

SPECIAL REPORT

WHAT IF THEY PASSED A LAW THAT PREVENTED YOU FROM BUYING ANY INSURANCE TO PROTECT YOUR ASSETS?

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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.

What if they passed a law that said you could never ever buy any insurance to cover your personal or business assets?

It struck me recently how Congress turned the health insurance industry on its ear by passing the Affordable Health Care Act. Many people said it could never pass and that it would not survive a Supreme Court challenge.

I know it sounds ludicrous, but what would you do if Congress passed a law saying you could never buy any insurance for property, liability, automobile, workers' compensation, employment practices, directors and officers liability, fiduciary liability, or other claims?

You, as a business person, would have to absorb and pay for any losses resulting from damage to your buildings, personal property, or business interruption, as well as any liability claims that may be made against you because of injury on your premises, either to third parties or to your employees, and so forth.

- Would you look at risk of loss any differently?
- Would you seek advice to help you prevent losses?
- Would you listen to that advice?
- Would you begin to avoid risks such as:

- risky drivers
- uninsured subcontractors
- bad “hold harmless” agreements
- bad indemnity agreements
- inappropriate employment practices
- inadequate fire protection systems
- bad lease agreements
- temporary employment arrangements without an alternate employer endorsement?

Recently, an insurance company made a recommendation to its insured to either upgrade its fire sprinkler system or reduce the stacking of inventory.

The insurance company indicated that in the event of a fire the sprinkler system would not be able to suppress the fire.

The insured has the option of complying with this recommendation or fighting it in order to save money.

I am wondering . . . If this client couldn't buy any insurance, would it resist these recommendations?

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