



TruckSure

By Trevor Toohill

TRUCK QUOTE – SCATTER GUN WORST APPROACH

You keep on doing what you do best – trucking, and leave insurance to the transport specialists.

If you don't then it will cost you plenty, both in lost opportunity and money.

I will keep the message brief and to the point this month, because what I have to say needs to be simple to understand and right on the mark.

Over the last few weeks my colleagues at TruckSure have missed out on partnering up with a couple of new clients even though we had the best price and terms lined up for their insurances.

We are not used to losing business and so we took time out to get together to discuss the reasons behind these lost opportunities.

What became obvious is one single common denominator – too many brokers were quoting on the one account!

So you ask “what is the problem with that – surely the more looking around on my behalf, the better?”

Well sad to say I can tell you that just the opposite is the end result – too many brokers presenting to too many insurers just sends out the wrong message and nobody gets a good deal.

What was happening was that a couple of brokers had approached the insurers and supplied only basic non researched client information and some of the insurers had declined to quote because they could not get an accurate picture of the client's business and history.

The problem that this causes is that there are only five specialist transport insurers operating in New Zealand and if you take out two who may decline to quote because of dodgy info then the quote market slips dramatically.

To be efficient we need all five insurers available to us to ensure the very best terms and pricing are supplied for your transport package.

As a specialist transport broker we can do this, but not if the early pitch has been spoiled or inaccurate info provided.

An example may serve best to highlight what I am driving at, but first it may help for you to understand how the insurers work with brokers.

The broker holding the account with an insurer has exclusive rights and no other competing broker can obtain a quote from that insurer (without being appointed as the replacing broker.)

So that means the competing broker must approach the remaining four insurers to obtain a competing price.

To make it even harder to understand, all brokers must be given the same terms by all insurers on the information provided. In other words no broker has an advantage over any other broker as all the quotes are the same.

So what is the point on wasting your time asking several brokers to compete for your business? – No point at all!

Particularly if slack information has been circulated to the insurers causing some from declining to quote at all.

THE EXAMPLE

A prospective client was consulting with one of the TruckSure specialists and after full risk assessment an accurate comprehensive presentation was supplied to the insurers for best terms and pricing.

The result:

The holding insurer could not quote.

Two companies declined to quote because they had previously declined another broker due to the information that broker had provided – inaccurate and basic.

That left only two remaining insurers giving price and terms of cover.

An early indication from one of the declining insurers had already shown that a \$10,000 premium reduction could be achieved.

However because of the prior declinature the quote was withdrawn and could not be matched by the remaining quoting insurers.

This cost the prospective client \$10,000 and was a direct result of the scatter-gun approach and using non transport specialists to become involved.

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YOU DO NOT NEED MULTIPLE BROKERS TRYING TO COMPETE FOR YOUR BUSINESS

The result will be counter-productive and just waste a lot of your time and energy.

Much better use of your resources is to identify one outstanding specialist transport broker to do the hard yards for you.

That broker will do a full risk assessment and present accurately relevant information to all insurers on your behalf.

That broker will have the respect of the insurers and the track record of success.

That broker will talk your language and understand your operation.

So before you put your insurance business out there for quote, do a little research and identify one broker to do the job for you.

Ask relevant questions about their background and experience – preferably transport related.

See if they understand the specifics of the gear you have on the road, cargo transported, and contracts undertaken.

There is a lot at stake and it is not just the premium – the wrong insurance could cost you even more! **PS**

As always if you feel the need to discuss www.trucksure.co.nz



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