

10 Ways to Cut Your Liability Insurance Costs

Managing a municipality is a complicated and costly endeavor. Everyone knows you have to have insurance, and that property and casualty coverage can be expensive. But is there a way to lower your cost of insurance? We asked our risk management experts and here's what they said:

1. Choose a broker, and insurers, that really understand the complexities of insuring municipalities. In today's market, many insurance companies are willing and in fact eager to insure any kind of organization or business, whether they have expertise there or not. Finding an agent that specializes in your industry will usually get you lower costs. And then there's the bigger benefit: specialist brokers know how to design coverage that gives you the best possible protection and doesn't leave you any unexpected exposure. Public official liability policies and law enforcement liability policies, for example, need to be analyzed very carefully because they often have exclusions that limit what they will cover. You don't want to find that out after the fact.
2. Shop around. Competition between insurance companies is fierce right now. Having the right broker, a broker that has some leverage with your industry's markets, will help you take even more advantage of that competition for your premium dollars.
3. Present yourself to the carriers in the best light. It's all about making the underwriter at the insurance carrier feel comfortable giving you a good rate.
4. Review your Risk Management Program. A well-planned and implemented risk management strategy is paramount to reducing exposure and containing costs. Your broker should be able to help you perform a thorough analysis of your exposures, and then design and implement a complete risk management program tailored to your Public Entity's safety and cost concerns and desired levels of acceptable risk.
5. Thoroughly screen potential employees. If you put job applicant through a rigorous screening process, chances are you will do a better job preventing the hiring of careless or inexperienced people who could jeopardize your safety records. This will help improve your standing with your insurance company. Not only does a good record get you better rates, but many business insurance companies will grant some kind of discount if you can show you're taking additional steps to screen employees and cost them less.
6. Continually train your employees. Having a detailed plan in place to make sure your employees' skills are sharp and their knowledge up-to-date could help lower your insurance costs in two ways: first, knowledgeable employees have fewer accidents. Second, showing your insurer your training program will be one more factor that causes them to look favorably on your account when it comes up for review.
7. Conduct a safety inspection of your offices and vehicles. We'd suggest you work with your Broker and Carrier Risk Control representative to provide this service.
8. Keep vehicles serviced, and document it.

9. Obtain insurance certificates and hold-harmless agreements from contractors you hire. This will protect your insurance from paying claims as a result of the contractor's actions. Beyond paying for the claim, this protects you from the associated premium increase that results from claims.
10. Think about a larger deductible. If you take on a larger deductible for your policy, you can lower your insurance costs without lowering your protection.