

## WHAT A GOOD INSURANCE BROKER MIGHT DO FOR YOU

A good insurance broker can save you money, and not just by getting better quotes from insurers. A good insurance broker might:

- Find better insurance;
- Help you dump policies you don't need; or
- Get you paid on claims without using a lawyer.

Read on for questions to ask when you are interviewing prospective brokers.

### *Insurance Broker Versus Insurance Agents*

Agents typically work for just one company. State Farm provides an example of that business model. Brokers sell policies issued by more than one company. Indeed, they might solicit quotes from several carriers on behalf of their clients, the prospective insureds. That may connect brokers more to the insureds than insurers. But they also may get paid by commission from the insurance company. So they often have links to both sides if a claim dispute develops. Sometimes, that can help.

### *Look For Substantive Experience In Your Niche*

When you buy insurance, it helps to use a broker with past experience in selling to people or companies like yours. There are many different policy types offered by many different carriers. Background in your field might help them help you focus on what your needs and options are. They might point you to qualitative differences in policy language that affect your coverage. Ask what they have done for others in your segment.

### *With Whom Do They Place Insurance?*

If they only sell policies for a few insurers, they may be more loyal to the carriers than to you. But having a broker that provides at least some repeat business for an insurer could help them help you if you later have a claim. Strike a balance. Think before using a broker that cannot be independent. But, remember the value of using one with at least some connection to the market.

### *Do They Have A Proven Claims Service Record*

Good brokers help their clients get paid on claims. In fact, a skilled broker can sometimes save you the cost of a lawyer. They know the lingo, and sometimes they can use established relationships to ease red tape and improve claim communication. Ask your broker if

they have a claim department or claims specialists. Ask them for examples of when they have helped their clients get a better deal than the first offer.

### ***Revisit Your Decision Regularly***

Loyalty has value, too, but don't blindly stay with the same company for years. Good brokers aren't scared to compete. That said, think carefully before ending an established relationship over a small price difference. True cost of anything – including insurance policies -- includes more than price.

*John J. Rasmussen founded the Insurance Recovery Law Group, PLC after nearly a decade of working for insurance companies. You can learn more about him and his practice at [www.insurance-recovery.com](http://www.insurance-recovery.com). You can contact him at [jjr@insurance-recovery.com](mailto:jjr@insurance-recovery.com).*