

# OPTIMIZING YOUR COVERAGE TO COMBAT THE TIDE OF RISING PREMIUMS

Insurance is similar to a seat belt. You hope you won't need to use it but you'll be relieved that you have it if you do.

**We've said it before, and we'll say it again: investing in the right insurance for your business isn't a luxury, it's a necessity.** Aligning insurance policies with your organization's operations can offer crucial financial protection that shields your company from unexpected monetary shocks.

But like many things today, the costs of premiums for many lines of coverage have continually increased in recent years, leading business owners to wonder how they can get the coverage they need at the best price possible.

Meeting the challenges of balancing cost of coverage with your company's needs requires optimization. Insurance optimization is the process of determining the most efficient way to spend money while getting an appropriate level of protection for an organization and its employees.

**Here are some steps you can take to ensure that you're optimizing your insurance coverage.**



## **Find a trustworthy broker partner**

Partnering with a reputable, experienced broker can significantly alleviate the burden of finding policies that match your business needs. Your broker should provide recommendations about how to optimize your insurance coverage by learning how your business operates and determining the risks it faces. They should clearly communicate what you stand to lose in dollars should you not invest in safety and loss prevention programs and a properly structured insurance program. Ask them questions that will demonstrate their experience with similar clients. Working with the right broker is step one to achieving optimal coverage.

## **Understand what your risks are**

Risks can be anything from an exploitable vulnerability in your IT systems to a failure to provide a safe work environment for your employees, both of which can result in financial losses. The goal is to ensure decision makers and board members understand how a loss impacts the business' finances, so they buy into the value of insurance and invest in a culture of safety. When optimizing an insurance program, your broker can help prioritize risks based on the likelihood of occurrence and the financial impact they would have on your company.





### **Determine the coverages for your business needs**

Mapping your business risks will give you a good idea of which lines of coverage you'll need and the premiums and deductibles needed for them – along with guidance from your trusted broker. Some types of insurance will be required by law, while others will be good to have based on how your business operates.

### **Invest in safety and loss prevention to minimize exposure to risks**

Knowing your risks should also help you see how to prioritize funds on safety and loss prevention. You're probably familiar with the saying, "an ounce of prevention is worth a pound of cure." This is a philosophy you should apply when it comes to your company's risks. Taking these measures is likely to result in savings from prevented incidents in the long run, as well as premium savings because carriers look favorably at companies who take precautions to avoid losses.



### **Paint a picture of your risk profile that carriers will understand**

Underwriters are more likely to provide favorable terms for coverage if they have a clear picture of your risks. Your broker should know the ins and outs of your business, as well as use data and analytics, to effectively represent your company to carriers – helping to make your entity a more favorable risk.

### **Regularly evaluate your policies**

As your business changes, so do its liabilities. Evaluate your policies at least once a year. If your operations grew or shrank or you purchased new equipment, this impacts the coverage you'll need to protect your business. Regularly communicate with your broker about changes to your business and how this affects your coverage so your insurance program is optimized to your evolving needs.



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Although none of us like to have to pay more for the things that we need, periods of time that are economically challenging serve as an opportunity for businesses to dial into process improvements that result in cost savings. With many lines of coverage increasing in price, your organization has the power to take measures that can lead to optimized coverage outcomes so that your business is financially protected during these times of economic uncertainty. Aligning yourself with the right broker will be critical to help get the outcomes you want from your insurance.

*Connect with us today to learn more about our customized and consultative approach to risk management.*

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