

Planning on shopping around for your truck insurance this year?

Read our handy guide to finding the right cover at the right price with as little hassle as possible.

Shopping around for commercial insurances can be a time consuming, stressful process.

It doesn't take long for those initial good intentions to review your levels of cover and save a few pounds to turn into frustration as every company under the sun contacts you, all making the same promises, all demanding huge amounts of information. Pushy salespeople try every trick in the book to get you to move/renew your cover, often deliberately holding on to important documentation or delaying releasing your quotes until the last minute - potentially leaving you high and dry on the day your current policy expires.

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It is possible to make this process run smoothly however. Following these steps will give you complete control of the process, setting clear

deadlines and instructions for the competing companies to follow, and ensuring that you are comparing like for like when making your decision.

1. Pick a shortlist of up to three companies (including your current broker)

There is little point in asking a large number of companies to quote for your business. There are a limited number of insurance markets available for truck insurance in the UK so a carefully selected panel of brokers will provide just as much coverage as a larger number of prospective brokers. Although it is true that competition will help keep rates keen, you are far more likely to get the best out of a potential broker when quoting if you make it clear to them that they are one of a shortlist of three, rather than one of half a dozen.

2. Ignore price focussed advertising

When it comes to selecting those companies which will make up your shortlist, try to ignore those whose advertising focuses purely on price. It is impossible for a broker to guarantee the



cheapest rate on the market, so any broker who makes this claim is simply banking on the fact that you can't check if they were, in fact, the cheapest. Like most things in life you get what you pay for - the cheapest option is unlikely to be the best. The shopping around process is about finding a company who can provide you with the tailored solution that best meets the needs of your business for the fairest possible price. Select a shortlist of companies who specialise in your industry and can demonstrate a successful track record.

(Continued overleaf)

3. Give yourself enough time

Ensure you have selected your shortlist by at least one month prior to your renewal date. Inform each company (including your existing broker) that a) they are one of a shortlist of three and b) that you will make your ultimate choice of provider one week prior to your renewal date. Make it clear that quotes not received prior to this date will not be considered.

4. Request a copy of your claims experience or No Claims Discount from your broker

If you run a fleet of more than 4 vehicles you will be painfully aware of the significance of your claims experience in the shopping around process. Without it, competing brokers will not be able to get a genuine quotation from any insurance market. Any broker who provides terms to a fleet customer without having received a copy of the claims experience is likely to be quoting 'indication only rates' - i.e. not a genuine offer at all.

Ask your broker to provide you with the up to date claims experience. Most insurers will provide this a month prior to renewal, and all reputable companies will make sure they have issued this at least two weeks prior. Tell your current broker they will lose your business if they are unable to provide the claims experience by an agreed date - this will make it clear to them you are not prepared to be 'held to ransom' by their releasing terms at the last possible moment.

5. Consider what your needs are

It goes without saying that every operator wants to reduce their insurance spend. It is essential to consider what factors other than price are important to you. Think about the current processes for claims reporting and monitoring - do you get enough information on the status of your claims from your current insurers? If not, the process of going to market gives you the opportunity to ask about the facilities offered by the competing companies. Each broker, and each insurer, will have their own systems and processes for the reporting of and accessing of claims information - don't accept a quotation which doesn't deliver the level of service you need.



6. Discuss Risk Management with your shortlisted brokers

Each broker on your shortlist will present the information you have provided about your business to the insurance market. Generally speaking, insurance underwriters will put a keener price on an improving risk than one which is proven to cost the same each year. Talk the shortlisted brokers through any new training initiatives, security devices or driver management systems you have invested in. Some insurers are willing to fund the installation of technology proven to reduce claims - if you express an interest in these kind of programmes you are likely to be viewed positively by the insurer.

7. Choose your provider based on service

The winning company should be the one who understands your business and it's needs best. If the best product/service is being offered by company who is slightly out on the price, talk to them before ruling them out on a cost basis. If they understand that you are looking for a long term business relationship they may be able to re-approach the insurer in question to shave a little off the rate. This is always worth trying before you settle for the second choice.

8. Repeat every three years

Unless you have a specific issue, you shouldn't change provider on an annual basis. Insurance underwriting is all about stability and long term relationships with customers. Insurers will therefore put more attractive terms forward for a company who has a three year review process, rather than one who switches provider every year.

INSURANCE Q&A

“Your only option may be to sign a transfer of agency letter which appoints a new broker to manage the renewal of your policy.”

Q I have recently tried to shop around for my fleet insurance, but the brokers I approach for alternative quotes are unable to get hold of my claims experience and therefore won't provide me with a quote. Apparently this is because I'm insured with the Lloyds market - why should this make a difference and what can I do about it?

A If you run a fleet of more than five vehicles it is unlikely you will be able to obtain a quotation from the market without making a copy of your formulated claims experience available to the quoting insurance companies. The claims experience is an official document which can only be issued by your current insurer. It is generally accepted market practice for insurers to release this information to other insurance companies and brokers upon receipt of a reporting mandate - a document, signed by the customer, which gives permission for the release of the information.

This practice has not been adopted by some companies in the Lloyds insurance market however, and many Lloyds syndicates will only release the claims experience directly to the holding broker. In this situation the responsibility rests with the client to get hold of a copy of the claims experience from their broker and then forward copies to the brokers who have been invited to compete for the renewal.

In some cases the current broker may claim to be unable to get hold of the claims experience from the Lloyds company in question. This is generally an underhand tactic employed by the broker to prevent other brokers providing a quotation. In this situation, your only option may be to sign a transfer of agency letter which appoints a new broker to manage the renewal of your policy. The new broker will then be able to approach the insurer for the claims experience so you are able to distribute it to the other brokers involved in the tender process, as well as issuing the renewal documentation from your insurer. Assuming this occurs prior to the renewal date, you are still free to choose any broker/insurer combination for the new policy year.

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Useful websites

<http://www.dft.gov.uk/>

<http://www.freightbestpractice.org.uk/>

<http://www.hse.gov.uk/>

<http://www.fsa.gov.uk/>

<http://www.financial-ombudsman.org.uk/>