

SPECIAL REPORT

HOW AN INSURANCE ADVISOR CAN HELP YOU IN BUYING PROPERTY AND CASUALTY INSURANCE

(10-14-14)

This Special Report was written by Kenneth R. Hale, J.D., CPCU, AAI, LIC. of Marsh & McLennan Agency LLC. Mr. Ken Hale can be contacted at 734-525-2412 or khale@mma-mi.com. More Special Reports are available at www.mma-mi.com.

Buying property and casualty insurance can be a daunting process. You have insurance solicitors calling you asking for an opportunity to quote your insurance and save you money and suggest that you have nothing to lose by letting them try.

What sounds easy leads to extensive questions and meetings followed by inspections by multiple insurance carriers.

Finally, you receive a proposal from the new agent, as well as a renewal proposal from your existing agent and you do not know what to do.

The new agent has a proposal that looks to be very competitive -- but is it really?

You have had your current insurance agent for a number of years and have been reasonably satisfied, although you have never had a claim. You feel compelled to give the proposal that you received from the soliciting agent to your existing agent, and when you do you are told that the coverages quoted were not “apples for apples.”

What started off as a request by solicitors to quote your insurance has turned into a confusing nightmare, and you have conflicting feelings. On the one hand, you could really use the premium savings but, on the other hand, you do not know if the coverages are really the same and even appropriate for what you have. You are the best at your business, but buying insurance is not your area of expertise.

This dilemma is faced by business people throughout the country daily.

One alternative is to utilize an independent insurance advisor who has the expertise to review your current needs as well as the proposals that you have in hand, from both a coverage and pricing standpoint.

The advantages of using an independent property and casualty insurance advisor are that:

- You will have an independent review of the proposals by an expert in property and casualty insurance.
- The insurance advisor will allow you to borrow expertise that you are unlikely to have.
- The advisor will have no allegiance to any insurance carrier or insurance agent and will not be paid on a commission basis.
- The advisor can recommend coverages that you may not have that may not have been considered by the proposing agents.
- The advisor can recommend coverages that can be deleted or modified that may reduce your insurance costs.
- The advisor can assess the expertise of the competing agents.
- Once a decision has been made the policies, when issued, can be reviewed to determine if they represent what was promised.
- The quality of the insurance carriers can be assessed from a financial standpoint.
- This person can be a resource throughout the policy year.

The cost of an independent advisor on property and casualty insurance is based upon time expended and the scope of the engagement and, to a large degree, depends on where you are at in the insurance buying process.

For example, if you have several quotes in hand that need to be reviewed and your insurance expiration date is several days away, an insurance advisor can quickly look at the proposals and give you an opinion.

The advisor can also get involved at the beginning of the process by assessing what you have and what you need. The advisor can work with agents you choose to answer questions and to provide information needed in order to quote.

Marsh and McLennan Agency LLC has numerous insurance advisors with significant professional credentials that are available to assist you that can perform this service for you.

If you would like to discuss which of these advisors would be appropriate for your business call Kenneth R. Hale at 734-525-2412 or email at khale@mma-mi.com.

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affective if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change.