



INSURANCE
BROKERS

TAKING THE CONFUSION OUT OF INSURANCE

Construction Insurance A CFO's Guide



WHAT'S INSIDE:

THE BASICS • RISK MANAGEMENT 101 • BEST-IN-CLASS PRICING
SHOPPING YOUR POLICY • STAY IN THE GOOD BOOKS

Taking the Confusion out of Insurance

“Am I doing this right?”

“I don’t have time for this.”

“I hate dealing with insurance!”

Business owners have enough to manage
without worrying about their insurance.

CMB understands that buying insurance for your company can be complicated, costly and confusing. This guide aims to share our inside knowledge of the business to simplify your insurance experience. Our goal is to help you understand what insurance companies are looking for so your company is seen as more insurable, and how CMB can help.

We hope our insight into a sometimes confusing industry empowers you to make the best choices for your company’s success.



1. The Basics

How insurance works (& why you should care)

First, why do you need to know how insurance works? By understanding what's important to insurers, you can make sure your company looks like a good risk for insurers. If your business looks attractive to insurers, it can mean better premiums, coverage with no surprises, and more peace of mind.

Fortunately, we understand what insurers are looking for and can help make your insurance experience simple, controllable and predictable. Our goal is to protect the business you've worked hard to grow.

What you need to know

Business insurance protects your company when it suffers a loss in the normal course of business. A business insurance policy is a contract between your company and an insurance provider, where a business pays for financial protection from various kinds of losses. This can include damage to property, interruptions to business that cause lost income, liability resulting from causing loss or injury to a third party, and more.



What to consider (besides price)

You want the best deal and CMB is focused on finding it for you. Price is only one part of choosing the right insurance. The cheapest policy isn't as good as the right policy if your business faces a serious claim.

A. Choose a dependable insurer

Choosing an insurance company can be daunting. There are almost 200 insurers competing in Canada. If you're looking for an insurance company that covers medium-to-large businesses, and has a good credit ratings from a trusted rating agency, the pool is smaller.

Your insurer should tick these boxes:

- They understand your field and your needs
- They're near your location so service is timely, local and specific.
- They have a track record of paying claims promptly.
- They communicate clearly and in a way that works for you.

CMB does all this, and more. We're headquartered in Edmonton with offices in Calgary, Red Deer, and Grande Prairie as well as Los Angeles and San Diego, California. We have 35+ years experience and have an almost 95% client retention rate. We keep things simple and practical, and we're easy to deal with.



B. Understand the fine print

Not all policies are the same, nor should they be. Understanding the details of your policy is key to knowing if you have the coverage you need. Will your policy cover the business you do internationally? Is your price higher because there's extra coverage where you don't need it? Does your brokerage understand the specific risks of your industry and company?

CMB understands the details of your policy and provides clear, uncomplicated answers to your questions. We get to know you and your needs, and we understand how to make sure your policy meets those needs, so there are no surprises when it's time to make a claim.

C. Know your advisor

You're the expert on your business. An insurance advisor knows insurance—but also needs a good understanding of your industry and needs. When choosing an advisor, ask:

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- Can you have a candid, clear conversation with your advisor?

 - Do they understand the basics of your business and its risks?

 - Do they work with insurers that match your company's needs?

 - Do they have other clients like you? This helps ensure they know your industry and work with insurers that suit your needs.

 - Do they put your interests first?



- How are they accountable to you? What's in place to ensure they do what they say and deliver what you expect?

- Has the advisor been with the insurance company for long?

- Once they have your business, what's the plan for future communications? Can you count on them to check in when it makes sense to you?

- How are they compensated? If your advisor is paid for signing up your company with no incentive to ensure good service going forward, it can be a red flag. A good advisor should be willing to disclose how they're compensated, so you know they really are putting your company's interests first.

CMB advisors take the time to know your business so they can provide the good advice you need. We select team members with knowledge of your segment of the industry, and pride ourselves on being accessible, reliable and prompt. We get it—you have a business to run. We're here to make it easier.

Putting competition to work for you

Competition is good, right? So why not approach multiple advisors to quote your business? This actually creates competition at the wrong level.

It's worthwhile to create competition among insurers to make sure your business gets better terms or pricing. But this competitive process can be managed by a single advisor who understands how



to leverage multiple insurers against one another to get the best terms and pricing.

CMB team members understand how to find competitive pricing and terms that align with your needs—especially since we get to know you and your business. When you trust us to work for you, we take it seriously. We draw on decades of industry experience and connections to search for what is best for you.

It's also worth knowing that the insurance business is set up so that an insurance company can only work with one advisor at a time on a particular policy. If an insurer has already started working with one advisor, they will reject other advisors that approach them regarding that policy. This is called “blocking the market”, and it means there's no benefit to using multiple advisors. The only exception is if one has access to markets or products that the other does not.

A conversation is a good place to start. At CMB, we're ready to listen, and get you the prompt answers and good advice you're looking for. We know you don't have a lot of time so we listen, and we deliver the solutions you need.

What about price?

Of course price is important—and we talk more about it in part 3. But focusing only on price may cost you money in the long run. With so much weighing on having the right insurance, our experience tells us that it's important to consider these other crucial factors first—and then we'll find you best-in-class pricing.



2. Risk Management 101

Managing risk is important to every business, and is especially important to make your company attractive to insurance companies. All companies carry risk. The key is to identify and evaluate your risk so you know it's covered.

That's where CMB comes in. We like to say that we protect what matters most like it's our own. Our goal is to protect the value of your business, which we do by carefully assessing your risks and providing the right coverage while controlling costs.

Risk management can be complicated and frustrating, but it doesn't have to be. We work to make it simple, predictable and controllable.



3. Best-in-class pricing

Have you ever thought about how to get on the good side of your underwriter? Or why you should even try?

Many don't realize the critical role your insurance underwriter plays in determining the price tag on your insurance coverage. An underwriter is the person at an insurance company who evaluates your business's level of risk, and whether you will be profitable to insure. A lot of quote requests come across their desks. How can you make yours stand out as a good risk and get most favourable pricing possible?

Your CMB advisor is the key here. We understand how to put together a compelling submission and where to look in the market to collect competitive quotes. We make the entire process less complicated while still getting you the best pricing for your specific needs.

Show and Tell

Your CMB advisor is your ally to show and tell why insurers why your company is a good risk.

Together, we can

Show insurers:

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- Your employee retention rate
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- How your leaders are involved in the business on multiple levels
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- The ways you treat your team to ensure you're attracting and retaining top talent
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- What's great about your facility. Photos or video of your job sites and offices can demonstrate cleanliness, safety, good maintenance and even good morale.
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Underwriters can look on all these factors favorably, which can lead to better rates.

Tell insurers:

- There's nothing like a conversation to convey complexity. Connecting with an underwriter by phone, on Zoom or in person can really help them understand your business.
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- An honest discussion to answer an underwriter's questions can make them feel assured you're a good risk.
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- An advisor might even get competing underwriters on a conference call to compete for your business, a good strategy to put downward pressure on premiums.
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The "Show and Tell" approach can help underwriters better understand your company and feel more comfortable about the level of risk that comes with insuring you. And CMB does this while minimizing your time investment and keeping things simple. Your relationship with us leads can making your business more attractive to insurance companies.



And about that title of “Best-in-class pricing”... maybe you’re thinking that you should be looking for the best pricing. It’s wise to remember that the cheapest price to fix a leaking roof or do a root canal doesn’t always inspire confidence in the quality you’ll receive. The same is true of your business insurance.

Best-in-class pricing means getting the best rate for the highest quality coverage. Knowing your calls will be answered quickly, your claims will be paid faster, and your advisor understands your business, your region, and your priorities is part of CMB’s value.

We promise to find you the right price for the right coverage—to work with you to manage your risk—and to help control the negative impacts of a claim—while still getting the right price for your insurance.



4. Shopping your policy

Timing your quote

When you're ready to re-evaluate your business insurance, the first step is to look at your policy's expiration date. The second step is to ensure you have the right advisor working for you.

Your CMB advisor is trustworthy, hardworking, experienced and local. Here's what we advise if you're ready for shop your policy.

You'll need to see proposals at least 2 weeks before your expiry date. A good advisor will want time to review and correct those quotes before passing them on to you, so add a few days there. Underwriters require up to 30 days to put together their submissions for your advisor.

So let's work backwards:

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- If your policy expires January 1st, you need proposals for review by December 14th.
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- Your advisor should have those proposals by December 10th.
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- Underwriters will want to get started by November 10th.
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- An advisor will start to gather information up to 30 days before that.
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Bottom line? Start work with your CMB advisor 60 to 90 days before your expiration date. This gives you the greatest chance of getting the most competitive terms and pricing available.



Be strategic when you shop

Now that you know the right timing to shop for a quote, how often should that happen? Unless you have a compelling reason, there's no need to do so every year. Your CMB advisor knows your business, your industry and the insurance market. Talk to us about the right timing.

Be aware that if underwriters see your same submission year after year, they may not put a lot of time into pricing it. Insurers expend considerable effort into underwriting a new business, and may not see a profit on your account for several years. If they see you shopping your policy frequently, your business may not look attractive to them; they could even decline to offer a quote.



5. Stay in the good books

When you think about how you'd like your insurer to manage your business, the golden rule is a helpful guide: treat them as you'd like to be treated.

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- Report claims on time.
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- Report changes to your business promptly (through your CMB advisor).
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- Report revenues and payroll accurately. Large discrepancies look deceptive.
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- Pay premiums promptly. Late payments can mean a refusal to renew your policy.
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- Change carriers only when there's a good reason. Frequent changes say you might not be a profitable client.
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Insurance is complicated. It can feel like it's out of your control. It's good to have an ally in your corner working for you.

CMB Insurance Brokers makes insurance easier to understand and has dedicated our business to making the insurance experience simple, controllable and predictable.

Give CMB the opportunity to make insurance easier and better for your business.

CALL US AT:

Office: 780.424.2727

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24/7 Claims Line: 1.877.318.5117

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