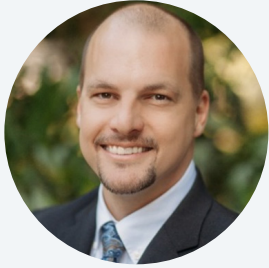


# 5 high-impact, low-cost ways to improve your insurance coverage from Drew Boyd



Drew Boyd founded Jefferson Maxey Consulting because subcontractors needed an unbiased risk manager who isn't paid by insurance companies. He helps subcontractors identify coverage gaps and avoid overpaying or underpaying for coverage.

Check out five high-ROI tips from Drew and [follow him on LinkedIn for more](#).

## 1

### Save hundreds of thousands in out of pocket expenses in claim scenarios

Be sure you have a "per occurrence" General Liability deductible and **NOT** "per claim."

If it is per claim, ask them to change it. If there is a cost, it should be a couple hundred dollars at most.

This will save you tens or hundreds of thousands of out of pocket expenses in claim scenarios.

## 2

### Make sure you're covered for debris removal

Ask that the "debris removal" limits on your property policy be raised to at least \$200k (you may need even more).

This is a sub-limit, usually \$25k, that covers the cost to remove the burned or otherwise damaged property when you have a loss. For instance, a small 2k square foot feed store where I lived burned to the ground and the debris removal alone was roughly \$70k.

If you don't have the proper sub-limits in place you'll pay anything over \$25k (or whatever your property policy provides) out of pocket.

### 3

#### Remove any ambiguity on property or equipment loss with an agreed value

Ask what it would cost to get “Agreed Value” on your commercial Property and Inland Marine (mobile equipment) policies.

This means that when you have a property or equipment loss that is covered, the insurer will pay the loss up to the limits you agree upon with no fuss.

If you don’t have Agreed Value, the adjuster will show up and work some magic formula and your loss payment will be a fraction of what it should be because of this devilish clause called “coinsurance.” Agreed Value removes coinsurance.

### 4

#### Cover in-house accidents by removing “fellow employee” or “co-employee” clauses

Ask that the “fellow employee” or “co-employee” exclusion be removed from your General Liability and Auto Liability policies – at least for executive and supervisory personnel if not removed entirely.

With this exclusion, you’re liable for every claim of injury between any two employees. If the owners, executives or supervisors of a subcontracting company happen to injure an employee, they may be in trouble because of this exclusion.

If this exclusion is removed, there is coverage for these scenarios, so I always ask for it to be removed from those policies.

Usually, there is little to no charge for this.

### 5

#### Don’t assume you’re covered – add Auto Insurance and Employer’s Liability to your Umbrella/ Excess policy

Check your commercial Umbrella/Excess policy and make certain your commercial Auto insurance and the Employer’s Liability from your Worker’s Compensation are both listed as underlying – and be sure there is no auto exclusion on the Umbrella/Excess policy.

**Example:** A sub buys an umbrella for \$10M, and assumes it covers auto. It doesn’t because umbrella policies only cover scheduled activities and auto isn’t scheduled.

They have a \$3M auto incident, and have to pay \$2M out of pocket.

It should not cost any additional premium to add the Employer’s Liability if it’s not already underlying, and if your Auto is not already underlying you need it there anyway and you’ll know what it costs to be properly insured.