Seven Maxims of Insurance

1. **"Never risk a lot for a little!"** - if the peril is extremely unlikely to occur but, if it did, the loss could be catastrophic, then, you should, almost certainly, insure it!
2. **"To and through are not the same thing!"** - virtually all insurance policies, go into effect as of 12:01 A.M. (one minute after midnight) local time, so coverage "to" and coverage "through" a certain date are, critically, 24 hours different!
3. **"Workers' Compensation Experience Modification Factors are critically important and could have a profound impact on an employer's ability to get work, to make a profit and, possibly even, to remain in business!"** - every employer should have a solid understanding of how the experience modification is calculated, what payroll and loss information is utilized in the formula, how it "punishes" frequency more than severity, how a "medical only" ("no lost time") claim is far preferable to an "indemnity" ("lost time") claim", what their current "experience modification" and "minimum modification" factors are, as well as a preliminary idea of what their upcoming year's "experience modification" and "minimum modification" factors will be.
4. **"There is virtually no coverage in most insurance policies for, 'exemplary', 'treble' or 'punitive damages'"!** - even if the policy does not have a specific exclusion for "exemplary", "treble" or "punitive damages", in virtually every jurisdiction these other-than "compensatory" damages are held to be "against public policy", which is meant to prevent an innocent party (in this case, the "insuror") from being punished for another party's (their "insured's") "careless, wanton and/or reckless" negligent acts!
5. **"You are four times more likely to become disabled, during your "working years", than to die!"** - so make certain that you have adequate disability insurance in effect to protect your family's income stream!
6. **"If you have a long-term need for life insurance, like most people, you should buy "permanent" life insurance and not "term"!** - only about 2% of "term" life insurance policies ever pay out a death benefit, because the premium only remains "low and level" for a specific time frame (5, 7, 10, 20 or 30 years), after which the premiums become so much higher, so much faster, that the insured allows their life insurance policy to lapse, for "non-payment", way before they die!
7. **"You can't get ahead "trading dollars" with an insurance company!"** - insurors, like most businesses, have overhead and, also, strive to make a profit; so, even at their "break even", of about a 65% "loss ratio", you are paying for their 35% of "fixed costs" in every buying transaction!" - proper "risk management" includes "avoiding" some risks, "reducing" some risks, "transferring" some risks to other parties (usually contractually), "retaining" some risks and, finally, "insuring" some risks - the more you're able to handle the various types of risk through these first four methods, the less you will be compelled to spend on "insuring" the remaining risks (then, you can invest the insurance "savings", gained from the first four effective "risk management" tools, to improve "safety", "quality control" and "loss control" at your business, which yields even more insurance "savings" and, then, more profits)!