

6 STEPS IN SELECTING AN INSURANCE PLAN

Knowing the correct amount of insurance a business owner needs can be a very challenging task. Nevertheless, having the appropriate insurance policeman ultimately save that business a *lot* of money.

What is called “needs analysis” can give you, the business owner, a *much* better idea of what kind, and how much insurance would be optimum for your particular business. Of course, when you are buying Liability, Property, Workers Compensation and Health Insurance, it can be quite expensive. So, assessing your particular business needs, and determining what kind and how much insurance can be *crucial*.

Step #1....Evaluate Your Business

The very first consideration when using needs analysis in deciding on an insurance policy for your business consists of accurately analyzing the different assets and liabilities which directly affect the business. These include:

...**Property** - this includes equipment, real estate and other assets

...**Business Volume** - the amount of accounts receivable and the average cash flow of the business

...**Salaries** - how much you pay yourself and however many employees the company has

...**Overhead** - the cost of operating the business including rent, utilities and other miscellaneous expenses

By keeping the above factors in mind, you can then better determine your company's insurance objectives and which type of insurance plan would best serve your business.

Step #2...Estimate Your Business's Potential For Losses

This is your second consideration which includes factors such as:

...Fire, Theft, Property Damage and Employees Legal Actions, just to name a few.

Step # 3...Determine the Right Amount of Insurance

Once you have evaluated your assets and liabilities, you will be much better prepared to determine how much insurance your company will need. You will need adequate coverage for your assets....so, make an accurate assessment of potential risks to your property in order to obtain adequate coverage.

Make sure your business is covered for any high risk factors. In addition, if you choose a higher deductible, you will pay less for your policy. Make sure you get the right amount of insurance, depending on what your company can afford.

Step # 4...Mandatory & Other Coverages

Under the law, all businesses must have Workers Compensation, NYS Disability and Paid Family Leave insurance. You should consult with an insurance specialist for a comprehensive review of your needs. In addition, Group Health and Life Insurance can also be added as separate coverages.

Step # 5...Choose A Reliable Carrier

A reliable, independent insurance Broker and an experienced Agent are the most important variables in obtaining the right amount of insurance for your business. A knowledgeable Agent can help you perform your needs analysis. In addition, choosing an Insurance Carrier with a good reputation, good rating and solid finances will give you greater peace of mind should an unfortunate event befalls your business. The last thing you need if you have to make a claim is an insolvent insurance carrier.

Step # 6...Conduct An Annual Review

Finally, have your business appraised periodically to gauge how much insurance you will need on an ongoing basis. Since business finances and assets change over time, the amount of insurance needed can also change. Have your insurance Broker conduct an Annual Review for you.