
Small Business Insurance Introduction

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Small Business Insurance Introduction

- **Outline**

- 1. What is Insurance?
- 2. Do I Need Insurance?
- 3. Small Business Insurance
- 4. Purchase Strategies
- 5. Purchase Channels
- 6. Insurance as a Career
- 7. Q&A



Insurance
[in-'shur-ən(t)s]

A contract in which an individual or entity pays an insurance company in exchange for financial protection or reimbursement of losses resulting from a covered event.

Investopedia

Small Business Insurance Introduction

- **What is Insurance?**

- Definition - Insurance is a contract between an individual or business with an insurance company to help provide financial protection and mitigate the risks associated with certain situations or events.
- Purpose - to reduce financial uncertainty and make accidental loss manageable
- Protection
- Security
- Risk Management
- Peace of Mind



Small Business Insurance Introduction

- **Kinds of Insurance**

1. **Life / Health**

2. **Property / Casualty**

- A. **Personal Lines**

- i. Auto
 - ii. Homeowners

- B. **Commercial (our focus today)**

- i. Liability
 - ii. Property

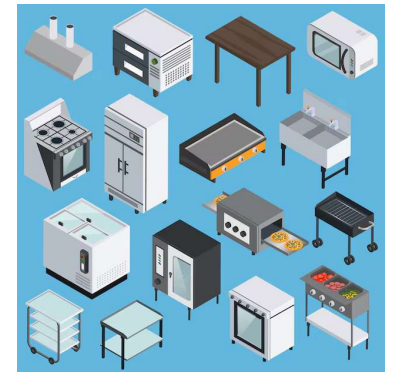


Small Business Insurance Introduction

◦ Do I Need Insurance?

- **1. Are you required to carry Insurance?**
 - A. Mortgage / Lender
 - B. Lease
 - C. Law

- **2. If not required, can you afford the loss in the absence of Insurance?**
 - Self Insured



Small Business Insurance Introduction

- **Small Business Insurance**
 - **1. Commercial Auto**
 - **2. Business Liability**
 - **3. Business Property**
 - **4. Workers Compensation**
 - **5. Cyber Insurance**
 - **6. Business Interruption / Extra Expense**
 - **7. Bonds**

Small Business Insurance Introduction

- **Purchase Strategies**

- **A. Package Policies**

- Multiple coverages incorporated into one policy. Example:
- For small businesses, BOP - Business Owners Policy
 - Can include Building, Contents, Business Interruption and GL (General Liability) in one policy.
- Often an optimal solution for many small businesses.

- **B. Monoline Policies**

- Monoline insurance is an insurance policy that covers a single type of risk.
- Used when a risk is excluded from or not covered by a package policy.
- Used when a specialty coverage is desired / needed that is not offered by the package policy underwriter. Examples: Terrorism, Flood, Earthquake, etc.

Small Business Insurance Introduction

- **Purchase Channels**

- **A. Retail Agents**

- Captive Insurance Agents
 - Works exclusively for one insurance company - St. Farm, Farmers, Nationwide, etc.
- Independent Insurance Agents
 - Represents a number of different (and competing) insurance companies.
 - Can be “brick and mortar”, internet based or a combination.
 - Can be large or small.

- **B. Wholesale brokers**

- Generally - The intermediary or “middle-man” between a retail insurance agent and the insurance company.
- Has access to specialty markets and products.

Small Business Insurance Introduction

- **Insurance as a Career**
 - **US Insurance Industry**
 - Written Premium - Approximately \$1.5 Trillion
 - Employees - Approximately 2.8 M
 - **Global Insurance Industry**
 - Written Premium - Approximately \$6.8 Trillion
 - US is clearly Global leader in Insurance
 - **Considerations**
 - Growing Industry
 - Recession Proof
 - Innovative
 - International Opportunities

Small Business Insurance Introduction

- **Insurance as a Career**

- **Opportunities**

- Operations
- Underwriting
- Claims
- Sales
- Products
- Data
- Systems
- Marketing
- Human Resources
- Agency / Brokerage



Small Business Insurance Introduction

Q & A