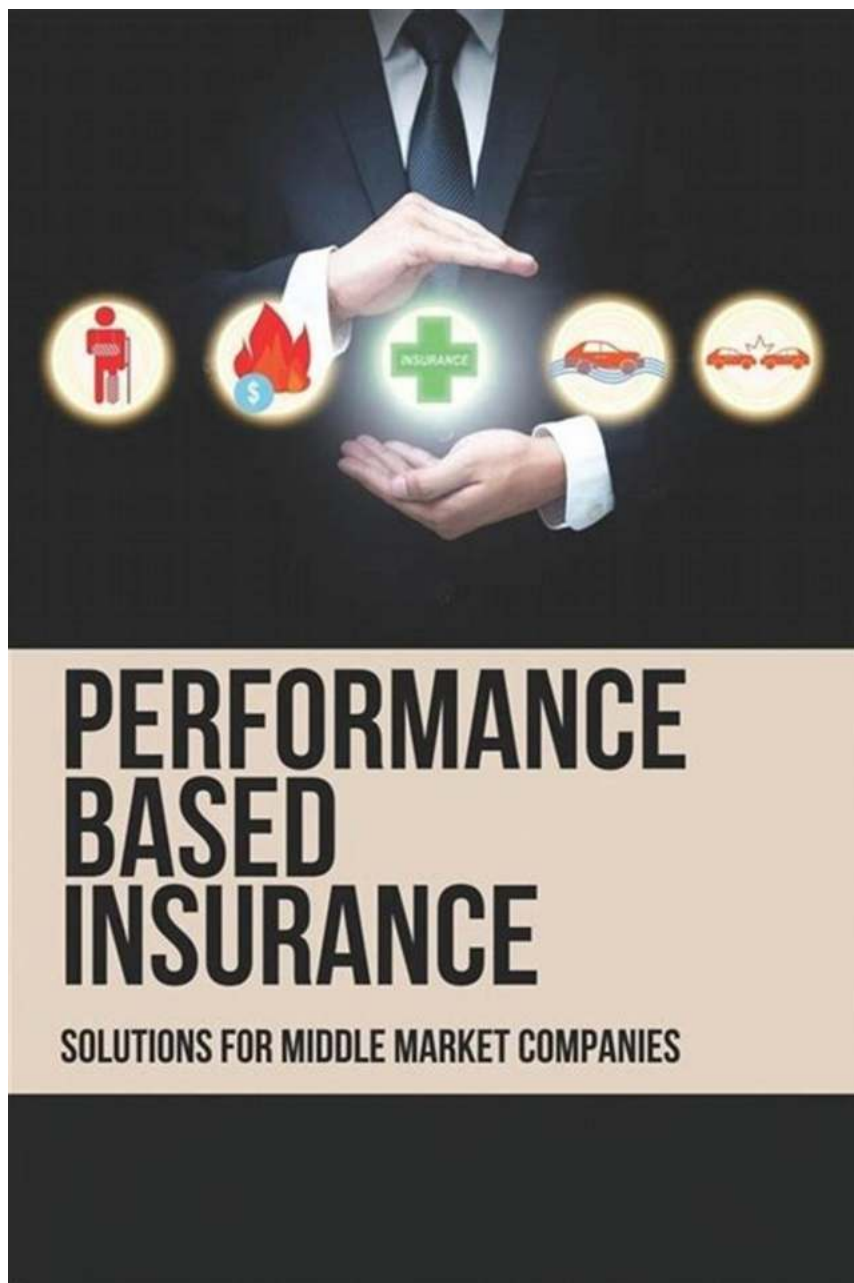


What You Don't Know About Performance Based Insurance Can Save Your Company



When it comes to protecting your company from financial losses, insurance is typically the first thing that comes to mind. However, have you ever heard of performance-based insurance? It's a lesser-known type of coverage that can have significant advantages for your business.

What is Performance Based Insurance?

Performance Based Insurance (PBI) is a unique insurance approach where the premium rates are determined based on the actual performance of your company. Traditional insurance policies rely on standard criteria such as revenue, industry, and past claims history, but PBI takes into account the measurable performance indicators specific to your business.



The Cost of Ignorance: What You Don't Know About Performance-Based Insurance Can Save Your Company Millions by Wagner James Au (Kindle Edition)

★★★★☆ 4.6 out of 5

Language : English
File size : 275 KB
Text-to-Speech : Enabled
Screen Reader : Supported
Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 64 pages
Lending : Enabled



Long Descriptive Keyword for Alt Attribute: *Performance Based Insurance: A Tailored Risk Management Solution for Enhanced Business Performance*

This type of insurance provides a more customized and accurate assessment of your company's risk profile. It takes into consideration various factors such as safety records, employee training, quality control measures, and other performance metrics that directly impact the likelihood of claims.

Why is Performance Based Insurance Beneficial?

There are several advantages to opting for performance-based insurance over traditional coverage options:

1. **Cost Savings:** Performance-based insurance allows you to pay premiums that are directly tied to your company's specific risk profile. By accurately assessing your performance indicators, insurers can offer lower premiums to companies with excellent risk management practices, resulting in potential cost savings for your organization.
2. **Improved Risk Management:** Since performance-based insurance aligns with your company's specific performance metrics, it encourages you to implement robust risk management measures. In doing so, you not only reduce the likelihood of claims but also improve overall business performance.
3. **Increased Accountability:** Performance-based insurance creates a sense of accountability within your company. Knowing that your premiums are directly tied to your performance metrics, you are more likely to prioritize risk management and implement necessary improvements.
4. **Flexibility:** PBI allows for greater flexibility in coverage options and premium structures. Insurers can offer tailored policies that match your unique risk profile, ensuring comprehensive coverage without any unnecessary expenses.

Implementing Performance Based Insurance

To take advantage of performance-based insurance, you need to follow a few steps:

1. **Evaluate Performance Indicators:** Identify the key performance indicators (KPIs) that are measurable and relevant to your business. These may

include safety records, customer satisfaction ratings, employee training records, and quality control metrics.

2. **Discuss with Insurance Providers:** Engage with insurance providers who specialize in performance-based coverage. Discuss your performance indicators and understand how they align with their assessment process. Obtain quotes and compare different options.
3. **Implement Risk Management Measures:** Strengthen your risk management practices based on the identified KPIs. This may involve enhancing safety protocols, employee training programs, quality control systems, or any other aspect that improves your performance.
4. **Monitor and Update:** Continuously evaluate and update your performance indicators to reflect changes in your business operations. Regularly engage with your insurance provider to maintain an accurate assessment and potentially lower premiums based on improved performance.

In

Performance based insurance offers a unique and personalized way of managing risks for your company. By aligning premiums with your actual performance indicators, this insurance type promotes enhanced risk management practices while providing cost savings. Its flexibility and tailored coverage options make it a valuable choice for businesses looking to optimize their insurance strategies.



The Cost of Ignorance: What You Don't Know About Performance-Based Insurance Can Save Your Company Millions by Wagner James Au (Kindle Edition)

★★★★☆ 4.6 out of 5

Language : English

File size : 275 KB

Text-to-Speech : Enabled

Screen Reader : Supported
Enhanced typesetting: Enabled
Word Wise : Enabled
Print length : 64 pages
Lending : Enabled



There is drama in insurance. **THE COST OF IGNORANCE** is a riveting novella by business insurance veteran Robert Phelan. The story punctures confusing insurance jargon and introduces a powerful new concept for middle-market companies: a little-known form of insurance known as Performance-Based Insurance™ (PBI) costs less and can save a company millions of dollars over time.

The tale is told through the misadventures of Timothy Franculli, owner of a wholesale manufacturing company that is about to go broke because of escalating liability and health insurance costs. Timothy attends a conference in San Francisco where he runs into an old friend and learns about PBI, a type of insurance that could save his struggling company hundreds of thousands of dollars per year.

But there is a catch. Typically, in order to qualify for PBI, a company must have a strong safety culture where worker injuries and accidents are controlled and reasonably predictable. Franculli has a lot of catching up to do after a series of employee injuries the year before caused his worker's compensation premiums to skyrocket 40 percent.

Q & A WITH THE AUTHOR

Q: Why haven't I heard of PBI?

A: You may have heard of similar concepts with different names. I came up with Performance-based Insurance™ to simplify all the insurance jargon. With PBI, instead of paying some of your premium to subsidize the losses of others, the premium you pay is based strictly on your company's own "performance." For financially stable, well-run companies with a strong safety culture, PBI is the only program they should consider. Almost all large, sophisticated companies use some form of PBI.

Q: What is PBI?

A: PBI comprises all the forms of insurance where the ultimate cost is variable and based on performance. Conventional insurance is called "Guaranteed Cost." You pay a fixed premium regardless of your claim levels. If you have a PBI program, 30-40% of the premium is fixed and the rest is allocated to a loss fund. Whatever you don't use in the loss fund is returned to you. However, if the loss fund is inadequate, you may have to pay more than Guaranteed Cost. Safe, well-managed companies can reasonably save 25% on average.

Q: What's the biggest advantage of PBI vs. Guaranteed Cost?

A: You control the premium you pay. No more unpredictable premium swings, no more subsidizing the losses of unsafe companies and no more going through the hassle of going out to bid. If you maintain very low loss levels you could literally get a 50% discount. Think of it as getting every third year for free.

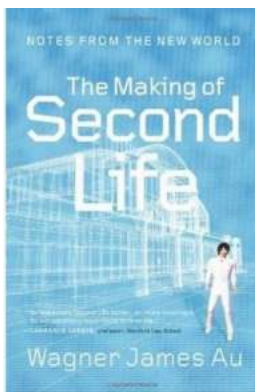
ABOUT THE AUTHOR

Robert (Bob) Phelan is a 30-year veteran of the insurance industry who has led his firm, Litchfield Insurance Group, to national prominence. Inspired by his father

who introduced him to the business, he considers his clients' successes to be his greatest achievement.

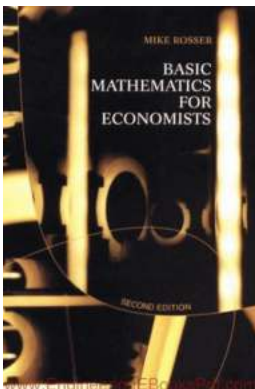
He's the author of *Broke: The Broken Contractor's Insurance System and How to Fix It* and is a co-author of *Secrets of Peak Performers*.

A thought leader in his industry, Bob was recognized as one of "The 25 Most Innovative Agents in America" and one of six "Power Brokers" in the U.S. in Construction. He speaks across the U.S. and Canada and is an Editorial Advisory Board member for the largest trade journal in the insurance brokerage industry.



Notes From The New World - A Journey into the Unknown

Welcome to a fascinating journey into uncharted territories, where Notes From The New World leaves no stone unturned in its quest for enlightenment. Grab your...



Unlocking the Power of Basic Mathematics: Learn Economics with Wagner James Au

Are you interested in delving into the fascinating world of economics but feeling overwhelmed by its foundation of mathematical concepts? Fear not! In this comprehensive...



Discover the Secrets of Documenting Software Architectures Views And Beyond

Software architecture is the backbone of any complex software system. It defines the overall structure, components, and interactions of the system, providing a...



The Ultimate Guide to Staffing Organizations: Boost Your Business with Manuel Alcazar Garcia's Expertise

Staffing plays a crucial role in the success of any organization. As companies strive to find the perfect match for their staffing needs, the expertise of professionals...



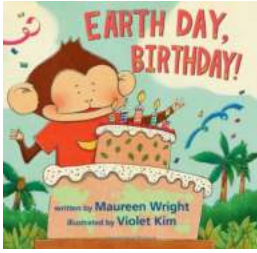
Forty Years Of Broadway Musical Flops

For decades, Broadway has been the epitome of theatrical success and brilliance. Iconic shows like "The Phantom of the Opera," "Chicago," and "Les Misérables"...



Performing An Active Directory Health Check: A Digital Shortcut

Is your Active Directory (AD) healthy and functioning at its optimum level? As an essential component of any Windows-based IT infrastructure, ensuring the health and...



Earth Day Birthday Celebration: A Joyous Tribute to Maureen Wright

Earth Day is a momentous occasion that brings together people from all walks of life to celebrate and cherish our planet. Every year, on April 22nd, individuals and...



The Malted Falcon: Unraveling the Remarkable Chet Gecko Mystery

Ready your detective instincts as we venture into the intriguing world of Chet Gecko and the captivating mystery known as "The Malted Falcon." In this...