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Insurance With Assurance

Insurance as a Marketing Tool *by Rick Janis*

Paying insurance sometimes seems like a waste of money. I can certainly take advantage of having insurance if I have a claim, but can I take advantage of my insurance coverage in any other ways?

Paying your monthly insurance bills can be a constant reminder of the costs of intangible, and sometimes unreasonable, products that are necessary in our litigious world. No one likes paying for something that only brings value or worth after an error or accident occurs. However, insurance is one of those intangible products that might benefit your business if you look at it from a marketing perspective.

Everyone wants to be sure they are compensated if an accident or error happens to them. From the person hurt in an automobile accident to the homeowner who suffers a physical loss to their home, everyone wants to know, "Who is going to pay my bills?"

Advertising that you are insured for different types of claims can attract business and can work whether you advertise in the yellow pages or the local newspaper. Letting everyone know you have insurance can lead to requests for estimates because most people's major concern is already answered and their fear is allayed by your advertisement.

Certain types of insurance coverage can also be used advantageously or competitively. Take for instance, fidelity bonds. Fidelity bonds are guarantees by an insurance company to your customer that they will be reimbursed for missing items in their homes. This guarantee means your customer does not have to sue you to regain their stolen possessions. They just have to prove to the insurance company that the items were found to be missing after your employees or sub-contractors were in their homes. In this case, you could advertise that your company is "fully bonded."

Another common consideration among customers concerns installation errors, which is almost always covered by your errors and omissions coverage. The customer is concerned if your system will properly function after installation and what might happen if it's not working. Most customers will more likely do business with someone who is insured for such an event, no matter how unlikely it is to happen. This type of insurance can be used as a marketing tool when your ad reads "professionally insured" or "fully insured."

Paying insurance premiums can always seem like a waste of money, especially when you have been in business for many years and have never suffered a loss or caused a claim. Putting your insurance coverage to work from a marketing point of view can ease the pain of that premium and even attract more business.

Rick Janis is a Certified Insurance Counselor and president of the Alarm Insurance Agency. With over 7 years of experience in the security industry, he has been responsible for developing and managing comprehensive insurance and bonding programs for alarm dealers and monitoring companies. Rick is CEU certified by NBFAA and teaches CEU courses to the alarm industry on General Liability/Errors and Omissions and Worker's Compensation. He can be reached at 800-474-0933 or by fax at 800-240-0631. You may also e-mail him at rjanis@alarmins.com.