



RELMARK GROUP

Risk Management Advocates for Fire Sprinkler Contractors

Getting Ready for Renewal Insurance Preparation

You can have a positive impact on your insurance premiums and it all starts with being prepared and making sure your agent has all the information that will appropriately represent your company to the underwriters pricing your insurance program. The following items are some of the key areas you should review with your agent three to four months before your policy renewal date.

- **Loss information** – Every year get loss runs from your insurance company or companies for the last 4 to 5 years. Review all large claims over \$10,000, and record details of the claim and what steps you have taken to make sure it does not happen again.
- **Currently valued loss runs** – Old loss runs cost you premium dollars! Insurance experience rating formulas weigh older loss runs with incurred but not reported losses – in English this means your price may go up just because the new insurance carrier does not know what happened to your claims experience.

Review All Claims, paying specific attention to each of these categories:

- **General Liability** claims
 - Make sure that you know what happened and keep in touch with the insurance carrier on open claims.
 - Review what you can do to prevent future claims. Take action to implement any new procedures to prevent similar claims in the future.

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- **Auto claims**
 - Review all claims to determine the cause. Comment on any changes in procedure that would influence repeat type accidents.

- **Workers Compensation claims**
 - Review and compare to the information on the experience mod worksheet – to make sure that the carrier has reported any claims that may have closed for less than the reserve. Also, while checking the loss information, make sure that the payroll information agrees with the audit for that year.

- **Coverage Information** – Review your current coverage and plan to fill in any gaps if necessary. Do you need any of the following:
 - i. Umbrella
 - ii. Errors and Omissions
 - iii. Named Insured – additional entities
 - iv. Waiver of Subrogation, Additional Insured, Per Project Aggregate
 - v. Contractors Equipment and tools you own, lease, rent or borrow
 - vi. Contractors Pollution / Mold Coverage

- **All Open Jobs** – Review the insurance requirements in the contract to make sure that your renewal has the coverage that you will need to be paid for the job.

- **Contract Review** – Keep in mind that insurance policies have exclusions and when the construction agreements use the words **any and/or all**, regarding assumption of liabilities, you may be signing for something not covered by your policy. Some of the contracts are so broad that they may be illegal in your state. Check with your attorney, if in doubt.

- **Payroll** – Review and estimate your payroll and gross receipts for the upcoming year. If it is going to be very different from past years, include an explanation. For example, Payroll is 50% higher this year due to purchase of the assets and employment of the workers of another company.

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- **Property Valuation** – Review your values for building, personal property and equipment to make sure they are accurate and to prevent any coinsurance penalty. Many property forms are issued on a replacement cost basis, whereas most of the inland marine forms are issued on actual cash value basis (replacement cost less depreciation). So with this in mind, make sure your insured values are correctly calculated.
- **Driver Consent Forms** – Work with your employees to get their motor vehicle reports (MVR) without invading their privacy. Get driver consent forms signed or have the employee bring in their own MVR. If you currently have a fleet safety program that includes reviewing of MVR's, please supply a copy of your policy and the MVR review criteria to your agent. This information could have a positive impact on your auto premium.

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