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Managing your Insurance Costs

Looking for ways to lower your insurance rates? At HMA's National Conference and Expo in Fort Worth, a presentation by risk management expert, David R. Leng, entitled, "**Improving Your Risk Profile to Slash your Rates,**" provided insight on and a different approach to marketing your insurance needs.

Improving your **Risk Profile** will make your organization more attractive to insurance companies. And that's not marketing hype. Insurers offer the best rates to companies they determine least likely to incur claims. It all starts with the agent, and how accurately he/she will convey your risk factors to the underwriter. Make it happen for you by ...

Knowing your agent(s)! And most importantly, be sure that the agent(s) knows You! Invite them into your operation to ensure they understand the quality of company that you are. Ask them to identify your risk factors, and to also be specific as to what they are capable of doing for you.

Manage Your Risk Profile

The best way to reduce your rates is to positively impact an underwriter's perception of your risk. Actively managing your risk profile puts you in the driver's seat. Begin by identifying your risk factors, then prioritize on how to improve or lessen them. Reduced risk and improved safety are demonstrated by fewer and less severe injuries and accidents. Document your improvement, and each year convey those results to your agent/underwriter. Then watch your rates go down.

"Inspect what you expect"

Underwriters look at a variety of factors.

- What is the quality of ownership/management and how engaged are they, really?
- Is there a true Safety Culture?
- What is the nature and caliber of employee screening, hiring, training and mentoring? All are key to quality control and safety.
- Quality and proactive Housekeeping, DUST, Facility/Equipment Maintenance practices relate directly to insurance premiums.
- Are Fire Protection practices in place? Annual fire company inspections and drills, well maintained sprinkler systems, water retention ponds lower premiums.

Injury/Accident Claims Management

An insurer will be more aggressive with your rates if you can demonstrate your management of injury/accident claims. How completely was the occurrence investigated? Was it truly an on-the-job injury? Were witness statements taken and documented? What

corrective action has been taken to eliminate future occurrences? Is the recovery of the injured employee being monitored by medical professionals, and are return-to-work options available and known to all monitoring parties?

Bottom Line: As a business owner looking to manage operational costs, do everything in your power to prevent accidents from occurring. If/when they do, take steps to minimize them. And at policy renewal time, be ready and able to convey all of your risk management efforts to your agent-underwriter-insurance company. Your efforts will be reflected in your bottom line.