FOR FRANCHISEES

Compare insurance quotes properly.

Learn what really matters in a quote, beyond the price, so you can compare coverage with confidence.

Two quotes at the same price rarely carry the same coverage.

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BEFORE YOU COMPARE

See the differences that actually matter.

This guide walks through how to compare coverage structure, not just price, so you can spot red flags before you sign.

01 What really matters when comparing quotes

Look past the premium

Quotes can vary significantly, and the premium is the least useful number to compare on its own.

THINGS TO REVIEW

- Classifications and rating basis
- Coverage details, not just the required ones
- Limitations and exclusions
- Warranty clauses
- Insurance carrier strength (A.M. Best, Moody's)

How your rate gets calculated

General liability is typically rated per $1,000 of revenue or payroll. Workers' compensation is rated by class code per $100 of payroll, adjusted by your experience modification factor. Some industries use a blended composite rate instead of separate rates per factor, and carriers usually don't display it.

02 Step by step: compare two quotes

Work through it in order

THINGS TO REVIEW

- Check the coverage start and end date
- Compare coverages side by side
- Review policy limits and sublimits
- Verify deductibles
- Identify exclusions and endorsements
- Review premium calculation details
- Understand payment terms

03 What actually moves your premium

Revenue and payroll

Underestimating either lowers your premium today but risks a costly adjustment at audit.

Subcontractor costs

Many policies fold subcontractor expenses into the calculation. Uninsured subcontractors can mean additional premium.

Classification codes and claims history

Your operations need to be classified correctly to be rated properly, and prior claims can affect both your rate and your eligibility with certain carriers.

04 Key terms worth knowing

Terms that show up in every quote

THINGS TO REVIEW

- Blanket additional insured: extends coverage to multiple parties without separate endorsements
- Waiver of subrogation: stops the insurer from seeking reimbursement from a third party
- Primary and non-contributory: your policy pays first, without sharing costs
- Occurrence vs. claims-made: occurrence covers by incident date, claims-made only covers claims filed during the policy period

05 Red flags to watch for

Signs a quote is cutting corners

THINGS TO REVIEW

- High deductibles with no premium reduction to justify them
- Sublimits that quietly cap key coverage areas
- Unrated or low-rated carriers
- Broad exclusions that weaken standard protections

■ FINAL CHECKLIST

Run this before you sign.

- ☐ Is the coverage effective date correct?
- ☐ Are all required coverages included?
- ☐ Are coverage limits sufficient?
- ☐ Do deductibles align with your risk tolerance?
- ☐ Are any endorsements restricting coverage?
- ☐ Are payment terms clear and manageable?
- ☐ Is the insurer financially stable?
- ☐ Is the premium calculation accurate based on revenue, payroll, and subcontractor costs?

Text or call
844-616-9663

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hello@rikor.io

Current customers
support@rikor.io

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