

Word to the Wise

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Saving money is a concern for many businesses and individuals. Be certain to review annual contracts and annuity billing(s) to stay abreast of recurring expenses.

5 Small Business Insurance Review Tips

Changes in your business equipment, real estate holdings, the amount of inventory, and the number of employees are all good reasons to review your business's insurance in addition to your annual review. Here are a few tips to keep in mind:

- **Keep in regular contact with your insurance company and your agent.** Keep your insurance agent apprised of what you are doing in your business. Try to meet with your agent throughout the year and conduct a detailed annual review of your insurance needs. Also do the same thing with your policy company. One of the often overlooked benefits of a good agent is their knowledge of various insurance companies and not just the one currently insuring your business.
- **Understand how business changes affect your policy.** Figure out how your policy covers the changes you are seeing or anticipating in your business. This involves understanding the limits and terms of your policy. You can start by asking if you

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are properly insured for property damage, liability coverage, health and disability, and changes in asset values.

- **Conduct a competitive review.** Periodically conduct a competitive review of your insurance needs. Bring in at least two other insurance providers, as well as your current provider. The frequency of the review will be driven by changes in your business, the stability of your current insurance provider, and the need to understand the evolving landscape of business liabilities. A review will keep your premiums competitive, as well as help you learn about coverage gaps in your current policy.
- **Identify evolving coverage risks.** As the business climate evolves, so should your insurance coverage. Think about what's on the horizon. Legal trolls are active in areas like product packaging, use of images, and ADA requirements. And who would have anticipated the need to cover cyber attacks 10 years ago?
- **Review safety plans and company policies.** This goes hand-in-hand with a business insurance review. Make sure your team is adhering to established employment and operations policies. Getting an insurance claim paid and maintaining reasonable premiums often depend on specific policies being in force prior to putting your policy in place.

Finding the right level of coverage for the right price is possible, but it takes some preparation and planning. Invest some time now to review your insurance policies to save a lot of potential pain and money down the road.



Everyone Wants a Piece of Your Income

Tips to reduce monthly and annual recurring expenses

Some businesses know it's easier to sell you a service once and then bill you for it automatically over a long period of time versus reselling the service to you each year. This form of billing, called recurring or annuity billing, is now common practice for most businesses. Which businesses use this strategy most often?

- Cell phone companies*
- Cable and satellite television companies*
- Garbage haulers
- Banks*
- Credit monitoring services
- Cloud computing services (storage and file sharing)
- Any "of the month" clubs (books, music, fruit, meats, etc.)
- Maintenance contracts from service providers (heating, air conditioning, landscaping, etc.)
- Subscriptions (newspapers and magazines)
- Other online services (finding/rating local supplier services, online TV viewing, sports viewing packages)

** often contain multiple annuities within a bill*

Actions to Take Now

Create a list of your recurring charges. Check your bank account and credit card bills for similar monthly charges. Identify each vendor related to the bill and note what the service is that they provide. Then calculate an annual column for each bill (monthly times 12). Next, add all the costs up to find a monthly and annual total.

Note long-term contracts. Check the contracts for any exit penalties and auto renewal clauses. Write the auto renewal companies immediately to formally move to month-to-month after the initial contract expires.

Review the usefulness of each monthly bill. Now rate each bill on a scale from one to five against how important each one is. Start closing down those that are less valuable to you.

Move to annual billing where possible. While it creates a larger bill upfront, it requires the product to be resold to you each year. If you still love the service, try to negotiate a lower rate. This tends to work well with suppliers like online digital radio services.

Look for alternatives. Perhaps it is more cost effective to drop a group of premium channels in your online viewing lineup or replace cable with an online streaming service.

Eliminate overlap. Many consumers now have multiple streaming services. Rationalize them and consider whether any could be eliminated. The same is true for gaming and music services.

Everyone Wants a Piece of Your Income (continued from page 3)

Tips to reduce monthly and annual recurring expenses

Conduct an annual bill review. A number of providers have multiple recurring charges within each bill. This technique is common with cell phone providers. Be certain to conduct an annual review of your bill with a service representative to make certain you are getting the best possible deal.

Eliminate autopay. This out-of-site, out-of-mind technique is wonderful for the recurring billers. Paying for a service each month is a simple reminder of the cost of the service and a subtle hint to assess the value of the service to you. Each year, make it a habit to turn off your autopay. Leave it off until you have conducted your annual review. If the service is still of value, then and only then, turn it back on again.

The problem with recurring billing is they slowly carve out portions of your income for many years. Perhaps it is time to jump out of a recurring charge or two and save some money.

Why is Tax Day April 18th?

This year's April 15th tax filing deadline falls on a Saturday, which would normally push this deadline to the next business day, which is Monday, April 17.

But Emancipation Day also falls on a weekend in 2023, making Monday, April 17 the observed holiday in Washington D.C.

Background

President Abraham Lincoln signed the Compensated Emancipation Act on April 16, 1862, freeing more than 3,000 slaves in the District of Columbia. In 2005, April 16th started being observed as a legal holiday in the District of Columbia honoring Emancipation Day.

Because the observed Emancipation Day holiday falls on the same day as this year's normal tax filing deadline of April 17th, the IRS is required by law to move the tax filing due date to the next business day, which is Tuesday, April 18th. Most states have also changed their traditional filing due date of April 15th to match the federal date change.

Confused? You're not alone. In 2005, the IRS forgot to make the necessary calendar adjustment for this Washington D.C. holiday despite being legally required to move the filing date.

The good news is you can avoid the need to understand all these changing dates by filing your return as soon as possible, and not waiting until the last minute!

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