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## DORENE STOCKMAN ON BUSINESS INSURANCE FOR INDEPENDENT PROFESSIONALS

EPISODE 11

Will Bachman:

Hey there, podcast listeners. Welcome to Unleashed, the show that explores how to thrive as an independent professional. Unleashed is sponsored by Umbrex, the world's first global community of top-tier independent management consultants. I'm your host, Will Bachman.

Our guest today is Dorene Stockman, an insurance agent with The Owens Group, which is an agency that covers the whole US, based in the New York metro area. Dorene helped me get my own insurance policy, and I thought she was such knowledgeable guide that I asked her to be on the show to share her advice for independent professionals on the types of coverage that we need to consider getting. In our conversation, we discuss the types of coverage that are applicable to most independent professionals, namely business owner's insurance, which is closely related to general liability policies. We talk about umbrella policies, professional liability policies, and privacy, or cyber, policies. We also discuss policies that independent professionals should consider getting if we hire an employee or engage a subcontractor, namely workers' comp, disability, and unemployment insurance. For those independent professionals that serve on the board of a non-profit, or a for-profit, we also talk about directors and officers insurance.

In our conversation, Dorene shares tips on how to select a broker, how often we should re-quote our policy, and how to work most effectively with a broker. Dorene also has prepared for us a much more exhaustive list: about three pages of various types of policies that could be applicable to narrow groups of independent professionals. If you e-mail me at [unleashed@umbrex.com](mailto:unleashed@umbrex.com), I will send you a copy.

You can find Dorene's firm at [owensgroup.com](http://owensgroup.com). If you wanna follow up with Dorene, her e-mail is [dstockman@owensgroup.com](mailto:dstockman@owensgroup.com). I found a lot of practical tips in this conversation on a topic that I know a lot of independent professionals have questions about. I hope you find it useful.

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Dorene, thank you so much for joining today. I'm really appreciate your time, and I'm looking forward to our conversation.

Dorene Stockman: Will, it's a pleasure to join you today.

Will Bachman: Fantastic. Dorene, I wanted to talk to you today about insurance coverage for independent professionals. You've been doing this for a while and have worked with many, many independent professionals. I was hoping we could spend time walking through the most common types of coverage that independent professionals should think about getting. We'll get into that, but maybe first, you could just help me understand the structure of this industry. Most people are used to buying auto insurance. They understand how that works: you just call up auto insurance company. But how does it work in this world in terms of going direct or using a broker? What's the structure of the industry?

Dorene Stockman: That's actually a great question, Will. Quite frankly, you can do it the same way you do your auto insurance: you can call up a direct writer; you can call up that particular agent who's down the street on your neighborhood corner. They can help you put together an insurance program. Some of those individuals are what we would refer to as a "direct writer." They are only usually licensed to write business with one particular carrier, and that carrier might not be the best fit for your particular business. So, going to a direct writer, you might be inhibiting yourself from getting the best program out there.

What I am is ... I'm actually a licensed broker. I work for an independent agency, and being an independent agent allows me to go to multiple carriers. The agency I work for is licensed in, I believe, all 50 states. If not, maybe 48. But we are licensed across the country, and we have contracts with multiple insurance carriers. So, I can solicit quotations from multiple carriers and have them competing against each other to get the best price, program, terms, and conditions that are available for each individual independent professional out there.

Will Bachman: Great.

The way it works is ... I guess a lot of these carriers ... For this kind of professional insurance, they don't have a website where an independent professional can go direct; they just go through agents like yourself?

Dorene Stockman: They do, they do. They don't have any availability for the consumer to go to them directly. Your business does need to be placed through an independent agent. We actually act as the intermediary: we work with the independent professional to get the information about the business; we relay it to the company; the company, in turn, provides us with a quotation; and we put it together in a proposal format for the independent professional for them to

review the different options. We put it in a comparative format so that you can see side-by-side what company A is giving as a price, what company B is giving, and all the bells and whistles and coverages and terms and conditions that each one is offering. And we go through those, step-by-step, with the prospective client, and tell them the pros and cons of each of the offers.

Will Bachman: Okay, great.

Next, let's talk about ... When someone calls you up, what are the steps that you're gonna go through first, in terms of assessing their needs? Could you prime us, what are the questions that we should expect to answer?

Dorene Stockman: Well, quite frankly, I'm gonna have a lot of questions. Don't be intimidated by the list of questions. I need to know as much as I can about your business. My job, as an independent professional, is to assess and find the risks that your business is going to be faced with, and I wanna make sure that I am recommending the appropriate insurance product that is going to allow you to have coverage for a particular claim, should it arise down the road.

Will Bachman: So you're gonna ask, like, "What industries you work in?" or what kinds of projects we do, or-

Dorene Stockman: Absolutely. I'm gonna need to know what the name of the business is, what state you're domiciled in, who your clients are, what's your revenues are, what your employee count is. I want to know the information not as it exists today, but I also would like to get a projection from you: Where's the business going? What's your business plan? What do you think is gonna happen three years, or five years, or ten years from now? Because I wanna make sure that I position you with a company that is gonna grow with you.

So, if you tell me that you're a startup operation and you're gonna be a human resources consultant, but your plan is that three or four years from now, you hope to have backroom staff and you're gonna have eight or ten employees onboard, then I wanna make sure that I find you a carrier that can not only provide the coverage that you need today, but as your business grows, it's willing to grow with you. Granted, I could always find you a new company further down the road, but it's always best ... Once you find a company that you're a good fit with, you nurture that relationship. You don't want to try to get re-quoting your business year after year after year because, quite frankly, insurance companies, they don't like to see the same risk coming up year after year on their books to get a new quote, to see if, maybe, there's somebody out there who can save 'em a couple of dollars. We recommend to our clients ... Once they have a relationship, that they build on that and establish it because later on down the road ...

The insurance market is ever-changing. Right now, we're in what I would call a "soft market." Pricing is pretty flat, but companies are actively seeking new

business. But down the road when things change and the market hardens and companies are looking for rate increases, if you've been with that company for a number of years and you haven't had a claim, or you've had, maybe, just one or two little hiccups along the road, they're gonna be much more gentler with you down the road than perhaps, maybe, somebody who's new in the door. That person who's new in the door might see a big premium.

Will Bachman: How often, do you suggest, that people do re-quote it? Because you should also probably not be completely complacent and never re-quote it. What's the middle ground?

Dorene Stockman: Middle ground, for us, is three years. We tend to keep our business on a three-year cycle. Obviously, the client is guiding the ship. If they do wanna see those quotes, year after year, we are happy to do it. But our recommendation is three years for us to do what we call a "market check" and see if ... Sometimes there's a new market that's come into the space that might be very competitive. It might be a good time to switch then. But generally, three years is the timetable that we go on.

Will Bachman: Great.

Tell me a little bit about the timing that it takes to get this started and when someone should start looking for insurance. After you've been in business for a while and actually have some revenue, or just the day you create your LOC? Talk to me a little about that and alert people to how long they should expect the process to take.

Dorene Stockman: We would recommend that, when you are starting the business, that's when you start the insurance process as well. Putting together the appropriate insurance program, while not a lengthy process, it can take, maybe, two to four weeks, depending upon the business and the types of insurance that you're looking to secure. There are some cases where applications will be needed, and usually those things can take a little bit of time. Sometimes, there's some back-and-forth with negotiation with the carrier once I get a quotation: something, maybe, isn't correct and I need some adjustments. Usually, the timetable is a minimum of two weeks. Generally, it can go, maybe, up to a month, but the thing is, is it does take some time.

So, for those people out there who don't have an insurance program, or haven't thought about an insurance program and say, "I've never had to have insurance," eventually you're gonna see a contract, and it's gonna ask for insurance coverage to be in place. You're not gonna be able to secure that new client unless you get the insurance. Then we're kind of under the gun. The last thing you wanna do is to try to get the insurance quickly because you might not, number one, get the right insurance, and number two, you might have to pay a little bit more for it, where if you had the time to ... or if your broker had the time to actively market and do the best job that they could,

then you might be able to get a different insurance product; a different company; something for a couple of dollars less. Obviously, my goal is to get the best terms and conditions possible. Your goal is for the best price. We can have the meeting of the minds. It usually takes two to four weeks, would be my general assessment.

Will Bachman:

Okay, great. That's a helpful benchmark to keep in mind. Now let's turn to specific coverages. I know that you are gonna do a detailed assessment of a particular independent professional's needs, and that might vary quite a bit. But let's take, as a base case, an independent management consultant, let's say, who's not doing some kind of valuation or something like that that could get into equities-type stuff, but just a straight-up strategy management consultant. They're not walking around and trying to change shop floor performance; just giving strategy advice. Let's talk through the most common policies that most people are probably gonna wanna think about. Start with the most common.

Dorene Stockman:

For the most common type of policy is ... It's called a "businessowners policy." For those independent professionals out there who are home owners, apartment dwellers, or condominium dwellers, you can correlate a businessowners policy to your own personal insurance that you have for your home. It covers your property and it covers your liability. The difference is it's just gonna cover the property and the liability that's owned by the business, as opposed to you, personally. So, property ... If your independent professional owns a building, we can insure that building. A lot of them, I'm sure, are gonna be working out of their home office and think, "Oh, I don't need to have any insurance for my business because my personal insurance is gonna cover that." That's a big mistake. I would encourage your listeners to consult with their personal insurance brokers and have a frank conversation and tell them that they are running a business out of their home, because many personal insurance products have exclusions in them whereby the business is not covered.

There's also, in many cases, limitations on the amount of income that business can earn, in order for there to be coverage. Usually, the business coverage available on a homeowner's policy is for your small "home base" businesses: your child's paper route, perhaps ... in the old days, your Avon and Tupperware. I'm not sure if those even still exist. Maybe it's for the person who's selling things on eBay now.

For your typical independent professional who's operating a true business out of the home, they really do need to have a businessowners policy. What they can insure for property ... I'm sure that there's a computer; I'm sure that there's office equipment. But if there isn't property, then it can be written with just the general liability only. Your general liability is going to give

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coverage for most of the liabilities associated with the business, except for a couple of things that ... I hope that we'll have time to talk about those later ... Your major things: bodily injury, property damage, personal and advertising injury; things that every business ... Every business has those liabilities out there, and the general liability policy protects you for them. The minimum premiums are very inexpensive, considering the fact that lawsuits nowadays are in the millions of dollars. \$1,000,000 dollars of general liability insurance, depending on your business ... The minimum premium is \$500, so I would encourage your listeners to think about general liability, even if they really don't see the need.

Will Bachman: Okay, so "general liability policy." Is that separate, or, is that the same thing as a businessowners policy, or are those different types of-

Dorene Stockman: They're interchangeable, I would say. A businessowners policy is made up of two parts. It's made up of property and general liability. You can consider them to be a package policy, or you can buy those coverages on what we would refer to as a "standalone basis." So, a businessowners and/or general liability. That's the number one policy that your independent professionals should consider.

Will Bachman: Okay, great.

What's number two on the list?

Dorene Stockman: Number two, I'm gonna have to toss a coin, I think. Number two, depending on the type of business your independent professional is running, I really think that number two would have to be professional liability. Professional liability is going to give you coverage for anything that ... It's all the things that don't ... uncovered in the general liability, quite frankly. It's those claims that are alleging some type of financial loss. So if you're a consultant ... In your scenario, your independent management consultant ... Professional liability ... It's called "errors and omissions" in some instances. Some people call it "malpractice insurance." While the terms obviously have different meanings, people use the three synonymously.

It's some type of allegation of financial loss ... that your client suffered some type of financial harm because of a mistake that you made. Quite frankly, people make mistakes. So, that is what I would think would be the number two exposure out there. In some businesses, I might even put professional liability as number one, but I really think that it's definitely a close second.

Will Bachman: Okay, great.

Are there key features of professional liability, or is it such a standard vanilla thing?

Dorene Stockman: It's definitely not a "standard vanilla thing." There are some specific professional liability insurance products that are tailored to certain

professionals. As an example, me, as an independent insurance agent, I have what's called "insurance agent's E&O." There's a particular insurance product that's geared towards my business. You're going to see that with doctors: malpractice insurance; accountants. You're gonna see that with architects, engineers. There's a lot of professional liability insurance products out there that are geared towards a specific profession.

But those that are not ... There is what is called a "miscellaneous professional liability," and that's gonna be the bucket that all others are gonna fall into. That's going to be ... Your management consultant that we're using as our sample here, they're gonna need a miscellaneous professional liability. This is one of those coverages that is gonna require that supplemental application. That application is gonna ask all of the pertinent things that the underwriters need to put forth a proposal for the business to give them the tools to understand what the business is doing.

Will Bachman: Okay, great.

I suppose that the order of magnitude ... the range on that for an independent professional ... An independent consultant, let's say, is doing strategy. What would the 90% confidence range of that be? Is that \$1,000? \$10,000? What should people expect for a professional liability insurance?

Dorene Stockman: Professional liability insurance ... The cost is definitely a factor on the business, even if ... You're saying a consultant. I know in our scenario it's a management consultant. A management consultant might be able to add the coverage onto that businessowners policy, and you might be able to do it for \$500 or \$600. But if it is a consultant who's working in the financial services industry, and they are doing the valuations and working on merges and acquisitions or things of that nature, then that person's gonna probably need a more robust coverage; possibly a higher limit because their contracts are, more than likely, gonna ask for them to have more than \$1,000,000 dollars of coverage. Those people might be looking at a minimum premium starting in the range of around \$5,000.

Will Bachman: Typically, do these premiums vary with the revenue of your firm? Does that make a difference?

Dorene Stockman: It does. It definitely will have a factor, particularly as the business matures. As the business grows and matures and the coverage is in effect year after year, that premium is gonna grow. I wouldn't say "exponentially," but it is gonna start at a minimum premium. Even if your revenues are small to begin with; even if your revenues are less than \$100,000, you're still gonna have that minimum premium. But then the next revenue jump would probably be ... Maybe the rating base is gonna be the same from \$0 to \$250,000 in revenue. Then it might go from \$250,000 up to a \$1 million. Then, maybe when you exceed \$1,000,000 of revenue, then we have to, maybe, pivot a little bit and

change carriers; change coverage form. Because, maybe, you don't fit into the little "miscellaneous" bucket anymore; we need to get you a more robust policy.

Will Bachman: Let's go onto number 3.

Dorene Stockman: Sure.

Will Bachman: Would that be cyber liability? Should we talk about that one?

Dorene Stockman: I definitely think that one's a rapidly-emerging number three. I think that there's probably not a listener out there who hasn't suffered some type of privacy or cyber breach of their own personally-identifiable information through some ... Retailer, doctor ... Everyone these days, it seems, is susceptible to a breach. Privacy and cyber liability is available ... It's a much more broader coverage now. It's emerging. It's still changing, and every policy form is different. So you really do need to have a professional who can go through the different coverages and tell you what it is you're buying. Because everybody calls everything different. Some people call it "privacy liability." Some people call it "cyber liability." Some people call it "media liability."

There is coverage out there for cyber-extortion and cyber-terrorism: those people that are holding your files hostage and they're gonna release them to the dark web unless you pay them so much in a ransom in bitcoin. These are all things that are happening every day, and I'm sure that a lot of your independent professionals are thinking, "That could never happen to me. I have a firewall" or "All my information is stored in the cloud. I don't have to worry about it." But the cyber hackers are just becoming evermore prevalent in today's society, I think, that we really need to protect ourselves.

And you can get coverage for a number of things in cyber liability policy. You can get coverage for, not only if somebody does bring a suit against you because they say that their information was stolen and they've suffered a financial loss, but you can also cover your own losses. You can cover if your data is somehow destroyed, or if somebody were to gain access to your computer systems, you can get coverage to restore your data in your systems. You can also get coverage if you've suffered some type of income loss due to the fact that your systems were down. Depending upon what your business is ... Maybe you earn a lot of income through your website, and your website is down for two or three days because there is some cyber hacker out there. Well that's a couple of days of income that, maybe, you wanna be able to replace.

There's also coverage available to notify any people who might be affected; any individuals ... Every one of the 50 states has a different rule and regulation as to how people need to be notified in the event that there's a breach of your systems. Some states need to ... You need to send certified mail with a return

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receipt. Some states, you can just send an e-mail. Trying to navigate through all that, you really need to have some assistance. The insurance companies are becoming really, really great at having "data breach coaches," they call them. They have them on-staff 24 hours a day, so they are only a phone call away. If you ever do suffer any kind of loss, they help you to navigate through. It's an emerging coverage, and one that I would highly recommend for almost every business. There's almost no one who doesn't have some type of exposure.

Will Bachman: Super helpful.

What's next on the list?

Dorene Stockman: Well, I guess for anybody out there who has employees ... I know we're talking about independent professionals, but independent professionals, they like to grow their businesses, and eventually, they need to hire some help. So those people, as your business grows and you do have some staff, you definitely need to consider worker's compensation. There's statutory disability that is required in several jurisdictions. That's a state-by-state basis. Workers' compensation is required by law in every state except Texas. For Texas, it is a voluntary requirement. Obviously, you need to think about unemployment. There's actually another insurance product that you might wanna consider, and that's employment practices liability. That's gonna be coverage for any type of human resources-related situation. It's gonna be the wrongful termination, the discrimination, failure to promote, harassment, failure to hire, all of those things that happen behind closed doors in the HR department. Those are things that are gonna be covered under the employment practices liability coverage.

Will Bachman: Okay.

Dorene Stockman: That's something that I would strongly recommend, as well.

Will Bachman: Okay, great.

I think it's quite common for an independent professional to say, "Okay, I'm talking on an employee now. I have an executive assistant; someone who's an associate now." So, if someone's an actual employee, it sounds like employment practices liability would be something to consider, but the ones that we are basically required would be, maybe, three things: there's workers' compensation, the disability insurance, and unemployment insurance.

Dorene Stockman: That's correct.

Will Bachman: Are all three of those purchased from a carrier? I think unemployment insurance, you just pay it directly to the state. Is that right?

Dorene Stockman: Right, exactly. Unemployment insurance is typically handled with the state directly. More than likely, your accountant would be the person to help you with that. Or your payroll service provider, or someone like that.

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Unemployment insurance is not an insurance product that is sold through an independent insurance broker.

Will Bachman: Yeah. That, I think you just pay, typically, when you pay your taxes to the state. You pay that as part of it, I guess.

Dorene Stockman: Yup.

Will Bachman: So, workers' compensation and disability insurance. Could you talk about those for a second? Those are separate products, or-

Dorene Stockman: Yeah. Disability is not required. It is available in all states, but it's only required by law in a few jurisdictions. Workers' compensation is required by law, like I said, everywhere. Workers' compensation ... I'll just say it quickly ... The difference between the two is where the injury occurs. Workers' compensation coverage is for injuries that occur on the job. Disability is for those non-work-related injuries or illnesses. Workers' compensation coverage, it has a couple of different benefits. First of all, it's gonna cover all of your medical expenses. So, if you have one of your employees who's injured at work ... They need to get rushed to the hospital in an ambulance or something ... All of those expenses are paid for out of workers' compensation.

The other very important benefit of workers' compensation, it's gonna pay your lost wages. It is a replacement for your income while you are out of work due to a work-related injury. It's all still replacement, and every state does have a different table of how much you're eligible for, based upon your weekly earnings and your earnings over the last period of time with which they reviewed the records for. But it is still the first line of defense for an injured employee, and it is very important coverage. And if your employee is injured and you don't carry workers' compensation coverage, you can have fines and penalties assessed against you, or your company, by the state. So it's very important that anybody with an employee out there really makes sure that they have their workers' compensation coverage.

Will Bachman: And what about if you are using subcontractors? More and more independent professionals might not hire employees, but hire a subcontractor for a project. What kind of insurance would you need for that? Would have to have workers' comp, or disability, or-

Dorene Stockman: I'm so glad you asked me that 'cause it is kind of the elephant in the room, I feel, when I have the conversation with so many independent professionals that ... They do tell me, oh, they don't have any employees; they have 1099 workers. Quite frankly, 1099 is a tax status. It's not determination as to whether or not an individual is an employee. I know that people use independent contractors for various reasons in their business, but the term "employee" is really not defined anywhere within a workers' compensation policy. So, unfortunately, it has had to have been litigated over time as to

whether or not a person was eligible for benefits or not. The standard that most courts use is, "Was the person working at your direction at the time of the injury?" and "Do they work for anybody else?" Those are the two factors to consider.

If you have somebody who you truly feel is an independent contractor, but they come to your office four days a week, and they have only worked for you for the last six months, even though at the end of the year they get paid as a 1099, quite frankly, the workers' compensation board would say that they were an employee if they were injured in the course of their work for you.

Will Bachman: Anything else on employees, or are there other categories we should go on to of other types of insurance?

Dorene Stockman: There are definitely many, many, many other types of insurance. The only other thing that I'll just throw out there, and people are probably familiar with this term from their own personal insurance, is that in business, there is also the availability of an umbrella policy. An umbrella policy is just extra liability coverage, but I wanna point it out 'cause the umbrella coverage is typically just excess over that general liability: that coverage we bought right at the outset, that first policy, that business owner's general liability policy. It's gonna be extra coverage for that. You could also get it for additional auto liability if you do have any vehicles that are owned by your business. If you do, obviously we would recommend that we include a commercial auto policy. It's also excess over the workers' compensation liability, but it is not going to, typically, be excess over the professional, over that privacy/cyber, and it certainly wouldn't be excess over that employment practices liability.

I do wanna let your listeners know that umbrella is definitely available to have increased liability for those policies that it does extend over, but if you are looking for more professional, more privacy/cyber, or more employment practices, you actually need to address those in those particular policies. So instead of buying a \$1,000,000 professional liability policy, you'd need to buy a \$5,000,000 or you'd need to buy \$10,000,000. You can't supplement that with the umbrella.

Will Bachman: Yeah.

Some independent professionals will sign up and get insurance, and then some large companies will have as just the standard boilerplate in their contracts, some amounts of insurance; some liability coverages that they wanna see. Their contracts might be set up for much larger vendors, like dealing with a contract research organization or some large vendor, so they're looking for \$5,000,000 of coverage or some large number like that, which might be more than an independent professional normally carries. We'd love to hear your experience working with independent professionals on that. Do you encourage folks to go back and ask to negotiate those

numbers down, or do people just buy the extra coverage? How do people typically deal with that?

Dorene Stockman: I would always encourage your independent professionals to share the insurance requirements from the contracts with their broker. Share them upfront and say, "This is the contract I'm looking to sign," not, "a contract that I signed last week." Be proactive. Share those contractual requirements. Once I've had an opportunity to review them, I can say, "Yes, we meet these requirements; no problems here" or "These are the problems I have with some of the language that they're asking. Maybe we can see if we can have some of this modified."

Quite frankly, Will, I have seen it on many, many occasions. With a little pushback ... All they have to do is ask. Sometimes the clients recognize that, "Wow, you're right. This contract is off-the-shelf and geared towards a company that we worked with last year on a project. They had a team of 75, and you're only 1 independent professional, so, yeah, we can work with you. We can reduce this requirement from \$5,000,000 down to \$1,000,000," or maybe in some cases, they can strike their requirement altogether. But, that being said, just because they struck the requirement doesn't mean you don't still have exposure. That's kind of the key to what I do: I have to review your overall business ... I'm looking for exposure. I wanna help you identify those insurance products that can help mitigate that exposure.

Will Bachman: So, in your experience, when independent professionals have gone back to legal at the client and said, "Hey. You're asking for \$5,000,000, but the max that I'm able to get is \$1,000,000 or \$2,000,000 on this specific type of liability or professional liability." Would you say, in most cases, the clients have been willing to adjust that, or have you had cases where the client's firm on it so that the deal falls through? I'd love to hear your experience working with a lot of different people.

Dorene Stockman: I think that I would ... If I had to put a percentage on it, I would say that maybe 75% are able to have some conversation and have some dialogue about what the requirement is, and can it be reduced? Because in some instances, the independent professional, they might have a significant requirement. Let's just say it's \$10,000,000. A lot of times, an independent professional can't really get \$10,000,000 of coverage because their revenue might be \$200,000 a year, and they might have only been in business for six months. You're gonna have a very hard time getting an insurance company to back that risk; to put out \$10,000,000 of coverage for a company whose valuation is \$200,000 dollars. If you've only been in business for a short time ... And there's no revenue stream to back that limit up.

I've seen it a couple of ways. I've seen that either the insurance contract ... the contractual requirement is reduced. I've also seen clients take a different

approach where they get the quote from me; what the cost is gonna be to meet the requirement, and then go back to the client, or their prospective client that they have the contract with, and say, "This is how much it's gonna cost me. Can we split the cost? Can we, maybe, now that you see how much it's gonna cost, maybe you can reduce the limit, or we can talk about splitting the cost of it."

Will Bachman:

Okay, that's cool. So, have that discussion.

Are there any kind of types of insurance coverage that, maybe everyone doesn't need, but that you've seen some significant percent of independent professionals need to think about?

I should mention here ... I don't think I did earlier ... You prepared a really exhaustive list, in a very thoughtful way, of probably 30 or 40 different types of insurance coverage. That is available. We'll post it on [umbrex.com/news](http://umbrex.com/news) when we post this podcast, as well as ... If you e-mail me at [unleashed@umbrex.com](mailto:unleashed@umbrex.com), I'll e-mail you a copy of this that Dorene has put together.

Are there any other types of coverage that some people, let's say you're doing a valuation or you're doing certain types of work, that you need to think about getting?

Dorene Stockman:

I don't think that there's additional coverages. I think that it's a conversation to have, as far as the limit of coverage, because I do feel that the exposure is greater for some individuals than it is for others. There are also a couple of things to think about outside the box. What's the territory of your operation? Most of the policies that we've been talking about today are gonna have a coverage territory of the United State's territories, Canada, and Mexico. If you, in fact, do have clients overseas; if you are doing a lot of travel ... These are exposures that are not typically covered under your standard domestic insurance program. You might wanna consider some foreign coverage. You might wanna consider some travel accident coverage.

There's so many different directions that we could take this conversation because there's so many different things to think about. That's why I would encourage all of your listeners to have a frank and honest conversation with the individual who they're working with; to share as much information about your business as you can. I need to know everything about your business because if you leave out something like your foreign travel, then I haven't given you the correct insurance for your entire exposure.

Will Bachman:

Yeah.

So, some folks may be on a non-profit board. Some independent professionals may actually be invited and be on a board of a for-profit company as part of their whole advisory portfolio of work. You wanna talk a little bit about the

directors and officers insurance and what should we thinking about, regarding that?

Dorene Stockman: Sure.

Just for those people that do get the ... request this list from you, the directors and officers coverage that I've encompassed on the list is for directors and officers liability for the actual company the independent professional has. But I wanna expand upon what you're saying. Those people that are, maybe, on a board of a non-profit or they are sitting on the board of one of the companies that they're working with ... There actually are some pretty specific and tailored insurance products available for those people out there. Guess I'll have to give a shout-out to the Personal Lines World. People who are on a non-profit board should definitely have a conversation with their personal insurance broker 'cause it is possible ...

There are a great number of insurance carriers out there right now that do have an endorsement available onto the home owner's product, where you can get coverage for your board service. It's pretty limited I think. It's typically usually only for those non-profits, and it's usually only if the non-profit actually has their own directors and officers insurance program.

Unfortunately, it usually doesn't work for those people that sit on the board of their condominium or co-op, but it is a great little insurance product that often goes unnoticed. For those people, I would encourage them to talk to their personal insurance broker to see if it's something that they could include.

For those people that sit on boards or they have a board of their own company, directors and officers coverage is very important. You're basically covering your fiduciary and legal duties to the company. If you sit on a board, make sure that that company has D&O, and don't be afraid to ask for it. Take a look at it, and once you get it, share it with your insurance professional. They can give you guidance to make sure that it's appropriate and that your service on that board is covered.

Will Bachman: Let's talk for a minute about how someone can find an agent like yourself. First of all, what's even the category of what you do called, and how can someone go and search for ... beyond asking, obviously, for recommendations from friends or other professionals you know ... How would you go out and search for someone, and find someone, like yourself?

Dorene Stockman: I think the best way ... I think we all do it many times day ... Search engine. Go onto Bing, go onto Google. If you're looking for an independent broker agent who can access multiple carriers, then that's what you put in the search engine. "Independent insurance professional." "Independent insurance agent." "Independent insurance broker." "Agent," "broker," those terms are fairly synonymous. I'm sure I've used both of them through this conversation.

The credentials are the same. I'm licensed by the state of which I reside, and there's lots of continuing education that goes along with that. Do a search. But at the same time, I don't think those people need to limit their search to their particular geographic area because, with today's technology, as long as the individual that you're working with is licensed in the state where you operate, you can pretty much do business around the world these days.

But find somebody that you're comfortable with and that you trust, and have a conversation. Interview more than one person. Tell them, right from the outset, what you're looking for; what your expectations are. Tell them about your business and where you expect it to be. Ask for their opinion: What kind of coverage do they think that you need? Where do they think your exposure is? When you find somebody ... Sometimes, it's the local broker. Sometimes it's the guy on the street corner in the center of town where you grew up 'cause you like to go in and sit across the desk and have a conversation with them. But you and I have been working together for a while now, and we've actually never met.

That being said, find someone that you trust; that you're comfortable working with, then work with that one broker. Try not to have three or four people working on your program at the same time because, a lot of times, they just run into each other out there in the insurance world. There's a limited number of insurance markets; maybe 15. If you have three or four brokers, all trying to get to those 15 markets, all at the same time ... The insurance companies find out when they get same submission from multiple people. They're not so anxious to put out a quote in that case. They like working with one broker.

Will Bachman: So, it's not gonna help your case to have multiple brokers. So, interview multiple ones, but pick one. Your broker will be happier, and the actual carrier will be happier, is what I'm hearing. They don't want people shopping around with multiple brokers.

Dorene Stockman: That's exactly the case. Quite frankly, with business insurance, it's early-bird-gets-the-worm. In the commercial insurance space, once an application for a company is received, that carrier's done; it's blocked. So, if I were to send in a submission to some company that their logo is a big, giant, red umbrella, and then you were to send in the submission three days later, you're declined. You cannot get a quote from them. I'm the only person that can get a quote from them. So, if you're working with a couple of different agents, then only one of them's gonna get a quote from that company, anyway.

It's not like you can have that one company competing for you, saying, "Oh, there's three different agents who want this piece of business. I'd better put out three really good prices." It's one. The first person in there is all that you get, and then the rest are shut off. So, you're not doing yourself any giant

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favors by trying to get multiple offers on the table. One independent agent who's doing their job can get you multiple offers. You don't need to get them from multiple agents.

Will Bachman: That's great.

Dorene, I see we're coming up to the end of the time, and this has been incredibly helpful. How can folks find you and your firm online?

Dorene Stockman: Well, instead of going to that search engine and putting in "independent insurance professional," go to that search engine and type in [owensgroup.com](http://owensgroup.com). We are an independent insurance agency. We're located in Englewood Cliffs, New Jersey. We also have offices in Manhattan. My bio is on the "Our Team" page. It's "Dorene Stockman." Will, it's been an absolute pleasure speaking with you today. Anybody who is interested in having a conversation, by all means, give me a call, and I'm happy to help you in any way I can.

If I'm not the right fit for your business, I'll be honest with you and I will tell you that. Just last week, I had a customer referred to me. Was happy to help him and was ready to put together an insurance program, but when I found out what his business was ... There's actually an online program that I've actually used myself, and it was something that was available to him directly, and I was able to send him to that website, and he was able to buy the insurance product for probably half what I was able to do it for. So, I'll give you an honest assessment. If I can't help you, I will tell you. I'd love to business with any of your independent professionals.

Will Bachman: Fantastic.

Dorene, this has been incredibly helpful. Thank you, so much, for your time.

Dorene Stockman: You're very welcome, Will.

Will Bachman: Thanks for listening to this episode of Unleashed, the show that explores how to thrive as an independent professional. Unleashed is sponsored by Umbrex, the world's first global community of top-tier independent management consultants. The mission of Umbrex is to create opportunities for independent management consultants to meet, share lessons learned, and collaborate. I'd love to get your feedback and hear any questions that you'd like to see us answer on this show. You can e-mail me at [unleashed@umbrex.com](mailto:unleashed@umbrex.com). That's "U-M-B-R-E-X" .com.

If you found anything on this show helpful, it would be a real gift if you would let a friend know about the show and take a minute to leave a review on iTunes, Google Play, or Stitcher. If you subscribe, our show will get delivered to your device every Monday. Our audio engineer is Dave Nelson, our theme song was composed by Gary Negbauer, and I'm your host, Will Bachman. Thanks for listening.

