



May 1, 2009

## **Client Alert**

### **Insurance Renewal Process — Policyholder Expectations**

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Rather than allowing your commercial insurance agent to "passively" renew your coverage each year, as the policyholder you should at a minimum expect the following from your agent.

At each renewal, your agent should provide a summary of changes in coverage from the previous year, limits, deductibles, exclusions added/deleted, and any improvements or limitations in coverage from the expiring year. The agent should provide an analysis of any premium increase/decrease, reconciling the change to several factors, including changes in exposure, rating changes by the insurance carrier, general market conditions and pricing, and your particular loss history. The agent should also explain which premiums are "auditable", since your premiums may adjust upward or downward at the end of the policy period based on any changes in exposure (annual sales, number of vehicles, payroll, etc).

Every 3 - 5 years, the agent should complete a comprehensive marketing effort to several insurance companies, to make sure you're getting competitive pricing, terms, and conditions for your coverage. The renewal presentation should include a summary of all insurance carriers that quoted with premiums and coverage terms, and insurance companies that declined to quote with reasons for the declination.

Remember, insurance agents are typically paid a commission percentage on the amount of premium charged, and aren't necessarily motivated to reduce the cost of your coverage or ensure you have the best insurance product available at a reasonable price.