

## Expert opinion

Brownyard

### Take control of your insurance costs

By John Culotta

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Insurance premiums can seem like an expense for which you have little control. You pay your premium and hope your claims are paid quickly and fully. But it doesn't have to be that way.

If you maintain a good loss history, you have the ability to reduce your insurance costs over time, and make yourself a more desirable risk to potential insurers. That not only means lower premiums, but you won't have to settle for off-the-shelf insurance

coverage that may fall short of protecting you and your pest management business.

To minimize your losses, I recommend doing "internal loss control" by creating and maintaining a checklist of items that can affect your loss history:

1. **Hold monthly meetings to review chemicals, treatments and new pest issues.** This way, you can ensure that your technicians are up to date on the latest information and safety issues. Bed bugs are a perfect example of why these updates are important. The preferred treatments for bed bugs have changed over the last few years, as the industry learned and refined its treatment methods.
2. **Conduct contract reviews to make sure your contracts reflect changing industry conditions.** Again, bed bugs provide a good example of why this is important. With bed bug treatments, your contract should clearly state that there are no guarantees, and multiple treatments may be required. Also, your contract should state that you are not responsible for any property damage due to the treatment. Make sure your contracts are up to date with language that gives you a better chance of defending yourself.
3. **Establish guidelines for managing customer expectations through good communications.** Managing customer expectations is crucial to helping avoid potential claims -- and communication is key to managing those expectations. Make sure every employee understands how to communicate. Give them a list of steps they should take to make sure customers fully understand the pest management treatment and its effectiveness.
4. **Set up a schedule to make follow-up phone calls to customers after their treatment is complete.** By reaching out to customers when your work is done, you are not only showing them you care, but you will hear any concerns they may have so you will be in a position to address them before they escalate into an actual claim. When you reach out to customers proactively, they recognize that you are willing to work with them -- and they will be less inclined to file a lawsuit.

By establishing an internal loss control system with these four steps, you can go a long way to reducing your losses. And a good loss history is how you get good insurance rates and good insurance coverage.

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program at Brownyard Group ([www.brownyard.com](http://www.brownyard.com)), a leading administrator providing specialized insurance coverage for select industry groups. He can be reached at [jculotta@brownyard.com](mailto:jculotta@brownyard.com) or by calling 800-645-5820, ext. 122.

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