



# GLOBAL INSURANCE GROUP

## 7 Deadly Insurance Sins that Businesses Make...

### 1. Offering Benefits to the Wrong Kind of Employees

- If you are a high turnover establishment especially. Benefits are there to help you attract good employees and also retain them once you have invested your time and money training them.
- It costs more to hire replacements than keep a good one happy. That said your focus should be on offering benefits to the right kind of employees, as opposed to all full time.
- The law usually allows for discrimination based on job description and time of service. Implement these features wisely to stretch your benefit dollars.
- All in all health benefits should never be an assumed benefit in this industry.

There are some smarter alternatives.

### 2. Not Properly Budgeting for Group Benefits

- Before you make the commitment to offer employee benefits make sure you have the financial resources to fulfill that commitment. The consequences can be devastating to your business, your staff, and your future.
- Start with full benefits for the key employees. Add in less costly benefits, even ones that you don't have to buy such as flex time or PTO.
- Bring in a full lineup of voluntary benefits that your employees can purchase at a favorable group rate.

### 3. Using Your "Everything" Guy

- Just because your favorite agent does a good job with your homeowners and auto, does not mean that he is the right guy to give you advice on your restaurant.
- Choose the wrong type of consumer carrier to cover your business and you could pay upwards of 40% more premiums than a competitive commercial carrier.

### 4. Lying to Your Insurance Carrier

It seems like common sense, but you'd be amazed how people think that is acceptable to lie on an application or a claim. It's FRAUD! Insurance companies deal with it harshly. Fraudulent Claims affect your premiums!

- If they can prove that you are fraudulent, insurance companies will cancel your coverage, they can deny your claim and they will more than likely prosecute you if they have good proof.

- Failure to disclose drivers operating your vehicles, failure to disclose tickets or claims will just cause more cost and headaches down the road.
- Don't hide anything. You may get away with it...but you probably won't. And it will cost you more if you get caught!

#### **5. Missing Your Insurance Payments**

- Missing your payments on an insurance policy or having your checks refused by the bank (NSF) is a quick way to pay more for your insurance.
- Not only do you have to pay the insurance company and the bank NSF fees, which combined can add to more than the original insurance payment, but the insurance companies won't insure you if you can't make the payments.
- If you are not a profitable business, they will find a way to get rid of you. Most companies will cancel your coverage or refuse to renew if you have more than two NSF's in a policy term.

#### **6. Having Too Much Insurance**

- Your insurance specialists should be able to keep you covered without over coverage. Your health plan doesn't need a \$5 copay no matter how much you use it. When you first start out you probably don't need a \$5 million liability umbrella.
- Don't be afraid to use smart deductibles to keep your premiums down to manageable levels and self insure a little.
- Find the specialists you need in each area of insurance shop around and depend on their advice.

#### **7. Calling the Insurance Carriers Directly**

- Make this mistake and your on your own. When your business is really rolling you won't have time to sit on hold for two hours to get a bill adjusted or a claim question answered.
- Your independent broker will save you thousands of dollars in lost time. Cutting out the middle man here will probably not only not save you money, it's likely it will cost you more!
- No carrier or captive agent will recommend their competitor even though they have a better rate/plan/coverage.