



Annual “Checkups” for Your Business

Many of us make it a point to see our doctor for an annual medical checkup. This is an important opportunity to have a medical professional assess the current condition of our health. It also allows us to ask questions of our doctor about medical issues or concerns, and it is a chance to consider making changes to accommodate a healthier lifestyle.

When was the last time you turned to your insurance provider for a similar checkup of your business insurance and risk management programs?

Get an insurance “physical”

As your business changes and grows, so do your business insurance needs. It is a good idea to consult your insurance advisor, at least annually, to review your insurance coverage in light of changes your business may undergo from year to year. For example:

- You may have purchased or sold buildings, personal property, or vehicles.
- You may have experienced fluctuations in payroll or sales receipts as business conditions change.
- You may have undertaken new operations or developed new products or services.
- You may need to respond to new legal or regulatory issues.

An annual review—or “physical exam”—of your insurance coverages helps ensure that coverage purchased last year adequately protects you today. Annual reviews are a good time to consider, for example, whether your policy limits are sufficient to replace damaged property. They provide you and your insurance representative an opportunity to discuss insured and self-insured exposures, as well as consider any new exposures that can impact your current insurance program.

Annual insurance reviews are also a good time for you to assess the performance of your current insurance provider. Are claims paid according to your expectations? Is the insurer still financially sound and stable? Are you receiving the promised level of policy service and loss control support? Answers to these questions can have a huge impact on your business and may influence your decision to continue to do business with your current insurance provider.

Give your risk management program a “checkup”

In addition to an annual review of your insurance program, you should also expect your insurance professional to review your business risk management strategies on a yearly basis.

Continued

It's Our Business to Protect Yours[®]



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A thorough review of your risk management plans can help you and your insurance representative identify new exposures or operations that were not contemplated by your current programs. It provides you an opportunity to gauge the effectiveness of your current risk management plans and also uncover patterns in your loss experience that suggest the need for additional risk control attention. Finally, an annual review can help you determine if you are appropriately targeting resources to risk control programs that have the greatest impact on your bottom line.

An annual risk management review may have other indirect benefits as well:

- Help protect your future insurability by controlling losses and reducing claims.
- Provide cost savings through reduced insurance premiums.
- Trim expenses by reducing the hidden costs associated with claims—such as lost productivity, additional costs for hiring and training, and lost goodwill.
- Assist in creating a safer, more favorable work environment to attract and retain high-quality employees.

Your recommended insurance carrier, Federated Insurance, provides an Annual Client ReviewSM and a Risk Control ReviewSM for each insured business each year. These reviews are part of the Company's Major Client Service Standards.

You should expect your insurance agent or company to visit with you annually for a check-up of your insurance and risk management programs. You may find annual reviews are the best prescription for maintaining the health of your business.



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