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Top 10 List of States with Stimulus \$\$\$

By Leslie Kusek, Marketing Consultant

According to ENR (States Begin Big Push, Feb. 25, 2009), "States across the country are moving rapidly to start turn-

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By Todd Welmers,
Account Manager

810.224.5261
twelmers@pciaonline.com

Why you should hassle with insurance underwriting

AIA Michigan members now have access to an exclusive health insurance program! That's the good news. The bad news is that many firms are choosing not to take advantage of this program because they are not familiar with the insurance underwriting process and it seems too cumbersome.

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Are you leaving your firm exposed? (You Won't with the Total Protection Approach™)

As a firm leader, you are under continuous pressure to reduce overhead costs and improve your firm's competitiveness. But how far are you willing to go? Sometimes reducing your insurance coverage is a short term gain that can lead to long term problems. Following three guiding principles can help you to avoid exposing your firm.



Guiding Principle #1: Find a Risk Reduction Advisor to help you – don't rely on a generalist insurance agent

Design firm principals who want to protect their firms properly from loss and liability need a Risk Reduction Advisor to help them, not just a generalist insurance agent. A Risk Reduction Advisor helps you deal with your insurance and risk management requirements in a more comprehensive, proactive, and strategic manner. They can help you make your company more attractive to insurers who will then be more willing to provide the proper coverage at the proper price, rather than focusing only on the price of their insurance premiums.

**Ex po sure ist
(ik-spoh-zher-ist) n.
Obviously overexposed,
with assets unprotected**

A generalist insurance agent usually doesn't spend the time needed, or have the resources required, to walk you through a strategic Total Protec-

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We may be able to help you by providing referrals to consultants, and by providing guidance relative to insurance issues, and even to certain preventives, from construction observation through the development and application of sound human resources management policies and procedures. Please call on us for assistance. We're a member of the Professional Liability Agents Network (PLAN).

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PROFESSIONAL CONCEPTS
INSURANCE AGENCY

Are you leaving your firm exposed? (You Won't with the Total Protection Approach™)

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tion Approach. This step-by-step method ensures that you have done everything necessary to proactively lower your total cost of risk, and become more attractive to the industry and obtain the best possible insurance coverage.

Guiding Principle #2:

Don't treat your insurance like it's a commodity – this exposes you to unnecessary risk and increases your total cost of risk

Many firm principals view insurance as a costly commodity. Every two or three years, they put their insurance programs out for bid and try to get the lowest premium possible. Unfortunately, this approach may expose them to unnecessary risk and could actually increase their total cost of risk.

Looking at insurance solely from a commodity perspective may also make your firm unattractive to the insurance industry. Insurance companies are becoming more and more selective. If you haven't taken the measures necessary to lower your risk profile, they may not want to work with you, or they won't provide the coverage you need at a reasonable price.

Your insurance premiums are but one facet of your total cost of risk. You need to factor in all other risk-related costs. These would include: a large deductible, or payment for part of a loss because you are under-insured or because there are gaps in your coverage. In addition, you might have high administration costs or higher-than-average premiums because you have been submitting too many claims. So ironically, while you might save money in the short-term on your premiums, you may actually spend a lot more money in the long-run.

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Relationship Audit

Is your current agent simply a product and price provider, or a **Risk Reduction Advisor**? Ask yourself the following questions:

- √ Does my agent provide the valued-added services necessary to lower my total cost of risk?
- √ Is he or she helping my company proactively lower its potential risks?
- √ Does my current agent stay actively informed about my profession to keep my coverage up-to-date?

If not, you need to ask yourself if your current agent is adequately protecting your interests.

The following terms are trademarked: The Total Protection Approach™, The Total Protection Audit™, The Total Protection Workshop™, The Total Protection Plan™, and The Total Protection System™.

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Guiding Principle #3: Follow The Total Protection Approach to lower exposure and lower your total cost of risk

What are you doing to lower exposure and make your company more attractive to insurance companies?

Ask yourself these questions:

- √ Does my current insurance agent provide the latest risk management tips and contract review clauses to reduce my exposure in the event of a claim?
- √ Is my agent providing our company with risk management seminars?
- √ Is my current agent a member of a national organization of agencies that specialize in insuring design firms providing me access to other design firms, attorneys and information necessary to know about providing professional services in another state?
- √ Are we insured in a workers compensation program created for professional firms?
- √ Are we prepared for a premium increase, or could we end up in a higher risk category and wind up paying more for insurance than we should?

If you answered 'no' to any of these questions, you probably have a higher than necessary **total cost of risk**. You may also find it harder and harder to get proper coverage for your firm in the future. PCIA

adheres to **The Total Protection Approach** to address these areas.

The Total Protection Approach covers three distinct stages to help you lower your total cost of risk and select an insurance program. These stages are: The Total Protection Workshop, The Total Protection Plan, and The Total Protection System.

During the Total Protection Workshop, we will review the risks your firm may have in providing its professional services. We will look at every area of your practice, determine your risks and potential liabilities, and decide together which risks you want to assume yourself and which risks you want to transfer to an insurance company.

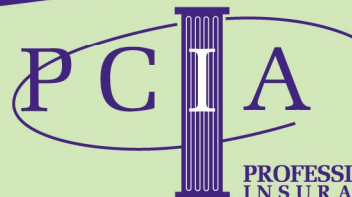
Following the workshop, we work with you to design your Total Protection Plan and implement your plan using The Total Protection System. As part of The Total Protection System, we facilitate regularly scheduled strategy sessions and employee training seminars, and assist you in planning for the future. In addition, we regularly review your claims record, and help you implement changes for making improvements.

We developed this program to give you more confidence and peace of mind. By relying on PCIA as your Risk Reduction Advisor, you will know that you are doing everything possible to lower your total cost of risk, and obtain the insurance coverage you need to protect your company's future.

Want to learn more? Call us at 800-969-4041.

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**PROFESSIONAL CONCEPTS
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ing their shares of newly approved economic stimulus money into construction contracts. States are in line to receive about \$40 billion of the stimulus measure's estimated \$130 billion in construction-related funds."

Who are the big winners?

- California \$3.9 billion
- Texas \$2.8 billion
- New York \$2.8 billion
- Florida \$1.8 billion
- Illinois \$1.6 billion
- Pennsylvania \$1.5 billion
- New Jersey \$1.3 billion
- Ohio \$1.3 billion
- Michigan \$1.1 billion
- N. Carolina \$900 million

In Michigan, this means:

- \$847 million for highways & bridges
- \$168 million for clean water SRF
- \$135 million for transit capital

Never done this work before? Figure out what expertise you have that can be applied to these markets. Make friends with the firms that have historically succeeded in serving these markets. Become a competitive advantage for them to help them win this work with you on their team. To read about other stimulus-related construction funding, go to http://enr.construction.com/business_management/finance/2009/0218-StimulusBillSigned.asp



Leslie Kusek is President of LMK Consulting. With over 25 years experience in marketing services in the A/E industry, she has worked with national, regional and Michigan-based firms. She can be reached at Leslie@LMKconsulting.com

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Mark your calendar
and save the date!

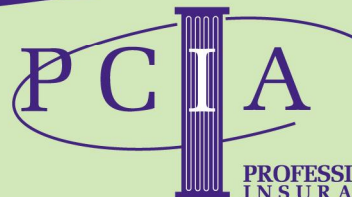
PCIA's 2009 Risk Management Seminar

June 4, 7:30 am - 4 pm,
followed by 4-5 pm reception

VisTaTech Center
Schoolcraft College,
Livonia MI

- How to survive a recession
- Integrated project delivery and BIM: all of our problems solved?
- Marketing Strategy: Re-group & Re-focus
- Freeing up assets in this economic climate
- Separate breakouts for engineers & architects

Continuing education credits
available!



PROFESSIONAL CONCEPTS
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Why hassle with insurance underwriting?



Asking your employees to make a 10-minute phone call could save your firm tens of thousands of dollars.

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That really is bad news because the intent of the insurance underwriting system is to customize your insurance program so that it insures your firm's unique needs!

Taking a look at universal health insurance, only 1 percent of the population uses >\$20,000/year of insurance. Typically 3% of the people drive 20-25% of the costs. Fifty percent don't even use \$1,000/year! Underwriting helps your firm to leverage this information so that you (and your employees) are only paying for insurance you will need.

During the underwriting process, each of your employees spends about 5-10 minutes on the phone, allowing the insurance company the opportunity to validate what insurance needs your employees have. No forms are required. No employer involvement is needed.

Following these interviews, the insurance company

develops custom rates for your company that reflect your actual need. If you have a healthy employee base, your firm could

Outside Michigan, insurance underwriting is common; MI is an anomaly!

see a 20% reduction in the rates typically charged by "The Blues" or HMOs. You are not asked to pay for health risk that your firm does not have.

Insurance underwriting is certainly worth exploring as another alternative when considering the management of your health care costs.

Introducing... Todd Welmers, PCIA's Benefits Team Member

A licensed Health and Life agent, Todd has over 25 years of experience in Group Benefits. He has held management positions with several carriers in the areas of Sales, Marketing, Product Development, Underwriting and Provider Contracting.

Todd provides a strong knowledge and understanding of pricing and benefit coverage components of insurance carriers. He is a capable resource to assist with delivering efficient operations of an employer's employee benefit program.

We may be able to help you by providing referrals to consultants, and by providing guidance relative to insurance issues, and even to certain preventives, from construction observation through the development and application of sound human resources management policies and procedures. Please call on us for assistance. We're a member of the Professional Liability Agents Network (PLAN).

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