

Do You Have an Insurance Strategy for Your Business?



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Business owners and executives would agree that insurance is very important. Yet, more often than not, most don't pay close attention to insurance policy details until disaster strikes. Executives and business owners are just too busy running their businesses to get heavily involved in the details of this aspect of risk management. Besides, insurance can be complex. To fulfill the stewardship role, though, insurance is a business necessity that management can't ignore. Carefully reviewing your options and devising an insurance strategy can help you better manage your risks.

Managing insurance on an ongoing basis usually results in better and more appropriate coverage and cost savings. More immediately, there are a number of key areas you should focus on with your in-house risk manager, or an independent advisor that's well-versed in the insurance marketplace.

Health Care Reform

The Affordable Care Act has employers bracing for higher insurance costs. For organizations that want to offer their employees health benefits, controlling costs will be a key factor. There are several options organizations should consider to keep health insurance costs down:

- Consider self-insuring
- Make sure you are getting the best price for your plans
- Start a captive insurance company
- Form a private exchange

Of course, there are a lot of strategic implications to what you do with health care reform and how you do it. Management should avoid just calculating the math and saying, "This saves us money so it's what we're doing."

Cybersecurity

Our online world has created many

conveniences and increased risk for businesses. Cybercriminals are waiting to take advantage of vulnerabilities you may have in your systems, leaving an organization susceptible to millions of dollars in liabilities.

If you store or transmit personally identifiable information (PII), you need to review the insurance options for cyber protection. A variety of insurance policies cover things like the cost of fines, notification that PII has been compromised, liability and business interruption. All cyber policies are slightly different, and you have to be careful to buy the right coverage.

Disaster Preparedness

Recently, the nation watched as the city of Boston shut down to apprehend the surviving Boston Marathon bombing suspect. Authorities urged businesses to close and for people to stay home. A business unable to resume normal operations in the aftermath of this attack could benefit from business interruption coverage. Of course, organizations should consider the potential loss of business in the event of natural disasters like tornadoes, fires and floods.

Do You Have Proper Coverage?

The bottom line is that there's not a one-size-fits-all approach that applies to everyone when it comes to determining your coverage needs. It's important to look at your organization's risks and to strategically determine which policies you need. Don't leave your organization's future to chance. Insurance is another aspect of your business that requires your management focus. Protect your interests with a proactive insurance strategy. ●

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