

Sing The Jingle: Four Tips Inspired By Insurance Ads

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Advertisements for auto and homeowners insurance have become ubiquitous, and their humor often ranges from irritating to clever. You can probably hear one in your head right now. That humor is apparently intended to be the spoonful of sugar to help the medicine go down; valuable messages about insurance are sometimes conveyed subtly but effectively. As an insurance coverage lawyer, also known as a geek, I see how some of that information also can be useful in the business insurance context.

1. Double Check Your Coverage Before and After You Buy

Fifteen minutes may save you 15 percent (or more). Make sure you're actually covered for "this" rather than "this." The point is that your insurance program needs your time and attention. When you're purchasing new policies or going through annual renewals (and ideally more often than that), think about how your business has changed. Did you sell one of your buildings? If so, consider whether you should have it removed from your property policies, which may save you some premium dollars. Did you start a new division or product line? It may be worthwhile or even necessary to tell your liability insurer about this expansion of your business, and you may want to increase your coverage limits.

Also think about factors outside your own business that affect the risk environment. Did one of your suppliers suffer a data breach? Then you should consider reviewing any cyber coverage you already have and consider changing or adding coverage for this constantly evolving risk. Those are just a few examples of how you should consider the way a company's risks and therefore its insurance needs may have changed.

2. Mayhem Is Real

The guy in the black suit doesn't have to be a texting teenager, a spectacular elk or a tailgate fire. It can be an employee who was terminated and files a wrongful discharge claim; the EPA sending a letter to a "potentially responsible party" for groundwater contamination arising from the previous owner's operation of the site; or a lawsuit by a competitor alleging trademark infringement. As humorously portrayed in the commercials, some policies may cover these types of incidents and some won't. In many instances, we can review an existing policy and assess its potential for covering the bad event that just occurred. A process we often refer to as a policy audit can be useful when you're only imagining some of the calamities that may happen in the future. If some of your risk scenarios don't seem to be covered, filling

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some of those gaps may be as simple as having a policy endorsement changed. Or it could be more complicated, possibly involving a change in insurance companies or the purchase of another type of policy that's new for your company.

3. Bundling Can Be Good

Commercials frequently talk about discounts for having your home and auto insurance with the same company. A similar concept may be helpful for your business. For example, a small business may find that three separate policies for property, general liability, and workers' compensation insurance are either unavailable or unaffordable. All three coverages may be available and affordable as part of a "package" policy offered by several insurance companies. Even for a large business, favorable pricing or policy language may be available if multiple policies—for example, directors and officers liability combined with employment practices liability—are purchased from a single insurance company.

4. Know Who's Hands You're In – And Whether They're On Your Side

Some commercials tout the insurance company's claim service. The fact is, every insurance company pays claims, and every insurance company denies claims. But conversations at the neighborhood block party may reveal different experiences on seemingly similar claims, perhaps arising from exactly the same storm, fire or car accident. Hearing the anecdotes over the years, you develop a sense that some insurance companies provide better claim service than others. The better companies seem to return phone calls promptly, accept reasonable documentation of the loss, and make fair payments without delay. It's similar in the business insurance realm, and therefore you may want to talk to insurance brokers, risk managers, lawyers, and business executives about their experiences with various insurance companies. Just because you hear good things about Brand X Insurance Company doesn't mean it will quickly pay 100 percent of whatever claim you submit. But Brand X claim department's good reputation among your peers can be a relevant factor in deciding whether to purchase your coverage from Brand X or Brand Y.

Having a good program of business insurance isn't so easy that a caveman can do it. But goofy TV and radio commercials do offer some useful insights about insurance. So the next time the fast-forward button doesn't work, you just may learn something.