking an opinion on your personal health, you want the right doctor who specializes in your specific condition. Similarly, you want an insurance agent who understands how your business works so that the insurance can be applied to your specific needs. You will benefit from working with someone who can make sure you get the right solution to any issues you might have. A good insurance adviser can audit your business and find deficiencies in terms of insurance and possibly the business itself. A trusted adviser and a comprehensive insurance program can help protect the longevity and viability of your business. ●