

ELEVATING RISK MANAGEMENT IN A VOLATILE YET RESILIENT MARKET, PART 2

Collaborating with Your Broker for a Robust Insurance Strategy in 2024

by David Poms

Navigating the Waves of Change: Your 2024 Guide to Working with Your Insurance Broker

As we shared in [Part 1](#) of this series, in the ever-evolving landscape of commercial insurance, 2024 is shaping up to be a year where businesses must adopt a broader view of how they manage risk. Transitioning from the stability of soft markets in 2006, 2020, and 2021 to the current stubbornly hard market isn't a paradigm shift, but rather a call for businesses to leverage major market changes for long-term planning.

Driving Future Success: The Power of Preparation and Partnerships

[In our most recent case study](#), we explore the nonprofit sector, which exemplifies the value of year-round risk management. Take [Vista del Mar](#), a Poms client, for instance. As an innovation leader in various social services, Vista del Mar collaborated with Poms to develop insurance and risk management strategies. Facing near-historic rate increases, the partnership resulted in significant improvements in operations and substantial savings.

As the renewal window approaches, gathering information on unique risks prepares businesses to partner with insurance experts effectively. Despite the expectation of higher insurance rates in 2024, Poms is committed to providing the facts and insights needed for businesses to be best-prepared for their next renewal.

Here are the top three strategies for you to discuss with your broker to ensure a successful and robust insurance strategy for

Insurance and the Holistic Risk Management Approach

Insurance stands as a fundamental method for financing and transferring risk within a comprehensive business risk management program. However, in the dynamic market conditions of today, it's crucial to rethink and even reimagine business risk. Shifting towards managing business relationships while offloading risk allows businesses to deemphasize the role of insurance and tap into the value of strategic partnerships.

For instance, in the past, owning or leasing a vehicle fleet was a practical choice for businesses in a soft commercial insurance market. This approach effectively controlled costs related to deliveries and

logistics. However, considering present economic conditions, outsourcing services, like contacting a third party for deliveries, could be a better option to reduce exposure to pricing vulnerability tied to vehicle/fleet risk.

Playing Offense, Not Defense: Daily Engagement in Risk Reduction

While markets remain beyond control, how businesses operate within them is within their grasp. Shifting the perspective on insurance from a last-minute renewal consideration to an operational daily engagement is essential. Collaboration is a key proactive measure to incentivizing safety and rewarding risk reduction at all levels.

To proactively reduce exposure to risks, businesses should focus on promoting workplace safety, fostering cyber risk awareness, and building resilience. Consistent communication about unique risks and finding resources to teach risk mitigation, reduction, and avoidance are critical. Regularly auditing employee training and personal protective equipment practices, in addition to consulting with brokers for compliance simplification and preparedness boost, is part of this proactive approach.

Risk Retention: A Strategic Choice

Surprisingly, the most cost-effective form of insurance might involve opting for no insurance or reducing coverage. In certain situations, extensive [risk retention methods](#), such as higher deductibles, become a viable choice. Recent renewal market trends show businesses skipping certain types of coverage, choosing to budget for absorbing losses projected to be lower than insurance costs. The key takeaway is that businesses planning for renewal well in advance often have a wider range of options available to them.

About Poms: A Proactive Approach to Risk Management

Poms brings a fresh perspective to business and personal insurance, ensuring protection against liability and proactive shielding from risk. Leveraging decades of experience and expertise, Poms believes that knowledge is the best insurance. Proactive risk management is seen as a smarter way to insure, helping businesses avoid expensive claims, and if they do occur, Poms is prepared to mitigate them.