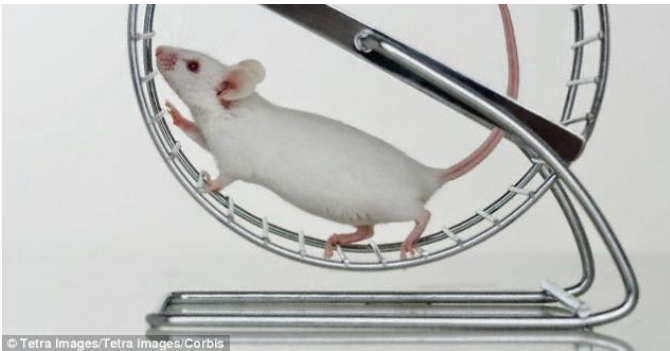


THE PREFERRED PROVIDER TO THE MOST TRUSTED ADVISOR

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IT'S TIME TO CHANGE THE BUSINESS WORLD!!!



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By William York, VP of Marketing

Any business paying commercial insurance premiums has an obligation to be fiscally responsible. Therefore, the business must review what they are spending on commercial insurance and also the resulting outcome of this expense!

If you are a responsible business person who cares about the expense of managing your insurance program effectively, then why would you rely solely on the commercial insurance industry?

Premiums have been rising with no regard to your claims results. This is solely an issue of your commercial insurance company's operating profitability and not the results of your individual insurance experience. The fact is that the operating costs of commercial insurance companies keep rising. They must deliver a profit to their shareholders.

Their concern is their profitability. Your concern should be your bottom-line profits!

Commercial insurance companies have an overhead cost built into their operational expenses caused by executive salaries, sales expense and fixed costs which reach upwards of 45%. This is being passed on to each participating business and each participating business has no control or alternatives for paying these annual cost increases.

It doesn't matter how well you control your risk management programs. It doesn't matter if you have low claims.

Does it feel like you are the proverbial mouse running on the wheel, getting nowhere!

Maybe it's time to change the paradigm?

Maybe it's time to operate an insurance company that YOU OWN -- A government approved private (captive) insurance company. One that operates alongside your commercial insurance companies. And, one that shows results based on your business insurance results.

Maybe it's time to uncouple and operate *and* control your destiny.

Maybe it's time your return is the result of your business performance/claims; not the results of a system where you have NO CONTROL.

Maybe in this critical area, you should have a definitive voice in your results, as after all, *you* are paying the premium cost.

Maybe you should profit from your results! What other business expenses do you participate in that have no control over profits? **Hopefully not many!**

Think about why over 50% of all businesses in 2023 made a switch!

Think about why you are not part of the new emerging private (captive) insurance marketplace!

There are regulations (laws) on the books that allow you to establish an insurance company that you own. In fact, both Federal and State laws have been established to assist you.

The problem is that your commercial insurance broker has no incentive to educate you in this area, so how would you know? **Is your insurance broker going to advise you when it results in, he/she receiving lower commissions?**

Private (captive) insurance companies don't advertise ... this is an unnecessary expense. Imagine the cost that a commercial insurance company pays in order to put their name on a sports stadium or to run TV advertising? Who is paying for that expense ... you are!

Private (captive) insurance companies don't pay enormous salaries to top executives? *You* keep the profits of a well-run private (captive) insurance company.

It's time you gather the necessary information, become educated and take control!

Just like the line from the famous movie "Network" – businesses should shout out: **"I'm mad as hell and I'm not going to take it any longer"**.

Premiums are probably your third largest expense. Reducing this enormous expense will enhance your bottom line and increase your profitability! Isn't this what it's all about?

AN EXAMPLE

A real estate developer was paying \$10 million dollars a year in commercial property and casualty insurance. Over 10 years, the business spent \$100 million dollars in commercial insurance premiums. Their commercial insurance company and their broker loved them!

During the same time period (10 years), they received \$9.1 million in claims back from their commercial insurance company. The commercial insurance carrier now wants to raise their premiums. Imagine, \$100 million invested over 10 years doubling to \$200 million and the business only receives \$9.1 million dollars back in claims. Sounds like a great deal -- but for whom? Certainly not the business owner!

It is unacceptable, but it is a reality.

If you are considering a captive in 2024, let's start the conversation this week. You can call us @ 516-398-1337 or reach out by email at Jtucciarone@nnaplan.com.



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