



"Insuring Your World" is a Lackner McLennan Insurance Ltd. publication providing information you need to make informed insurance choices.

## Commercial Insurance Rates on the Rise

**B**eyond the tragic human toll of Sept. 11, 2001, Canada and the United States have experienced an economic toll, including the need to rethink and restructure commercial insurance offerings and costs.

IndustryWeek recently reported that consulting firm Tillinghast-Towers Perrin, in New York City, estimates the final insurance payout from the September 11th attacks to range from about \$30 billion to \$60 billion USD. Previously, Hurricane Andrew, in 1992, had been the world's largest ever insured catastrophe at \$20 billion.

Since insurers had never priced for terrorism risks in North America, "We now have the largest single insured loss in the history of mankind, and no one collected a premium (specifically) for it", said Paul J. Krump, Executive Vice President, Commercial Insurance with Chubb Group.

So what does that mean to Canadian businesses? Unfortunately, though far from New York and Washington, D.C., we can also expect to feel the impact on commercial insurance. Premiums are increasing at rates of 10% to 50%—potentially more in very high-risk areas.

Prior to September 2001, however, rate increases actually *were* already starting. Premiums had been decreasing for about ten years, and began moving back up in mid-2000. Though many price increases can be attributed to September 11th, other factors, such as rising medical costs and injury awards also play a key role.

As a business owner or financial manager, what steps can you take to ensure your firm obtains insurance coverage at a price that makes sense?

1. **Talk with your Lackner McLennan Insurance Professional** about creative ways to obtain coverage. Does it make sense for your firm to self-insure or to retain more risk internally? There are many options and alternatives that may be appropriate for your organization.
2. **Tighten loss control procedures.** Over the past decade, some risk managers found it less expensive to purchase insurance than to allocate resources to better manage risk. That's no longer the case—risk prevention and loss control should be a priority.
3. **Re-evaluate the coverage requirements** you feel your business needs. Over the past decade, insurance costs were inexpensive enough that some businesses actually carried more coverage than they really needed. Your Lackner McLennan Insurance Professional can provide you with the information you need to make an informed decision.
4. **Consider the impact** that changes in the insurance industry are having on your business partners. Your firm may have the coverage it needs, but your suppliers and shippers may not. Risk managers and CFOs should discuss this with their partners and make appropriate contingency plans.

## You Have Our Commitment

Introducing Lackner McLennan's unique **Commitment Program**. You can be sure you'll receive the responsive service you need, every time you contact us. And we'll ask you to rate our service to ensure we continue to improve.

**Our Commitment** is built on our fundamental business philosophies; to

- Deliver professional, personal service
- Offer the information and education you need to make wise insurance choices
- Communicate with you regularly to address changing needs
- Advocate on your behalf to ensure you receive the best value in insurance coverage, and
- Provide knowledgeable staff with the expertise to effectively manage all of your insurance needs.

*continued*

**For more information on Commercial Insurance & Risk Management, please call us at (519) 579-3330.**

*You Have Our Commitment (Continued)*

The Lackner McLennan Commitment is backed with service standards designed to ensure we meet or exceed your expectations—every time. You can rely on us to:

- Return your telephone calls and emails within 2 hours of receipt
- Process your claims within 1 hour; provide client follow up within 72 hours
- Process your endorsements within 48 hours; provide documentation within 7 days, and
- Ensure our internal Client Care Team is trained to provide fast, efficient service.

After every insurance purchase, annual renewal or claim, you'll receive our Thank You Card, asking you to rate our service against our Commitment. We measure our results quarterly and review them with our staff to ensure we're delivering consistently on our Commitment to you.

You can submit your ratings by prepaid return mail, or through our website at [www.lacknermclennan.com/feedback.htm](http://www.lacknermclennan.com/feedback.htm). If at any time you have concerns about our service, please be sure to call us directly so we can address the situation promptly and ensure your satisfaction.

At Lackner McLennan, we "walk the talk". Protecting your commercial and personal assets and responding quickly to your needs and requests are our top priorities—you have our Commitment.

## What YOU Told Us

Lackner McLennan is committed to providing the best in personal service to each and every client. Recently, we surveyed some of our commercial and personal insurance clients to learn how we could improve our service. Their input became the foundation of our new **Lackner McLennan Commitment** program.

The survey told us—overwhelmingly, in fact!—that you want to receive the latest insurance industry information on a regular basis. The *Insuring Your World* newsletter is a key response to that request. In this and future issues, you'll read about current industry trends, new legislation and how they are likely to affect you and your insurance choices. And for more information on a specific topic, you can email your questions to [info@lacknermclennan.com](mailto:info@lacknermclennan.com).

At Lackner McLennan, your satisfaction is our highest priority—please, be sure to let us know how we are doing. You can email your comments to [feedback@lacknermclennan.com](mailto:feedback@lacknermclennan.com).

## Lackner McLennan Online

We're excited to announce the introduction of our new website, at [www.lacknermclennan.com](http://www.lacknermclennan.com).

The new site was designed with your needs in mind. Whether commercial insurance or personal insurance, you'll find the information you need—and more.

For example, to complete an information form, now you can simply download and print it, returning it by fax when complete. Or, you may have a question, and while we are always pleased to hear from you, now you can look to our FAQ's (Frequently Asked Questions) section to save time.

You may need a map to our office, or you may be looking for our mailing address. Simply click on the "Contact Us" page. Or check out "Special Programs" to learn about the unique services offered to **Registered Massage Therapists, Well Drillers and Funeral Services Providers**.

We also hope you'll let us know how we are doing by going to [www.lacknermclennan.com/feedback.htm](http://www.lacknermclennan.com/feedback.htm). Here you can rate our service the last time you contacted us, and let us know what we can do to serve you better.

Welcome to Lackner McLennan online. It's part of the **Lackner McLennan Commitment**—to you.

---

"The quality of a person's life is in direct proportion to their commitment to excellence, regardless of their chosen field of endeavor."

- Vince Lombardi

---



Lackner McLennan Insurance Ltd.  
450 Frederick St., 3rd Floor.  
Kitchener, ON N2H 2P5  
Tel: 519-579-3330 800-265-2625  
Fax: 519-579-1151  
[www.lacknermclennan.com](http://www.lacknermclennan.com)