



MASTER INSURANCE MECHANIC

STRATEGIES FOR MANAGING YOUR BUSINESS INSURANCE

How to shop your employee leasing (PEO)?

These PEO sales people define aggressive sales tactics.

Swimming with sharks, how to shop and not get attacked by over aggressive sales people.

You made the decision to go to employee leasing (Professional Employer Organization aka PEO) and it has worked well for you. Now your business is up and running and firing on all cylinders. You have shopped your property/casualty insurance, but how do you shop your employee leasing?

The most common way to shop is to invite individual sales associates from several different employee leasing firms in to compete against your current relationship. On the surface this sounds good but there are *many pitfalls to this approach*:

- There are dozens of employee leasing firms, who do I invite in that really wants my type of business? More importantly who do I not waste my time on?
- How do I find these perfect matches? The only ones I

know are the ones who constantly show up or call me on the phone. Are they any good? How do I know a good employee leasing firm from a bad one?

- Once I let them in the door, their approach is simple – “Show me what you currently pay and I will beat it.” Is this the right approach when you are probably happy, but need to “test the waters”?
- Once you let them in, they won’t leave, they will hound you until they get the order. They will twist, wiggle, change, until they get the order. Then when they do get the order, you never see the sales person again. You have been handed off to somebody else on the phone.
- Employee leasing companies are like Harry Houdini, they are great illusionists. You never know where the costs are. It is almost impossible for the average business owner to figure out what they are charging for their services.

So is there another way? YES. When you want to test the waters on

What is a PEO Broker?

your property/casualty insurance program, you go to one agent who uses his 20-30 relationships with insurance companies, and offers you multiple quotes. The secret is you can do this with employee leasing too!

What you want is access to an **Employee Leasing Broker** aka PEO broker. This is one source that represents 20-30 leasing companies. Preferably one that works with your current property & casualty insurance agent.

Information is gathered once, and then sent only to the employee leasing markets that would be interested in your type of business. Other than your current agent, NO PEO sales associates hound you. They are all held at arms length.

When it comes time for the proposal, you get a spreadsheet analysis with your current PEO compared line by line to two or three proposed alternatives. They break down unemployment costs, payroll costs, workers compensations costs, and the administrative fee, line by line. No hidden costs. You are able to make a much better informed comparison without the pressure of the sales associate.

When an employee leasing firm quotes your business they have to have one part – payroll. You can add workers compensation, employment practices liability, and even health insurance. But they must have the payroll.

Conclusion

The spread sheet comparison will tell you if you should move your workers compensation to a stand alone program, or leave it in the employee leasing arrangement.

If your agent brought the PEO broker to you, he won't fight you on moving the workers compensation from a stand alone program to the PEO platform. More importantly, if the reverse is true, moving the work comp out of leasing, he can make it happen in the standard marketplace.

Cage the beast.

Insurance costs are typically the 2nd highest expense behind payroll. ***Are you and your agent doing absolutely everything you can to contain them?***

If you would like to discuss more creative ways to reduce your business insurance costs without reducing your coverages, feel free to contact me.

Have you ever met a car mechanic that is so good he could take your car apart piece by piece and put it back together again? That is what I do with risk and insurance programs. Find the weaknesses, close the gaps, and do my level best to lower your insurance costs. I would like the opportunity to be your Master Insurance Mechanic.

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