

# Effectively Dealing with Rising Insurance Costs

Glenwood Insurance Agency & Secura Insurance

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Home | Auto | Commercial | Health | Life



## Glenwood Insurance Agency



At Glenwood Insurance our mission is clear. We have been providing peace of mind for the individual clients and businesses we are privileged to serve since 1911. Utilizing expert consultation, innovative strategies, excellent service, and best in class value, we partner with you to construct a superior and one of a kind insurance program to protect your most important assets.

## Nettie Avery, CIC – GIA Owner, Commercial Lines Producer



Nettie began her insurance career in 1989 when she joined Glenwood Insurance Agency. Nettie has worked in both personal and commercial production and holds a Certified Insurance Counselor designation. In 1998, Nettie became a partner at Glenwood Insurance Agency.

Email: [nettiea@glenwoodins.com](mailto:nettiea@glenwoodins.com)  
Direct: (970) 384-8320

## Role of Insurance In Your Operation

### Considerations:

- Insurance is a financial vehicle to fund unexpected costs
  - Insurance doesn't cover every situation
  
- Find your appetite for Risk
  - Consider level of deductible you can afford
  
- Review coverage annually or as exposures change
  
- Tailor coverage
  - Niceties versus necessities

## Some Factors Contributing to Increased Insurance Costs?

- Wildfires
- Injured Workers
- Litigious Society
- Increased Computer Usage
- Auto

*Exogenous factors  
driving premium  
increases*

# Property Insurance

## Current Issues in Property Arena

- Insurance Company Appetites Changing
  - Wildfire Scoring/Remote Locations
  - Increased Cost to Build



## Ways to Reduce Property Costs

- ✓ Consider Insuring Property separate of General Liability
- ✓ Higher deductible
- ✓ Consider Actual Cash Value if you don't intend to replace a structure or Agreed Value to eliminate coinsurance penalties

## Workers' Compensation & Experience Modification Factor

### What is Experience Modification Factor?

- National Council of Compensation Insurance Computes Annually
- Compares expected losses to actual
  - Actual losses > expected losses = premium increase
  - Actual losses < expected losses = premium decrease
- Resulting Factor is Credit or Debit
- Considers data from prior 3 full years

### Best Practices for Lowering "Ex Mod"

- ✓ Implement per-claim deductible
- ✓ Cost Containment Certification-
  - 5% premium credit
- ✓ Leadership supported Safety Program
  - Daily huddle to focus on safety
  - Quarterly Department Talks

# Liability Considerations in Litigious Society

## Liability Considerations

- General Liability
  - Exposure is atypical
  - Water, water everywhere
- Abuse Molestation
- Employment Practices
- Directors & Officers Liability

## Liability Solutions

- ✓ Total Risk Assessment
  - ✓ Contracts
  - ✓ Policy/Procedures
  - ✓ Checks and Balances
- ✓ Safety Program Implementation
  - ✓ Accident Investigation
  - ✓ Roundtable to Correct Situation
    - One-off or Systemic Problem
- ✓ Implement per-claim deductible

# Cyber Hacking & Network Liability

## Cybersecurity & Computer Risks

- Increased Computer Usage
  - Online reservations
  - Zoom Calls
  - Remote Workforce



## Cybersecurity & Computer Solutions

- ✓ Purchase Cyber Liability
  - ✓ Network Liability
  - ✓ Data Compromise
  - ✓ E-Commerce Extortion
  - ✓ Crisis Management Coverage





# Commercial Auto

## Contributing Factors to Higher Premium

- Car Values
  - High Tech Systems in Vehicles
  
- Medical Costs Increasing

## Auto Premium Reduction Solutions

- ✓ Implement Auto Safety Program
  - ✓ Distracted Driving
- ✓ Implement Telematics
  - ✓ GPS in Vehicles
- ✓ Driver Experience