



Shopping for business insurance

Business Insurance

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In many ways, shopping for business insurance is similar to making other important purchases, such as buying a car. You'll want to compare prices, features and quality. At the same time, evaluating your

business risks, determining your insurance needs and weighing options can be a complex process. Follow the steps below for the best results.

Assess your risks

As a first step, evaluate your business risks. What business property, including inventory and equipment, do you own? Do you have employees? What is the nature of your business? This basic snapshot of your business risks will help an insurance professional provide recommendations about the coverage your business needs.

Talk to insurance professionals

You may already work with an insurance professional, but if not, you'll want to find the right one who is familiar with the risks of your specific business. When shopping for business insurance most business owners use a broker. A qualified broker can help you collect all the information and paperwork you'll need to apply for a policy, and help you comparison shop among several options and quotes. Before hiring, review the broker's background and experience as well as the services provided and any fees charged.

Compare rates

As a general rule, you'll want to get business insurance quotes from at least three different companies. To the greatest extent possible, the prospective policies should offer similar coverage so that you can clearly compare price.

Evaluate insurers, policies and services

When purchasing business insurance, price is just one consideration. You'll also want to make sure a potential insurer is reputable and in good financial condition. You can check with your state's insurance department to confirm that insurers and insurance professionals are licensed in your state. In addition, review policies in depth. Does one policy have exclusions that another does not? In the case of litigation, does the insurer provide an attorney or reimburse you for an attorney you choose? Finally, assess as best you can the level of service you will receive from your insurer.

Lower your premiums

Finally, there are several things you can do to keep insurance costs down. For example, choosing a higher deductible can lower your premiums significantly, as can setting up a risk management/loss reduction program. Insurers will often lower your rates for putting a program in place that will minimize losses from fire, theft and employee and customer injuries. Once you've weighed these options, you're ready to make your decision—and with your business insurance purchased, you can operate your company with greater peace of mind.

Review your risks and insurance policies annually

It is important to review and adjust your coverage on an annual basis. If your business is expanding, you have purchased or replaced equipment or are working with vendors internationally, you may have new or greater liabilities that require greater insurance coverage. Talk to your insurance professional prior to each year's renewal to determine what adjustments should be made to your business insurance policies.

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