

Survival Tips for Procuring/Renewing Insurance in a Hard Market

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Businesses and their risk managers are being bruised, if not battered, as they fight through their 2020 insurance procurement/renewal process. Companies of all sizes, types, locations, and sectors are feeling the effects of the hardest insurance market in over a decade. While some carriers have stopped writing certain coverages altogether, most others have at least become more selective of the risks they will insure and the capacity they will offer. Unfortunately, industry experts expect that this hard insurance market trend will continue for the remainder of 2020 and into 2021. With this in mind, what should commercial insureds expect to experience in this market and what can be done to ease the pain?

What to Expect During a Hard Market

During a hard market, many commercial insureds will experience the following:

- Higher premiums
- A more rigorous underwriting process (i.e., more requests for information and documentation)
- Increased retentions
- Additional exclusions
- Conditional or non-renewal notices
- The need to switch carriers, work with multiple carriers, or obtain coverage through the surplus lines market

How to Ease the Insurance Procurement/Renewal Process in a Hard Market

- Scrub down your insurance program and understand your key exposures. Above all, do your best to understand and insure your business's greatest exposures. During a hard market, adjustments to your insurance program may become necessary to keep your coverage obtainable and affordable. Those adjustments, however, should not come at the expense of the coverage your business needs the most. Consider whether cut-backs, down-sizing, or changed operations during 2020 has lead to areas where existing coverages or limits can be pruned without materially affecting your risk.
- Start the renewal preparation early. Take a communicative approach and be ready to supply data in a comprehensible format to meet stricter underwriting guidelines.

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- Be prepared to address your loss history. Given that underwriters are likely to more closely scrutinize loss history, be ready to explain the factors contributing to the losses and the steps the business has made to mitigate them in the future.
 - Budget for increased insurance costs. In this market, premium increases may be unavoidable. Be prepared to justify a higher insurance spend to company decision-makers.
 - Work with an experienced and reputable insurance broker that understands your business and can leverage its relationships with insurers.

This enduring hard insurance market requires businesses to work faster and smarter on their insurance placements and renewals. By being thoughtful and prepared, businesses can remove some of the sting from the process.

About Wick Phillips' Insurance Coverage Practice

The attorneys in Wick Phillips' Insurance Coverage Practice have decades of experience representing corporate policyholder clients in major insurance coverage matters. Our insurance team advises on every step of the claims process and dispute resolution with insurance carriers. To learn more about the practice, [click here](#).