

A Few Things to Consider Before Buying Insurance

By Bob Walton

- Choose a local "Trusted Choice" Independent Insurance Agency.
They own and operate a business within your community.
Their local interests will more nearly represent your interests.
Their personnel will know you and value you as a customer.
They can offer you choices.
They maintain independent contracts with insurance carriers and are not captive to any one company.
You can save money there.
 - Choose an agency with a proven track record.
Check them out. Ask their current customers if they are satisfied.
Appraise their personnel for education, experience and customer care.
Examine their website and mission statement.
Consider their years in business in your community.
You can save money there.
 - Tell your agent your insurance buying goal and objectives; whether it be price, service, or a combination of the two.
They need to know your goals if they are to provide the level of service you expect.
Work to develop a personal business relationship with the agency.
It will be enjoyable and build a foundation for personal service.
You can save money there.
 - Purchase all your insurance from one company if you can.
You can avoid common insurance coverage gaps and overlaps in doing so and gain continuity of coverage throughout your policies.
Take advantage of the many company premium discounts available today
You can save money there.
 - Choose the breadth of coverage wisely.
Ask yourself, "Based upon my history, do I really need the deluxe form?"
Tip: Sometimes less is more when all the facts are considered.
Use your personal claims history to guide you.
You can save money there.
 - Choose the largest deductible for your own 'risk comfort zone'.
Think high, but stop at the point where a larger deductible no longer returns enough premium to warrant its choice.
Once again, let your personal claims history guide you.
Tip: If you overuse insurance you will find few good buys.
You can save money there.
 - Overall. Make sure your agent-advisor has been thorough.
Did they do a good risk analysis to discover and protect all your assets and earning power?
Did they do a good job of explaining the whys and wherefores of their recommendations?
- Keep these risk management rules in mind:
- Don't risk more than you can afford to lose. I.e., adjust your upper insurance limits to protect against the catastrophic (knockout) losses.
 - Don't risk a lot for a little. I.e., adjust your minimum limits and deductibles based upon the per unit cost of coverage. Keep in mind the first dollars of coverage are the most expensive to insure.
 - Consider the odds. I.e., incorporate available loss data and personal loss history into all of your insurance buying decisions.