



Surveyors

Architects

Environmental
Consultants

Structural
Engineers

Construction
Managers

CASE STUDY

Getting a Second Opinion on Professional Liability Insurance

We frequently ask potential clients for the opportunity to develop comparative quotes for their professional liability insurance renewal. Often, the potential client will tell us they are not interested because they already have an agent who does a good job for them.

We respect this position and hope that our clients would give this same response. However, we also understand what can happen when a firm is open to receiving a second opinion on their insurance program. One of three things will happen:

1. You will obtain improved and/or more cost effective insurance coverage, or
2. You will develop broader options and knowledge of what is available in the market place, or
3. You will confirm that your current insurance program is the best you can buy.

There is no bad outcome. Getting comparative quotes is a simple matter of being diligent as a consumer. Before you decide that you don't have the time to consider a second opinion, take a moment to review the following quotes we developed for an 8 person architecture firm with about \$1,500,000 in billings. We went to 5 different insurance companies and developed the following alternatives.

INSURANCE COMPANY	LIMITS	DEDUCTIBLE	PREMIUM	SAVINGS OVER EXPIRING POLICY	% SAVINGS
Existing Carrier Domestic, Rated A+ XV	\$1m/\$2m	\$10k/\$30k Agg Cap	\$16,140	NA	NA
#1. Domestic, Rated A+ XV	\$1m/\$2m	\$10k w/First Dollar Defense	\$9,924	\$6,216	38%
#2. Domestic, Rated A XV	\$1m/\$2m	\$10k w/40% Shared Expense	\$11,794	\$4,346	27%
#3. Domestic, Rated A XV	\$1m/\$2m	\$10k/\$20k Std Deductible	\$12,276	\$3,864	24%
#4. Domestic, Rated A XIV	\$1m/\$2m	\$10k w/First Dollar Defense	\$13,737	\$2,403	15%
#5. Domestic, Rated A+ XI	\$1m/\$2m	\$10k/\$30k Std Deductible	\$14,197	\$1,943	12%

In this instance the client saved 38% and got coverage with first dollar defense! Even with our carriers there is significant variation in the premiums. It can pay to shop. It never produces a bad outcome and when we are allowed to provide comparative quotes, we develop the best alternative about 55% of the time.

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