



How to choose the right broker, If I knew then what I know now



After 20 years in Healthcare Administration, Matt Quinn, Business Development Director at IMA, shares his experience about some of the things he wishes he knew earlier in his career about managing insurance programs.

1. Why should you use a broker?

An insurance broker is the best way to access insurance carriers, value-added risk management services, and insurance consulting. A broker will help you market your risks for the broadest possible terms and negotiate rates with the carrier. It is essential to choose your broker first and have a “Broker of Record” or BOR in place– you may lose leverage and potentially block the marketplace by trying to work with multiple brokers.





2. How to choose a broker?

Finding strategic alignments beyond transactional fulfillment When choosing a broker, there are a few strategic questions that should be asked, alongside assessing transactional capabilities.

Do they have industry experts in health care?

A broker that understands your business and operating vertical will be better able to proactively provide advice and solutions that fit your unique circumstances.

Will they take the time to understand your business?

Your broker should be a partner in your business – an external team that helps manage some of your most significant operational risks. For instance, a broker that has experience with claims advocacy in health care will be in a better position to help you get open claims closed and paid.

Does the broker have strong relationships with major insurance carriers?

A broker that has excellent relationships with strategic carriers will be better able to help place coverage, particularly for clients with problematic claims history, are looking to expand into new markets and offer additional services and types of care.

A local broker may not have the same capacity for service as a more extensive broker. Conversely, a large international broker, may not always offer more tailored needs of your company. Evaluating the scope and scale of a broker's operations while also ensuring a broker will provide individualized attention and service is a crucial component of finding the right broker for your business.

Do they have industry experts in health care?

A broker that understands your business and operating vertical will be better able to proactively provide advice and solutions that fit your unique circumstances.



Make sure your
Broker
understands you.



Will they take the time to understand your business?

Your broker should be a partner in your business – an external team that helps manage some of your most significant operational risks. For instance, a broker that has experience with claims advocacy in health care will be in a better position to help you get open claims closed and paid.

Does the broker have strong relationships with major insurance carriers?

A broker that has excellent relationships with strategic carriers will be better able to help place coverage, particularly for clients that have may have problematic claims history, are looking to expand into new markets and offer additional services and types of care.

Do you need a local broker?

A local broker may not have the same capacity for service as a more extensive operation. Conversely, a large international broker, may not always offer more tailored needs of your company. Evaluating the scope and scale of a broker's operations while also ensuring a broker will provide individualized attention and service is a crucial component of finding the right broker for your business.

Do they offer services that can help you manage risks and prevent claims from ever occurring?

Some brokers may offer additional services that can help companies proactively avoid risk, rather than reacting after an event. Risk control services can help train a workforce and actively enforce best practices for worksites.

Contract review services can help you, and your business understand and prevent specific risks that you may be unknowingly assuming when signing a contract, including Supply & Demand Contracts, Release of Liability Waivers, M&A Documents, and more.

IMA employs a Risk Control Healthcare Team focused on services related to each specific healthcare need and style of business. Unlike most brokers and carriers IMA Risk Control is very versed in all the unique avenues of operation in long-term care, hospitals, social services, home health, etc. IMA provides a hands on approach to all training needs, written policies, employee engagement in safety, versus relying solely on technology programs. Our staff are experienced in Safe Patient Handling hands on training, behavioral based/crisis management, OSHA Compliance, workers compensation, liability, to name a few. We create service plans based on your organizations wants, needs, goals, along with making recommendations to improve your overall insurance and safety program.

Will they help you evaluate your insurance program annually?

Evaluating your insurance program does not necessarily mean quoting every year. The annual review process is vital to maintain, so as your practice changes, so does your insurance program, helping you proactively prevent and manage emerging risks that come with expansion. For instance, as your risk appetite changes, you may want to consider bearing more risk through deductibles that could help you save premium dollars, waivers, M&A Documents, and more.



3. How to know if you are getting the best outcomes during insurance renewals?

Four to six months before renewal, your broker should be reaching out to make sure you are in alignment with your renewal strategy. At this point, your broker should be actively managing your expectations with respect to renewal pricing, coverage, changes etc.

Your broker will then partner with you to “pre-underwrite the risk” which includes thoroughly completing the application. Your broker can guide you on what information to include in your application. The better the information provided, the better the outcome including increased limits, broad coverages and reduced premiums.

4. Are you critically examining your coverage and limits of liability?

Not all insurance policies are created equal, and it is not just about premiums and pricing. Many policies may have exclusions that could restrict necessary coverage. Your broker should work with you to help identify and remove any restrictions on coverage deemed essential for your business.

Aside from the most apparent type of insurances: malpractice, workers compensation, and property, companies should also be working with their broker to actively evaluating their risk exposures in other areas:

- + Cyber
- + Regulatory, Fraud and Abuse
- + Directors and Officers Liability
- + Employment Practices Liability
- + Fiduciary Liability
- + Crime Insurance





5. Have you determined the best policy structure for your Malpractice Insurance?

Coverage gaps could potentially leave you at risk for a large claim. A few questions you should ask yourself when examining your policy and coverages:

- + Do you pick up past retroactive dates in order to recruit physicians?
- + What is the best way to handle the tail for providers that leave the practice, slot, or individual tails?
- + Does each physician have a separate limit?
- + Do the PA's and NPA's share in the corporate limit?

Conclusion

When choosing a broker or a policy, is it necessary to examine your options critically. A good broker partnership and the right coverage at the right time can help avoid significant claims expenses and premium increases at renewal. By working with a broker who is the right-size, they can offer you value-added services that can help actively manage risk before a claim occurs and proactively examine your insurance policy to eliminate any coverage gaps.



This material is for general information only and should not be considered as a substitute for legal, medical, tax and/or actuarial advice. Contact the appropriate professional counsel for such matters. These materials are not exhaustive and are subject to possible changes in applicable laws, rules, and regulations and their interpretations.