

## Buying the Best Insurance for Your Rink: Warning Signs of Insurance Problems

by Charles Cox

If you spend more time analyzing your insurance costs than your insurance coverage, you could be headed for trouble. A soft insurance market, with cheaper rates and easy access, has led purchasers to look at insurance as a commodity. Until faced with a serious claim, few insurance purchasers realize how important their insurance program is. From a business standpoint, it's vital to recognize that insurance is not a commodity. A good insurance policy could be critical to the survival of your business.

Depending upon your answers to the following questions, you could have problems with your insurance coverage:

1. Who's paying attention to your insurance program? It's easy to say that your insurance agent should be paying attention to your insurance program, but it's a two-way street. Is your insurance agent or broker meeting with you regularly? What is the purpose of the meetings? Are you and your agent analyzing changes in your operations and exposures? It's very important that the lines of communication between you and your broker be open and that your agent is aware of your operations. If your agent doesn't inquire about changes in your operations, initiate the conversation. Don't sit back and pretend everything is fine because you haven't heard from your agent.
2. Have you ever suffered an uncovered or underinsured claim? If you have, what action has been taken to close that gap? Have you assessed what would happen in case of a catastrophe? These are things you need to discuss with your agent or broker.
3. How long before the renewal date do you receive your renewal proposal? If you're receiving your renewal proposal less than a week before your renewal date, you've got problems. You should be receiving your renewal proposal a minimum of three weeks before the renewal date. If you get the renewal quote after the effective date, that's a major warning sign. Does your agent or broker review your renewal proposal with you in detail? Does your agent go over what's in the new program versus what's in the expired program? You should convey your renewal expectations to your broker. If there are options you want to consider, let the broker know. Make sure you give the broker your exposure information ahead of time so your insurance program can be structured for your operations and properly protect you in the event of a claim.
4. If you have experienced claims with any regularity or severity, are you getting loss runs on a regular basis? Do you understand the impact of losses on your ice rink insurance program's cost? You should be receiving loss runs and your agent should be analyzing those losses to determine whether or not reserves are being established correctly and claims settlements handled properly. Make sure you understand the impact of your losses on your premium.
5. Does your insurance program have multiple effective and expiration dates? If you have five or six different policies with different effective dates you've probably added coverage, changed coverage, cancelled and replaced coverage. It's very hard to keep track of multiple policies' dates. It's also very difficult to schedule those policies under an excess "Umbrella" liability umbrella policy without the possibility of gaps in coverage. It would be better to have one effective date for your entire insurance program. It makes it easier to manage and to market your program. If you're going to select a new effective date, avoid the overly popular dates of January 1 and July 1.

Insurance is vital for ice rink operations, and communication between the insured and the insurance agent is critical to developing an effective insurance program.

*Editor's Note: Charles Cox is president of Aldrich & Cox, Inc., an independent risk management consulting firm. He is also a member of the board of directors and past president of the Society of Risk Management Consultants.*