

NOW YOU UNDERSTAND

Guaranteed Cost vs Deductible Program Comparison

	Guaranteed Cost Program		\$100,000 Deductible Program
Standard Premium	\$7,186,759		\$7,186,759
Deductible Credit			(\$4,708,194)
Premium Total	\$7,186,759		\$2,478,565
Average Developed Losses	\$1,857,701	Included In Premium	\$1,857,701 Paid by Deductible
Estimated Premium Total	\$7,186,759	Including Avg. Developed Losses	\$4,336,266 Including Avg. Developed Losses
Agent Commission	\$862,411		\$297,428
Estimated Underwriting Profits			
Insurance Company	\$4,446,647		\$1,616,154
Staffing Company	\$0		\$2,850,493
Estimated Gross Underwriting Profit	\$4,446,647		\$4,446,647

AVERAGE DEVELOPED LOSSES

The Average Developed Losses represent what the insurance company expects to pay-out in claims for the forthcoming policy period, based on the applicants actual loss experience over the prior 3-5 years. This is how the insurance company knows whether they can expect to be profitable before they offer a quote.

UNDERWRITING PROFITS

Just like any business, the insurance company expects to earn underwriting profits. If the insurance company offered a Guaranteed Cost Program - they're NOT willing to share. But if they offered a Deductible Program, this means the insurance company is willing to share the underwriting profits with the insured.

AGENT COMMISSIONS

Policy holders have a right to know what their retail insurance agent will be paid for the policy they purchased. Retail Agencies are typically paid, between 3%-10% of final audited premium. Some Retail Agents negotiate Net-of-Commission quotes, and fee their clients directly to replace all or a portion of the revenue lost as a result of the process.

Ready to talk about the monthly cash flow benefits?

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For illustrative purposes only. Actual indications may vary based on actual underwriting data and current rates.

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