



Understanding Risk Management Basics for Business Owners

INSURANCE FOR THE BUSINESS OWNER - 101

John Gotschall
David Lesser
Jonathan Mayotte
Bob Smith



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- Business Owners
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Meet the Faculty

Panelists

David Lesser-Klarian Capital Group

Jonathan Mayotte-Thornton Powell

Bob Smith - Corporate Risk Management

Moderator

John Gotschall - Coaching Financial Concepts, Inc.

About This Webinar

Understanding Risk Management Basics for Business Owners

This webinar (1) describes the insurance industry from a big-picture perspective, (e.g., insurance distribution, wholesale v. retail Insurers), (2) offers considerations for choosing a carrier or broker, (3) explains how underwriters operate, (4) reviews some general best practices for safety and loss control, and (5) addresses some fundamental aspects of risk management, such as:

- The Risk Management Process – A step-by-step method to identify, assess, and handle risks that could impact a business.
- The Main Types of Loss Exposures – An explanation of the different ways a business could suffer financial losses:
 - Property losses, like damage to buildings or equipment.
 - Liability losses, such as lawsuits or claims from customers or third parties.
 - Human resource losses, including employee injuries or unexpected departures.
- Measuring Loss Exposures – A guide to estimating potential losses by evaluating how frequently they might occur and how much they could cost.
- Risk Control Methods – Five key strategies to protect a business, such as avoiding risks altogether, reducing their impact, planning for potential losses, transferring risks through insurance, or sharing them with others.



About This Series

INSURANCE FOR THE BUSINESS OWNER - 101

This webinar is part of a series titled “Insurance for the business owner 2026.”

Every business in the United States enters into insurance contracts each year, yet these contracts are often not well understood. Despite paying significant premiums, businesses frequently have unclear answers to essential questions such as:

- What risks should be insured, versus self-insured or mitigated through contracts?
- What types of losses are covered, and at what value?
- Are there any gaps in coverage that could leave the business exposed?
- How do policy exclusions and limitations impact potential claims?
- What is the appropriate amount of coverage based on the business’s assets, operations, and risk profile?
- How can the business ensure that its policies remain compliant with changing regulations and evolving risks?
-

The lack of understanding is due, at least in part, to (a) the fact that insurance policies are commonly written in an archaic, byzantine fashion, with needless legal jargon, and internal organization that could hardly be less logical than if their draftspeople tried; and (b) the fact that for whatever reason, it is common for businesses to rely on their insurance brokers to the exclusion of their attorneys when obtaining or renewing insurance coverage. This is not to minimize the role of brokers; quite to the contrary, they add great value. However, an attorney experienced in insurance law or who knows the company very well can add significant value to the process.

This webinar series cuts through the mess and explains basic insurance concepts and common policy language. It also provides a framework for better deciding what coverages and amounts are appropriate given a set of particular circumstances.

Episodes In This Series

1. Understanding Risk Management Basics for Business Owners
Premiere date: 4/30/26
2. Property/Business Interruption and Cyber Liability
Premiere date: 6/18/26
3. Navigating Business Insurance: General Liability, Umbrella Coverage, Commercial Auto, and Workers' Compensation
Premiere date: 7/9/26
4. Executive Protection – Directors' & Officers', Employment Practices Liability, Crime/Employee Dishonesty & Professional Liability
Premiere date: 8/6/26

Episode #1

Understanding Risk Management Basics for Business Owners

Each Financial Poise Webinar is delivered in Plain English, understandable to investors, business owners, & executives without much background in these areas, yet is of primary value to attorneys, accountants, & other seasoned professionals. Each episode brings you into engaging, sometimes humorous, conversations designed to entertain as it teaches. Each episode in the series is designed to be viewed independently of the other episodes so that participants will enhance their knowledge of this area whether they attend one, some, or all episodes.

Understanding Risk Management

Basics for Business Owners

Introduction to Risk Management:

- Five Steps in Risk Management Process:
 1. Identify – First Party, Second Party, Third Party
 2. Analyze/Understand
 3. Evaluate, Measure & Quantify – Frequency, Severity, Flow Chart Analysis
 4. Review Treatment Options & Implement – Avoid, Separate, Mitigate, Insure, Improve Condition
 5. Monitor & Review

Obtaining Injunctive Relief

Risk Management Objectives:

Pre-Loss

Prepare plan for multiple scenarios

Post-Loss

Stabilize

Contain loss(es)

Continue operations

Maintain growth

Understanding Risk Management Basics for Business Owners *(cont'd)*

Loss Exposure:

- First Party Losses
 - Direct Loss
 - Indirect/Consequential Loss
 - Contingent Loss



Understanding Risk Management Basics for Business Owners *(cont'd)*

Loss Exposure:

- Casualty Losses
 - Workers Compensation
 - General Liability
 - Automobile



Understanding Risk Management Basics for Business Owners *(cont'd)*

● Other Types of Loss Exposures:

- Liability loss exposures
- Business income loss exposures
- Human resources loss exposures
- Crime loss exposures
- Employee benefit loss exposures
- Foreign loss exposures
- Intangible property loss exposures



Understanding Risk Management Basics for Business Owners *(cont'd)*

- Measuring Loss Exposure
 - Physical inspection
 - Financial statements
 - Historical loss data
 - Industry/Market trends
- Loss Frequency
- Loss Severity



Understanding Risk Management Basics for Business Owners *(cont'd)*

- Risk Control
 - Avoidance
 - Sharing
 - Risk Control
 - Loss prevention
- Loss reduction



Understanding Risk Management Basics for Business Owners *(cont'd)*

- Risk Financing
 - Retention
 - Non-insurance Transfers
 - ✓ Contractual Risk Transfer
- Attempt at negotiated resolution, but with a weakened position if lost on irreparable harm



Understanding Risk Management Basics for Business Owners *(cont'd)*

- Insurance Distribution and Insurers:
 - Direct v. Independent Agency System
 - Retail v. Wholesale Insurance Carrier Markets
 - Government Insurance



Understanding Risk Management Basics for Business Owners *(cont'd)*

Insurance Distribution and Insurers:

- Broker Selection
 - How can the broker best help your company?
 - ✓ Research
 - Does the broker know your industry?
 - ✓ Experience
 - ✓ Personalize based on needs



Understanding Risk Management Basics for Business Owners *(cont'd)*

Insurance Distribution and Insurers:

- Underwriting Objectives
 - Qualifications
 - ✓ Capital/equity
 - ✓ Credit
 - Approval/Denial



Understanding Risk Management Basics for Business Owners *(cont'd)*

Selecting The Proper Insurance:

- Policy limits
 - High enough for your company?
- Specialized needs to protect your company
- Does your company need multiple insurance policies?
 - Does one or more policy have any areas of weak protection?



Policies and Covered Parties:

4 Elements of Every Policy:

Declarations

Insuring Agreement

Conditions

Exclusions (most important)

Understanding Risk Management Basics for Business Owners *(cont'd)*

- Policies and Covered Parties:
 - Insurance Binder (Contract)
 - Insurance Certificates (COI)
 - Parties:
 - ✓ First Named Insured
 - ✓ Insured
 - ✓ Additional Insured



Understanding Risk Management Basics for Business Owners *(cont'd)*

- Responsibilities of Insurer:

- Duties of Insurer

1. Duty to Defend
2. Duty to Indemnify
3. Payment for losses

- What Services are Available?



Understanding Risk Management Basics for Business Owners *(cont'd)*

- Responsibilities of Insured:
 - What does an Insured need to consider when selecting insurance?
 - What does an Insured need to do after selecting insurance?
 - Duties of Insured
 - ✓ Notify Insurer of claim/loss
 - ✓ Cooperate with Insurer



Understanding Risk Management Basics for Business Owners (cont'd)

● Claims Process:

➤ What does an Insured need to consider when making a claim?

- ✓ Policy limits
- ✓ Deductible
- ✓ Parties involved

- How are claim outcomes determined?
- When are claim outcomes determined?



Understanding Risk Management Basics for Business Owners *(cont'd)*

- Working From Home, What Is The Risk?
- Introduction
 - The number of individuals who work from home has increased by 140% since 2005.
 - Working from the comfort of home brings unique Workers' Compensation related issues to the forefront.
- Benefits
 - Flexibility
 - Commuting time
 - It's always casual Friday
 - Familiarity with the work environment

Understanding Risk Management Basics for Business Owners *(cont'd)*

- Plan For Home Office Safety
- Safety Defined: Freedom from the occurrence of injury, danger or loss.
 - Implement a work at home policy
 - Educate your work at home employees on the risks
 - Enforce the policy
 - Have employees take step to increase their home WiFi security
 - Use checklists to assist with compliance:
 - OSHA workstation checklist:

<https://www.osha.gov/SLTC/etools/computerworkstations/checklist.html>

- Home office safety checklist:

<https://www.telework.gov/federal-community/telework-employees/safety-checklist/>

Understanding Risk Management Basics for Business Owners *(cont'd)*

- Risk Mitigation Strategy:
 - Establish and enforce a written work at home policy
 - Establish security protocols in your policy
 - Ensure “customer” visit protocol is also established
 - Ensure the employee has a dedicated space for work
 - Conduct a safety and ergonomic assessment of the work area
 - Ensure there are dedicated breaks



Questions or Comments?

If you have any questions about this webinar that you did not get to ask during the live premiere, or if you are watching this webinar [On Demand](#), please do not hesitate to email us at info@financialpoise.com with any questions or comments you may have. Please include the name of the webinar in your email & we will do our best to provide a timely response.

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Meet The Faculty

John Gotschall - johng@coachfinancial.com



John Gotschall has worked in the financial services industry for 25+ years. He boasts these impressive stats:

- Earned Bachelor of Science, Sports Management, from Northern Illinois University, 1992
- Founded Coaching Financial Concepts, 1997
- Registered Representative, The Leaders Group, Inc., 1998
- Life, Health, and Property & Casualty licensee
- Series 6, 7, and 63 licensee
- Chartered Life Underwriter (CLU), 2003
- Member of Des Plaines Chamber of Commerce
- Member of BNI (Business Networking International)
- Board Member of Small Business Advocacy Council, 2015
- Board Chair of Kids Above All (formerly ChildServ) since 2017
- Board member since 2015
- 2019 Daily Herald Business Ledger award winner for Business Excellence

David Lesser-dave@klarian.net



David supports entrepreneur owner-operators through his management consulting practice, Steppingstone Advisors, and his boutique investment banking business, Klarian Capital Group. Whether consulting or dealmaking, David helps entrepreneurs achieve professional gratification, financial security, and, ideally, a bit of legacy.

Entrepreneurs with technical vs. creative vs. sales passions bring different strengths and weaknesses to the table, think differently, and manage differently. Steppingstone and Klarian's solutions are laser focused on who that unique entrepreneur is and how his or her passions and myopias shape the business.

David's passionate support of other entrepreneurs is his own personal form of entrepreneurship, having launched this 2nd career after 17 years in Big Law, first-chairing public company M&A and helping bank and fund lenders work out "deals gone bad." David's entrepreneurial spirit also has produced successful real estate investment and lending ventures, all focused on smaller middle market and "under the radar" opportunities.

Jonathan Mayotte - jonathan.mayotte@thorntonpowell.com



Jonathan Mayotte is a Commercial Insurance Agent with Thornton Powell. Jonathan has been with Thornton Powell since 2013 advising businesses on their risk transfer strategy. Jonathan has worked with businesses of all shapes and sizes and has carved out a niche in Contracting, Hospitality, Real Estate Investment, and Professional Services. Jonathan's Insurance career began in 2012 with an Allstate agency in West Palm Beach, FL. Prior to Insurance, Jonathan worked for twelve years in the radio industry as a Disc Jockey, Program Director, and Production Director.

Jonathan grew up in Bourbonnais, IL and Champaign, IL and enjoys music, playing golf and hockey, watching sports, and spending time with family and friends.

Jonathan currently resides in the Lincoln Park neighborhood of Chicago with his wife and son.

Bob Smith-bsmith@crm-inc.com



Bob is a seasoned insurance advisor and Vice President of a family-owned independent agency, serving employers since 1997.

Bob holds a Certified Insurance Counselor (CIC) designation. He specializes in integrating employee benefits and commercial insurance to protect organizations and their people. Bob frequently speaks to business owners about aligning benefits, culture, risk management, payroll, and HR to control costs, reduce risk, and enhance the employee experience.

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