



POST: Look Past a Broker's Smokescreen

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[How to Choose Your Insurance Broker \(Series\)](#) [Look Past a Broker's Smokescreen](#)

As a buyer of risk management and risk financing services, you are being inundated with brokers who all claim to provide specialized services. In fact, most of them have gone to the length of actually branding their offerings in an attempt to differentiate themselves.

You will see these with various copyrighted trade names attached, and they will tell you that these offerings are their 'unique difference.'

Here is what you should know; **most of these are smokescreens** to make them appear different.

For example:

1. **They will use the terms 'business solutions' and 'business results.'** Furthermore, when you ask them about these, the answer will revolve around the insurance policies.
2. **They will show you a list of services that seem to make their branded offering special.** These are simply the services and features that virtually all brokers provide.
3. **Their sales trainers and consultants are helping them change their words to seem more in step with business results and analytics.** These are simply buzzwords, and virtually anyone can be trained to say them.

[As an Insurance Buyer Which Broker Should You Select?](#)

So how do you, as a buyer, really know which broker you should select? You must clearly cut through the words and get to the real issues.



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1. When a broker approaches you with their 'unique approach,' ask them this question: 'What does all that mean to us inside our business on a quantified basis?' If they can't answer that question, they're just words.
2. Understand the difference between 'business solutions' and 'insurance offerings.' Risk financing and insurance are commodities, not solutions. A business solution includes all the financial impact to your KPI's of risk financing (insurance), claims management and risk control services.
3. Sales trainers and consultants have been around the insurance industry for over 100 years. Every decade or so, the language changes. There is an entire industry based around teaching insurance agents and brokers the 'state of the art' words.

Final Thoughts on Selecting an Insurance Broker

So, here some thoughts on what you must do to protect your organization from the Smokescreens:

1. If you are like most firms, you are now embedding analytics and results as part of your decision support. **You should seek out a broker who understands analytics and how they truly impact your business.**
2. **Look past any firm who can only provide you with analytics on your insurance placements.** They need to provide you with a Total Cost of Risk review and demonstrate what the impact is on your EBITDA, margins, shareholder valuation and other important KPI's.
3. **Ask tough questions that go way past the traditional insurance conversations.** Once you accept that the coverages, premiums and carriers are correct, take one more step. Say this: 'Now that we have the insurance transaction taken care of, how are you planning to impact our business model next year?'

If the answer goes back to insurance policies, E-MOD premium reductions, loss ratios or various insurance offerings, then you are working with a broker who is providing words rather than business solutions. You must also determine whether the broker can provide you real value, or simply another branded smokescreen. [Contact us](#) today and start maximizing your potential tomorrow!



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