



Think You're Prepared for Your Policy Renewal?

Let's Find Out...

If you're a business owner, you're dealing with many competing priorities on a daily basis to ensure the success of your business. Whether it's ensuring customer satisfaction, conducting safety checks, managing employees, or complying with regulations, there are many tasks that require your attention day in and day out. Within the scope of your responsibilities, preparing for your insurance renewal might not be a top priority.

Failing to prioritize your insurance renewal is a mistake you don't want to make. Your insurance can provide critical monetary protection for you and your business in unexpected situations that could otherwise be financially devastating. Your business changes over time, and your business insurance policies need to adapt to meet your company's evolving needs. Though preparing for renewal takes time, if you automatically renew existing policies, you run the risk of being underinsured or overpaying for unnecessary coverage.

Additionally, the commercial insurance marketplace has hardened. This means that carrier capacity for most lines of coverage has decreased, while premiums and underwriting scrutiny have increased. In some cases, carriers are pulling out from markets altogether. Because of the hardened market, the renewal process is likely to require greater preparation on your behalf, as carriers now require more data from insureds to underwrite their risk than in prior years.

Considerations as you prepare for your renewal:

> 4 MONTHS PRIOR

Depending on the complexity of your risk profile, at this point in time your advisor might start reaching out to markets to see what the rates for your renewal will look like. If terms for renewal with your existing carriers are unfavorable, your advisor will determine if remarketing to other carriers will be necessary. If this is the case, your advisor will likely begin reaching out to you for information regarding changes in your risk.

Regardless of whether or not this is your situation, you should always be ready to encounter unexpected delays.

Here are items you should start preparing and gathering four months prior to your renewal date:

- Copies of all insurance policies and communications from the last year
- Financial data and information, including a balance sheet and a P&L statement
- Loss runs from carriers





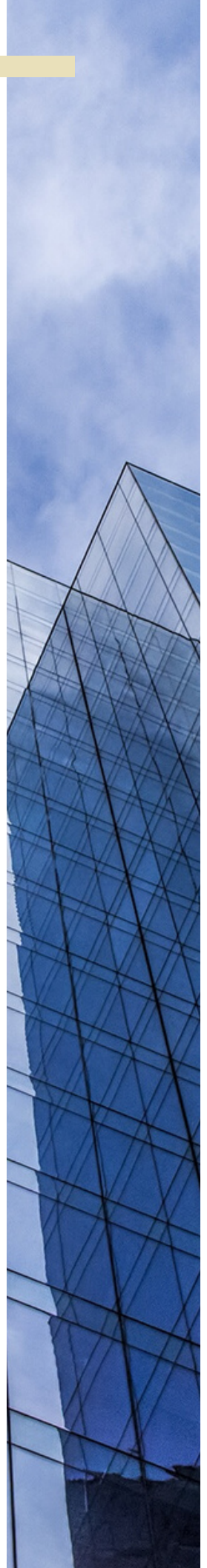
3 MONTHS PRIOR

This is a good time to really zero in on the changes that your business has undergone in the past year so that you and your advisor can discuss which (if any) adjustments need to be made to your coverage. Your advisor will need enough time to discuss potential changes with underwriters and adhere to their guidelines.

Using the information that you provide, your advisor can consolidate data and create a meaningful narrative around your risk profile that underwriters will understand. This should translate to more favorable terms for coverage and potentially better pricing.

These are things you'll need to think about and communicate to your advisor three months prior to your renewal (at the latest):

- Property values, locations, and revenue associated with each
- Inventories
- Information regarding capital investments
- Investments in equipment or infrastructure
- Acquiring, recapitalization, or getting rid of assets
- New contracts entered into or potential new contracts
- Gross revenues
- Supply chain data
- Documentation of operating procedures, including safety measures
- Documentation of employee trainings
- Loss records
- Corrective measures you've implemented If you've experienced losses
- Payroll information
- Changes in number of employees
- Changes to goods and services provided
- Any other significant changes to your business practices
- Situations that give rise to a claim



> 2 MONTHS PRIOR

At this point, your advisor should compile the information you've provided to them and send in renewal updates and applications to carriers for them to finalize terms for coverage. These are some things you might need to do in the coming weeks:

- Answer questions from carriers
- Schedule appointments for loss control visits if carriers need them to finalize terms

> 1 MONTH PRIOR

Congratulations, you've almost made it across the finish line. As you count down the days to finalize your renewal, ideally, you shouldn't have much left to do besides communicate with your advisor. Your advisor should be able to present you with the terms for coverage for the upcoming year. Be sure to do the following:

- Ensure that the proposal covers your needs
- Address any discrepancies that may arise

Though insurance renewals are time consuming, if disaster strikes, you'll be thankful that you took the time and did your part to work with your advisor to find the right coverage for your needs.

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Our team can help you manage the challenges and risks you face today and help protect the assets you've worked so hard to build.

Connect with our commercial risk management team today!

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