

Why should you do an Audit?

Are you getting what you paid for?

Do you have the proper insurance coverage?

The latest coverage improvements?

Are the limits you carry sufficient?



At GPL, we believe that the insurance policies of your insurance program should be viewed as a financial tool protecting your balance sheet. Coverages, values and limits can be overlooked, potentially resulting in uninsured or underinsured situations. An insurance policy should provide indemnification for your business to continue. Unfortunately not all insurance placements are created equal, nor do they necessarily always meet your needs. An audit will help mitigate the risks; it is an invaluable service to ensure your insurance program is tailored to your business, and to your needs.

Why is an audit important?

- Offers information on the current marketplace (pricing, market – insurer security, new products, etc.);
- Addresses adequacy of protection (coverage and limits);
- Provides a more tailor-made policy(ies) for your needs;
- Identifies further risks that can be transferred to the insurer;
- Deals with options of coverage you may not have considered such as for kidnap, for Listeria, or terrorism, etc.;
- Can better protect your balance sheet.

What happens during an audit?

The audit process (see opposite) validates or disproves the effectiveness of your current insurance program. We are able to evaluate how it measures up to the market standards/practices in terms of costs versus benefits.

Case study: Insurance audit equaled cost savings and enhanced coverages and services

2008 - A major retailer accepted a free, no obligation insurance audit from one of our expert advisers. The conclusion of the audit provided for the following findings/results:

- Company assets were underinsured by + 45%; a partial loss would have seriously impacted the company;
- Premium reductions were not obtained in over 4 years, which did not reflect the marketplace of the few previous years;
- Additional savings obtained by converting revenues to a fee basis, eliminating certain tax charges;
- Coverages were enhanced;
- Limits were inadequate for Ontario and US operations;
- The automobile policy was not scheduled on the umbrella - limiting protection in the event of a major loss.

What are the steps of an Audit?

- A. We carry out a complete review of all your insurance policies and risk information, such as schedule of values and vehicles, inspection and loss prevention reports, claims history, company brochures, etc.;
- B. We research your business operations, distribution network and use of technology;
- C. We prepare a written report and present our findings. Such a report includes:
 - Our observations (including discrepancies found) on your current insurance program;
 - Suggested additional coverage (if need be) to better meet your business operations;
 - Comments on engineering and loss mitigation (protecting your human resources and assets);
 - An overview of the current insurance market and what you should expect for the renewal of your program;
 - Our comments on how we address your concerns;
 - Where needed we also address:
 - ✓ Review of contracts;
 - ✓ International placement, e.g. U.S. projects and underwriting presentation;
 - ✓ Admitted paper and some of the ramifications or non-admitted paper;
 - ✓ Claims - problem solving, adjusters, etc.;
 - ✓ Special projects – benchmarking, etc.
 - Conclusion and recommendations.

This process will provide for an insurance program to protect your business, afford coverage options, and allow for coverage enhancements to be made, saves you hours of your time and also may be of a cost benefit.

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