



**2006 Web
Seminar Series**

Your Insurance Agent or Broker

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Overview

- What is an agent? What is a broker?
- Why do you need one?!
- Insurance Professional Services and Responsibilities
- What can go wrong?
- Evaluating Your Current Provider
- Tips on Working with Your Insurance Professional
- Keys to Managing the Relationship
- Broker Services Agreements: a closer look

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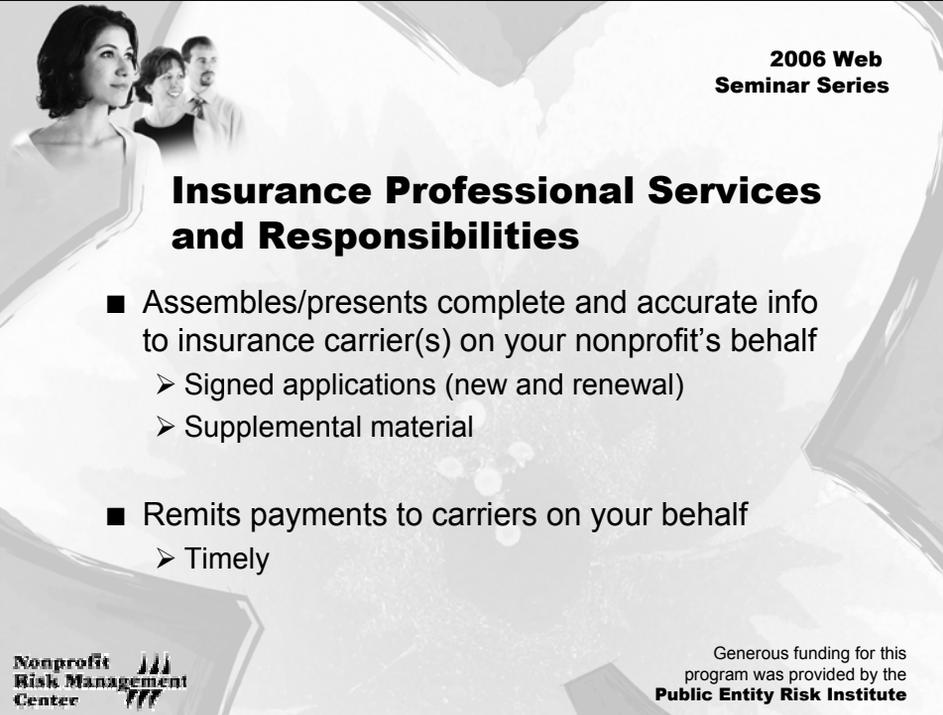
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What is an insurance agent? What is a broker?

- Agents versus Brokers
 - Agents represent the Insurance carriers
 - Brokers represent the Insurance purchaser and have a duty to provide the purchaser with the best product at competitive prices

Why do you need one?

- The industry depends on intermediaries
- The industry has its own language and customs—you may need help navigating the waters
- Most nonprofits do not have the resources to support an insurance specialist
- Other reasons?



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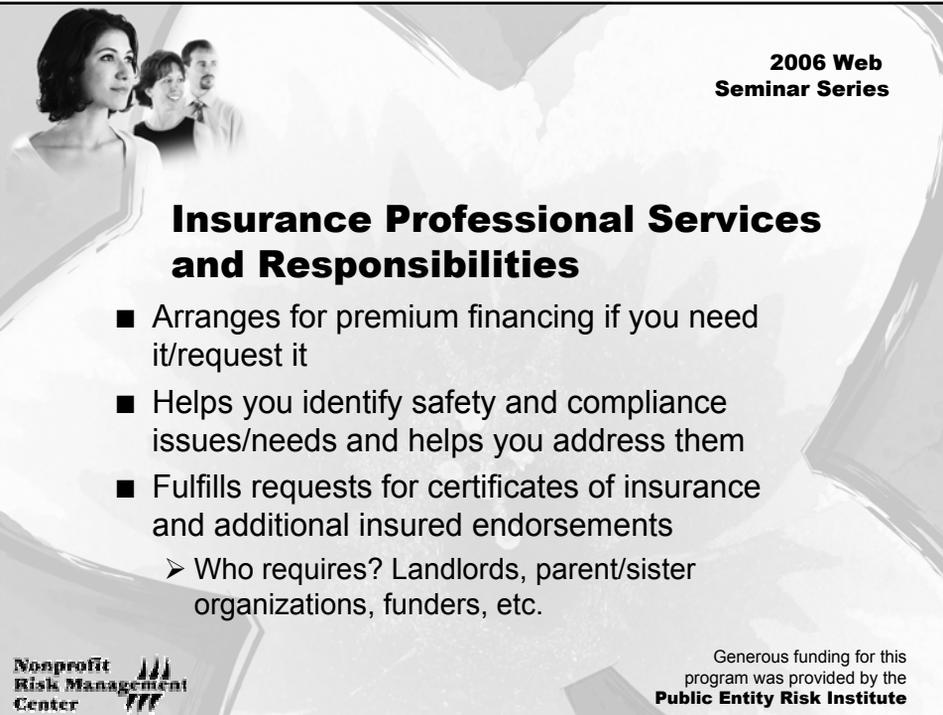
Insurance Professional Services and Responsibilities

- Assembles/presents complete and accurate info to insurance carrier(s) on your nonprofit's behalf
 - Signed applications (new and renewal)
 - Supplemental material

- Remits payments to carriers on your behalf
 - Timely

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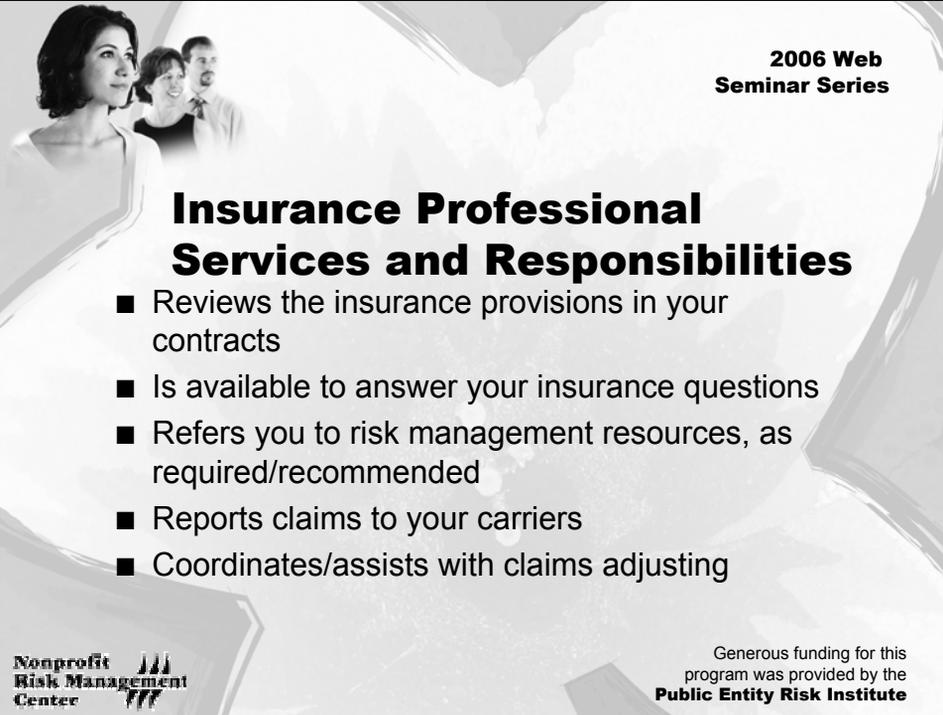
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Insurance Professional Services and Responsibilities

- Arranges for premium financing if you need it/request it
- Helps you identify safety and compliance issues/needs and helps you address them
- Fulfills requests for certificates of insurance and additional insured endorsements
 - Who requires? Landlords, parent/sister organizations, funders, etc.

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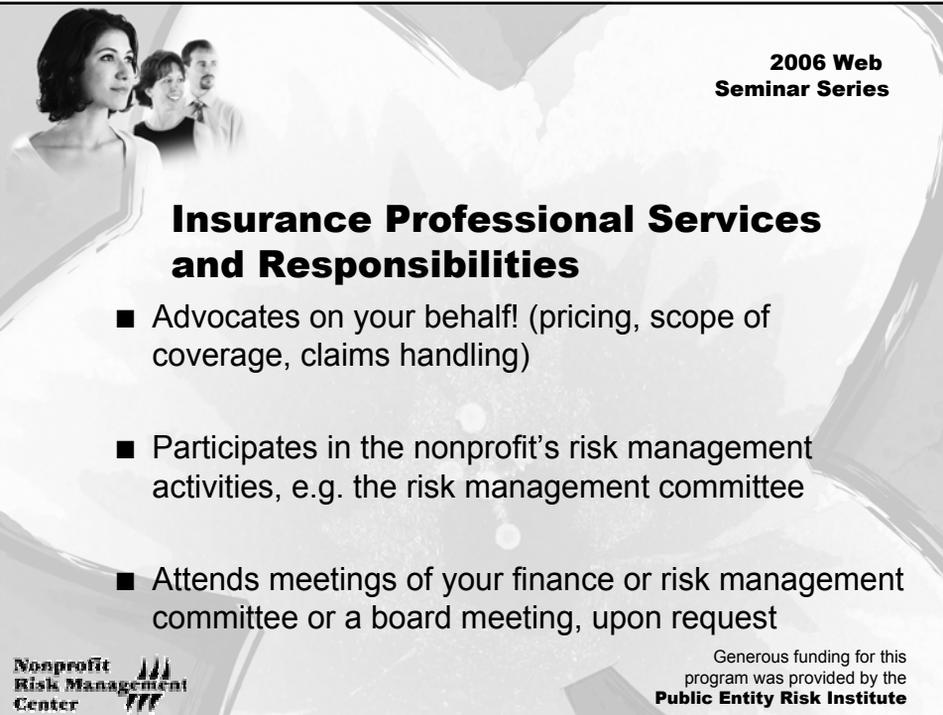
Insurance Professional Services and Responsibilities

- Reviews the insurance provisions in your contracts
- Is available to answer your insurance questions
- Refers you to risk management resources, as required/recommended
- Reports claims to your carriers
- Coordinates/assists with claims adjusting

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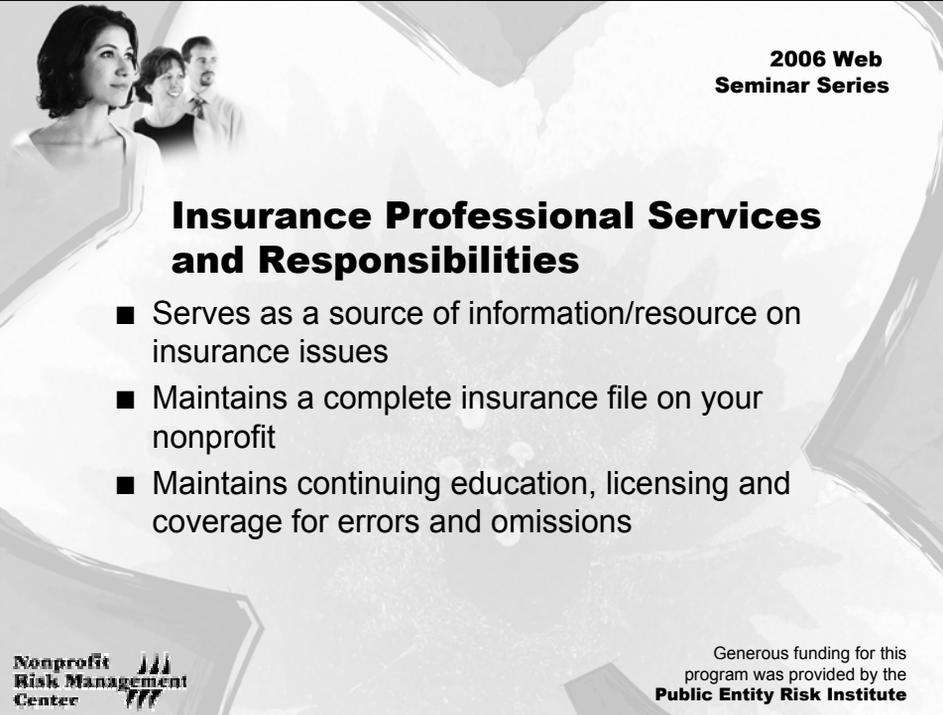
Insurance Professional Services and Responsibilities

- Advocates on your behalf! (pricing, scope of coverage, claims handling)
- Participates in the nonprofit's risk management activities, e.g. the risk management committee
- Attends meetings of your finance or risk management committee or a board meeting, upon request

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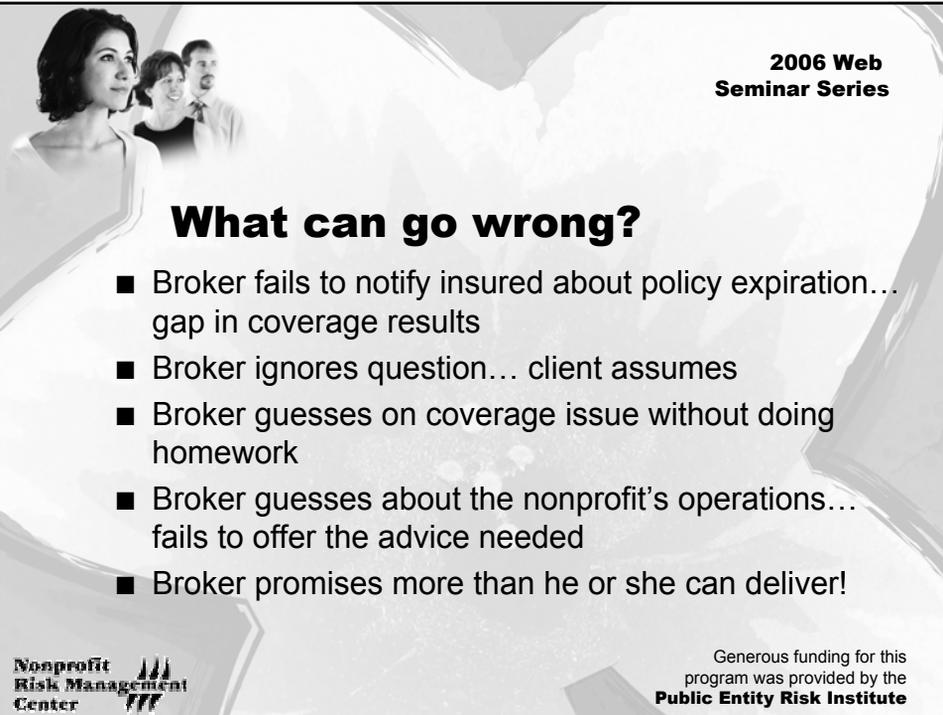
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Insurance Professional Services and Responsibilities

- Serves as a source of information/resource on insurance issues
- Maintains a complete insurance file on your nonprofit
- Maintains continuing education, licensing and coverage for errors and omissions

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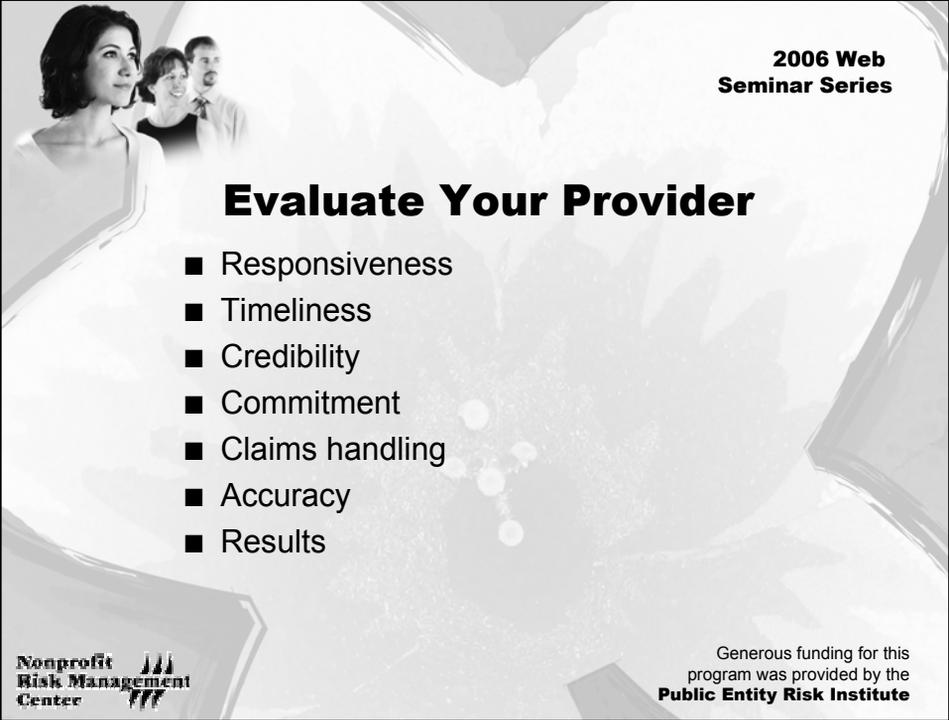
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What can go wrong?

- Broker fails to notify insured about policy expiration... gap in coverage results
- Broker ignores question... client assumes
- Broker guesses on coverage issue without doing homework
- Broker guesses about the nonprofit's operations... fails to offer the advice needed
- Broker promises more than he or she can deliver!

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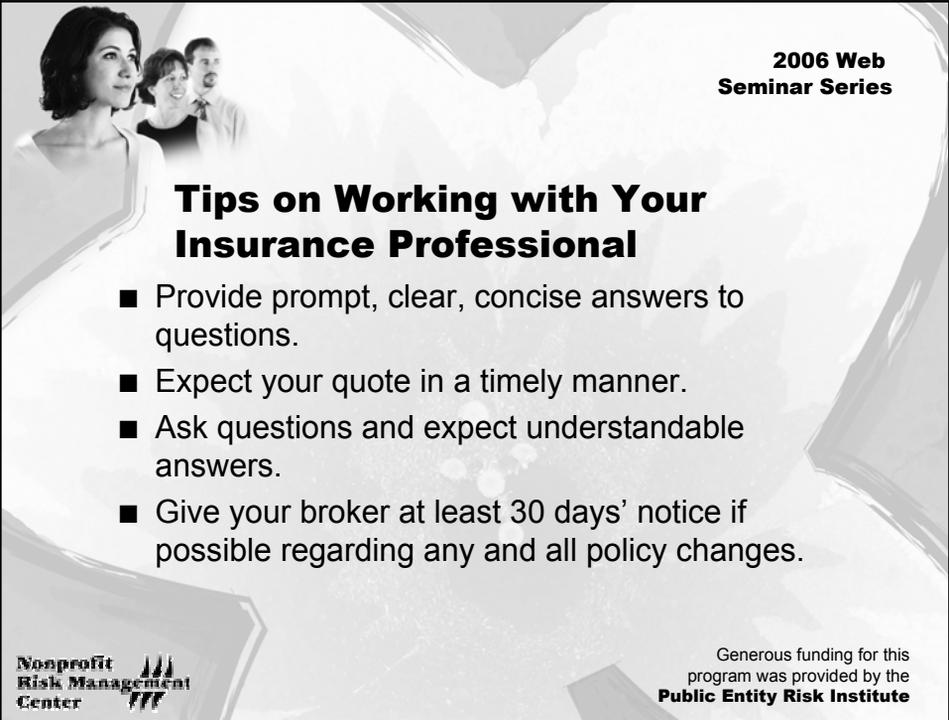
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Evaluate Your Provider

- Responsiveness
- Timeliness
- Credibility
- Commitment
- Claims handling
- Accuracy
- Results

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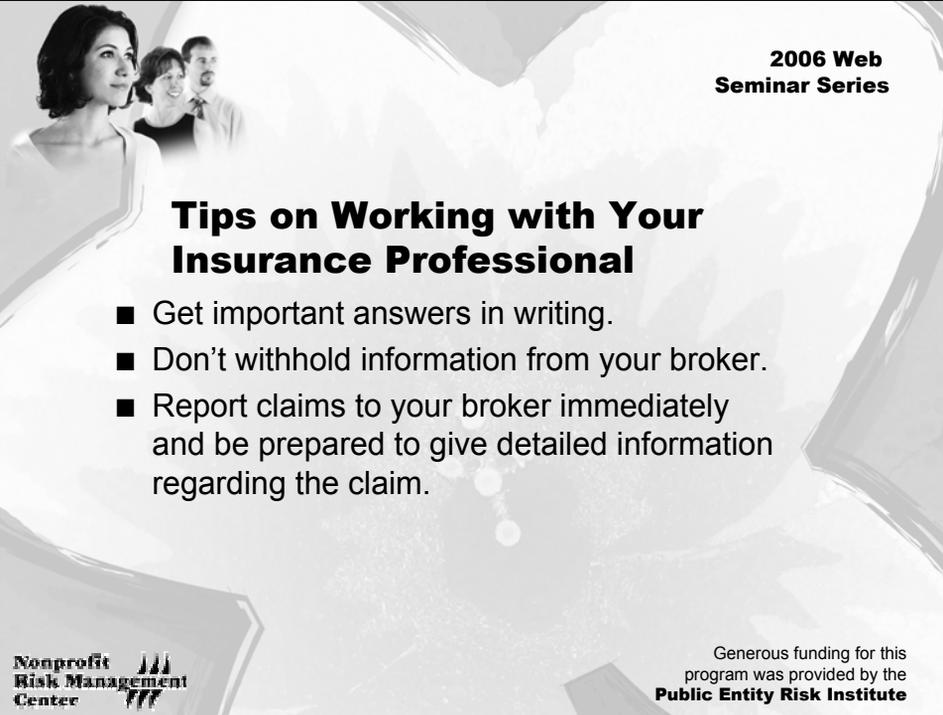
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Tips on Working with Your Insurance Professional

- Provide prompt, clear, concise answers to questions.
- Expect your quote in a timely manner.
- Ask questions and expect understandable answers.
- Give your broker at least 30 days' notice if possible regarding any and all policy changes.

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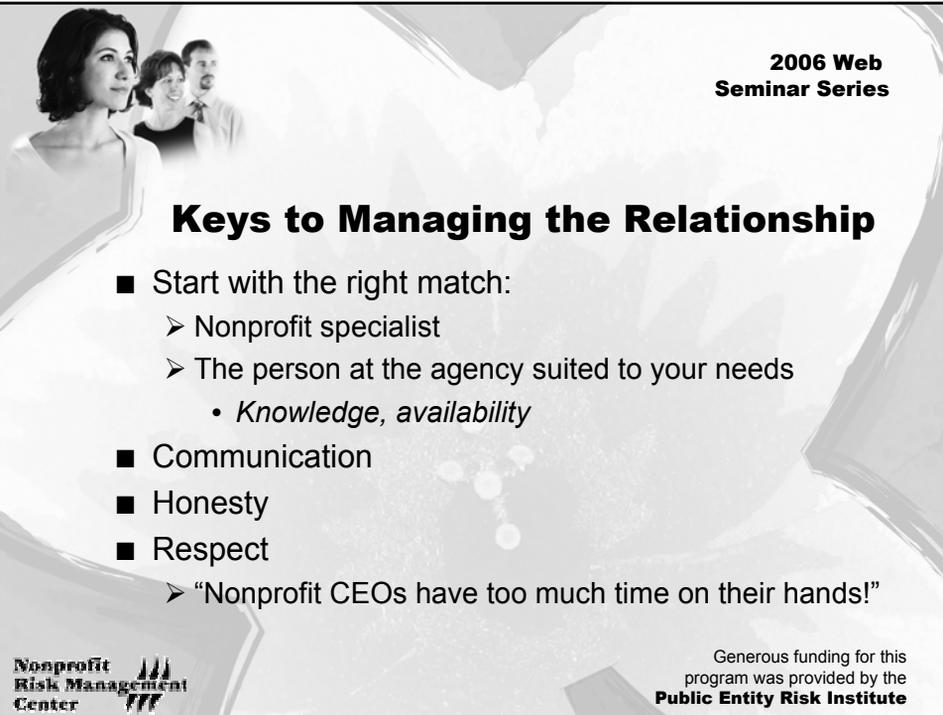
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Tips on Working with Your Insurance Professional

- Get important answers in writing.
- Don't withhold information from your broker.
- Report claims to your broker immediately and be prepared to give detailed information regarding the claim.

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Keys to Managing the Relationship

- Start with the right match:
 - Nonprofit specialist
 - The person at the agency suited to your needs
 - *Knowledge, availability*
- Communication
- Honesty
- Respect
 - "Nonprofit CEOs have too much time on their hands!"

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Broker Services Agreement

- **Pros**
 - Ratcheting up the professionalism of the relationship
 - Clarity of expectations
- **Cons**
 - Not the norm—a new way of doing business
 - Perception of formality

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Broker Services Agreement

- **Section 1. Term.**
- **Section 2. Scope of Services.**
- **Section 3. Personnel.**

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Broker Services Agreement

- **Section 4. Compensation.**
- **Section 5. Independent Contractor.**
- **Section 6. Assignments Prohibited: Successors.**

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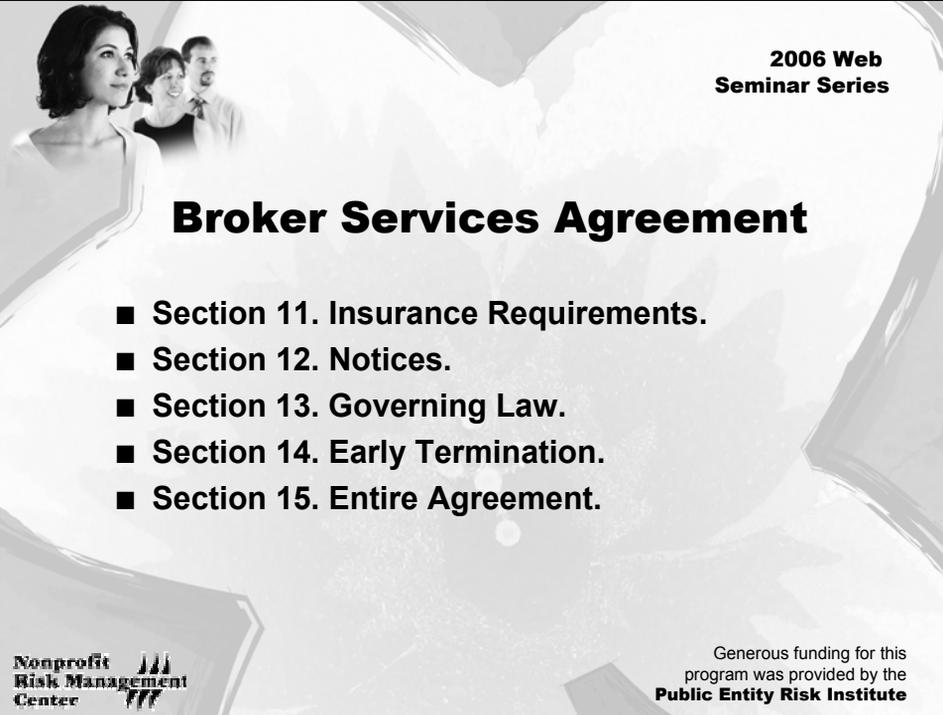
Broker Services Agreement

- **Section 7. Exclusivity.**
- **Section 8. Duty to Preserve Confidentiality and Trade Secrets.**
- **Section 9. Compliance with Laws.**
- **Section 10. Indemnification**

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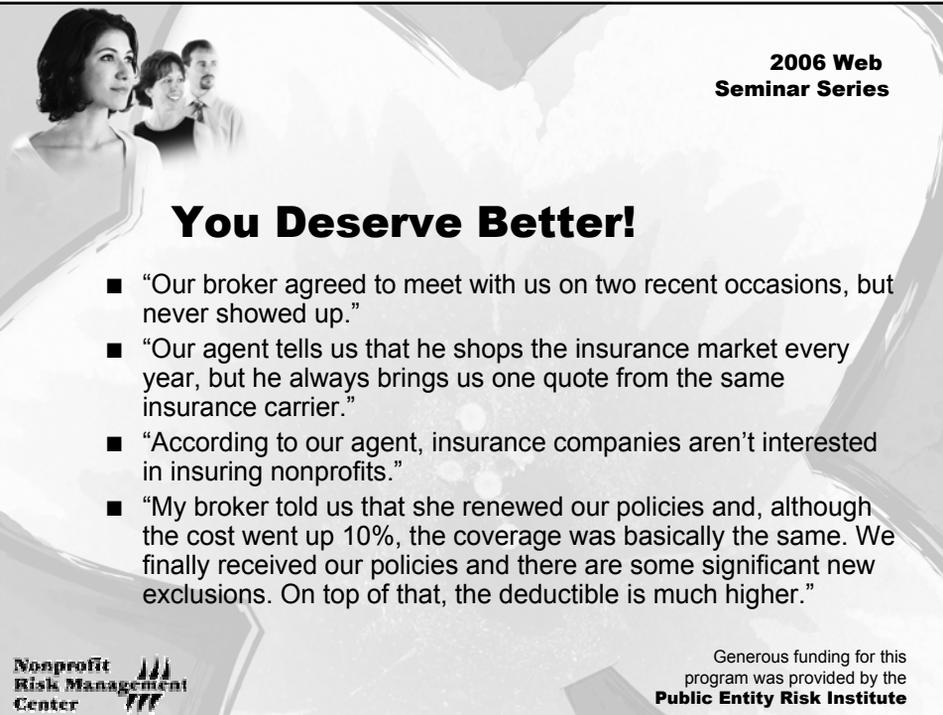
Broker Services Agreement

- **Section 11. Insurance Requirements.**
- **Section 12. Notices.**
- **Section 13. Governing Law.**
- **Section 14. Early Termination.**
- **Section 15. Entire Agreement.**

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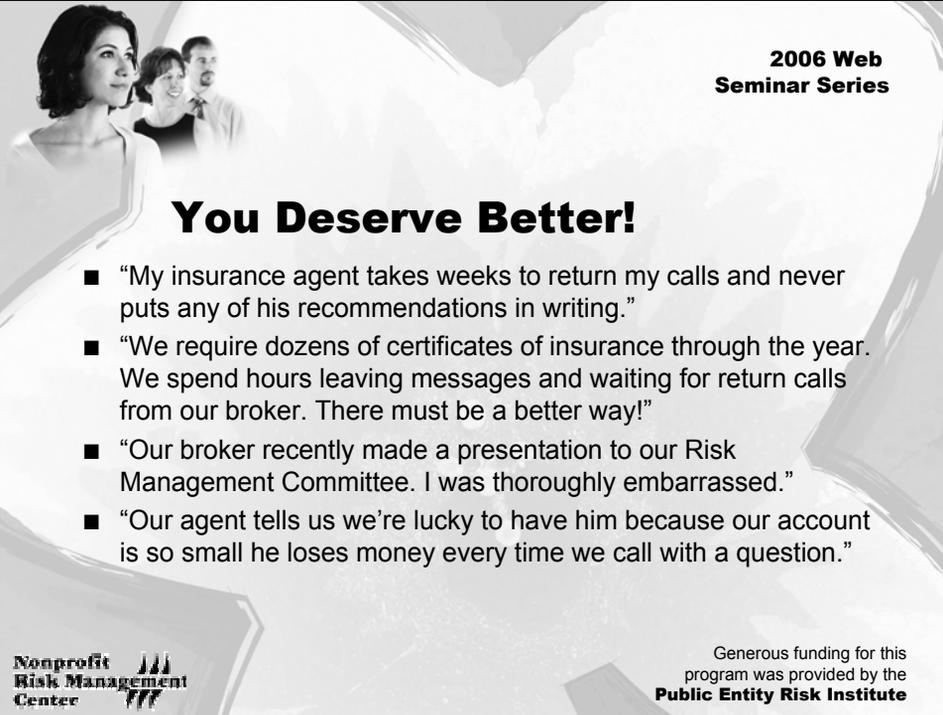
You Deserve Better!

- “Our broker agreed to meet with us on two recent occasions, but never showed up.”
- “Our agent tells us that he shops the insurance market every year, but he always brings us one quote from the same insurance carrier.”
- “According to our agent, insurance companies aren’t interested in insuring nonprofits.”
- “My broker told us that she renewed our policies and, although the cost went up 10%, the coverage was basically the same. We finally received our policies and there are some significant new exclusions. On top of that, the deductible is much higher.”

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You Deserve Better!

- “My insurance agent takes weeks to return my calls and never puts any of his recommendations in writing.”
- “We require dozens of certificates of insurance through the year. We spend hours leaving messages and waiting for return calls from our broker. There must be a better way!”
- “Our broker recently made a presentation to our Risk Management Committee. I was thoroughly embarrassed.”
- “Our agent tells us we’re lucky to have him because our account is so small he loses money every time we call with a question.”

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Thank You!

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Next Month's Web Seminar

- **Professional Liability Insurance:**
Understanding the Exposure and the Coverage Options
- **December 6, 2006**
- **2:00 pm Eastern**

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