

Four Ways Maine School Departments and Districts Can Improve their Insurance Bid Results

2008 Edition

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Superintendents and business managers actually wince when I mention insurance bidding. Here are some ideas that can make the process easier on school districts and departments.

Tip One - Start Early

If your insurance program expires in July, you should start the bid process no later than March. Four months is the optimum time to run a thorough bid program without rushing. Adjust the following for your expiration dates:

Select Prospective Agents – Select four or five agents and insurers for the agent selection process.	March 1
Send Out Agent Questionnaire – The selected agents complete a questionnaire that provides insight into their experience and expertise.	March 5
Questionnaire Due From Agents	March 15
Interview the Top Two Agents	March 20
Select The Best and Notify Them	April 1
Send Bid Specifications to Participating Agent and MSMA	April 11
Bids Due From Participants	June 5
Agent Selection & Start of Agent's Work to Assume Your Account	June 21
New Insurance Program Start Date	July 1

I suggest a process that involves two competitors: Maine School Management Association and an insurance agent representing multiple, appropriate insurers. The above time-chart anticipates a process of selecting a broad pool of agents then narrowing that pool down to the best agent for your school system. The current marketplace includes relatively few insurance companies with expertise and an appetite for school insurance. (Note: While the pool of insurers is small, I predict there will be more players in 2008 than there were in 2007. Several new insurers "dabbled" by providing uncompetitive bids in 2007. They hopefully have learned their lesson for 2008.) The agent you select should have access to the broad marketplace. He will approach multiple insurers to compete with the MSMA property and casualty insurance program.

Tip Two - Select the Right Agent

Finding the right agent is key to the competitive process. That is, assuming that you follow my advice above and want to ultimately obtain bids from one insurance agent and MSMA.

If you currently are working with an agent, you have an idea of his abilities and strengths. Perhaps you are quite comfortable with his management of your insurance. If so, you can skip the first five steps outlined in Tip One, above.

If you are unsure or are questioning your agent's commitment and abilities, this is the time to decide your future path. Use the MSMA insurance bid templates to move your organization through the process of selecting the best agent for you. Resist the temptation to use two agents and MSMA.

If you are currently insured with MSMA, you will have to go through the agent selection processes.

Tip Three - Use the MSMA Bid Process Templates

Several different organizations have designed bid process templates. I recommended the MSMA version. First, they are free to MSMA members. The forms bring you right through the bid process with minimal administrative efforts. Their process is well thought out and designed for school districts in Maine. Short of hiring me, the templates make the process as easy as possible.

Tip Four - Build Your Insurance Expertise

Having insurance expertise will help you as you come to the toughest part of the insurance process, selecting the right program from the bids. Again, the MSMA templates can help you line up coverage offered by all the bidders. However, you'll still need to interpret the results. I have put together a glossary of insurance terms for schools that may help you understand some of the coverages and issues raised in the bid proposals. Go to my school insurance resource site – www.SchoolInsuranceHelp.com. You will also find white papers there on a variety of subjects.

Consider signing up for my monthly insurance newsletter too (a link is at www.SchoolInsuranceHelp.com). Every month I provide information geared to help insurance buyers make better decisions.

Extra Help – Of Course You Could Avoid Much of the Hassle of Bidding...

The advice above is geared for the do-it-yourselfer; the school district or department that wants to manage the insurance process internally. Obviously, some school districts want outside assistance. That's where I come in. I have designed four packages of service that can help any school organization move through the bid process in a smooth and effective way. My process will bring the best result while minimizing the impact on the school's administration. Fees for the various packages range from \$3,500 to \$6,900.

The insurance marketplace is now exceptionally competitive for insurance buyers. If you have not been to bid for two or three years, it will be advantageous for you to do so at your next renewal. I've prepared an information sheet of my school service package. It is available upon request at no obligation.

Call 207-284-0085 or email Scott@ScottSimmonds.com.

Scott Simmonds, CPCU, ARM, CMC is a fee-only insurance consultant. His practice includes a specialty in school insurance. Scott never sells insurance and does not accept fees or commissions from the insurance companies or agencies he works with. He is unbiased. His work for schools includes coverage reviews, bid projects and claims assistance. Scott can be reached at 207-284-0085 or Scott@ScottSimmonds.com. His web site is www.ScottSimmonds.com. Also see www.SchoolInsuranceHelp.com.