

Poaching IT Clients

How to outmaneuver sneaky insurance companies

by: Dale Stein, Technology Assurance Group (TAG)

As an office technology dealer, you have spent years building trust, fostering relationships and delivering results. But imagine this: Out of nowhere, your clients start mentioning they have been approached by their insurance companies — yes, insurance companies — offering them managed IT services.

Sounds like a bad joke, right? Yet, this is happening, and if you do not pay attention, insurance companies may actually succeed at creeping into your space. They are offering managed IT services to your customers, hoping to tap into a lucrative revenue stream. If they pull this off, they might actually be able to prevent you from recovering those customers, too.

Here is the bottom line — they wouldn't be getting into this space unless there was a serious opportunity. If insurance companies see the potential, you should too. They recognize that you are sitting on a gold mine of existing customer relationships that could easily be expanded into IT services (even if you still have not gotten around to marketing those offers yet).

They see the high margins, the scalable solutions and the positioning they can secure as the trusted experts if they establish themselves in this role before you can.

If you want to grow your organization, secure new revenue streams and protect your company from obsolescence, we at Technology Assurance Group (TAG) strongly urge you to outmaneuver insurance companies and move into this space first, before it is too late. You already have the trust, the expertise and the customer base — now is the time to act.

It is not all bad news though. Insurance companies cannot deliver managed IT services, so you still have a window of opportunity.

Let's be real. Insurance companies excel at selling policies, not fixing technology. So, what is their end game? They are using their existing trust with clients to offer bundled managed IT services, hoping your clients will think, "Why not?"

But when something goes wrong — and it will — what is an insurance company going to do to fix IT problems?

Here is the fundamental truth: They cannot fix IT issues.



For your customers, this means if there is a network outage, security breach or hardware failure, your clients will still need someone to swoop in and resolve the issue.

And the kicker? If your clients hand over IT management to an insurance company, you cannot even touch it. Trying to step in might void your client's insurance coverage, leaving you, the expert, locked out.

This is the big play. Insurance companies are entering this market because they see IT services and cybersecurity as growing risks that align with their traditional focus on risk management. Additionally, they believe bundling IT services with their insurance products is an easy upsell.

But managing IT is not as simple as offering a policy — it requires deep technical expertise and ongoing hands-on support, which is something most insurers are not prepared to provide. This is something you are probably already working toward.

The Escape Clause Dilemma

Here is where things get even trickier. We have spent a lot of time deep-diving into cybersecurity insurance policies and have uncovered that these policies frequently come loaded with covert language — that even include escape clauses.

In simple terms, these loopholes mean that if something

goes wrong — like a cybersecurity attack or a major system failure — the insurance companies can absolve themselves of any liability or, more importantly, they can restrict repairs to a preselected list of “approved vendors” (which you will have to pay a royalty to be part of). Their policies will state that if anyone else (like your “unapproved IT team”) tries to fix the problem, they are no longer responsible. Ultimately, this leaves your customers completely vulnerable, locked into paying for a service that will not actually protect them when they need it the most.

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services to managed IT is the logical next step. If you take advantage of this opportunity, you can offer them what insurance companies never will: true protection, real solutions and a partner they can trust.

Right now, most insurance companies do not even know how to price these services. They have seen huge spikes in risk, especially since more people are working from home. But they do not

understand the IT landscape well enough to manage it. At TAG, we have overseen more than \$1 billion in products/services transactions and have spent 40-plus years monitoring the evolution of this marketplace. We would love to share all our findings with you in more detail.

So, this is where you come in. You get to be the expert who will have opportunities to monetize any number of technology solutions your customers need assistance with in the future. If you are ready to secure your company’s relevance and protect your clients from getting trapped into bad deals and bad service, this is actually a golden opportunity for you to expand your product and services offerings.

How to Get Ahead of This Problem & In Front of Your Customer

You are in the perfect position to get ahead of this issue. Here is how:

(1) Educate Your Clients: Start reaching out to your base. Let them know about the risks of trusting their IT infrastructures to insurance companies. Make it clear that when problems arise, insurance companies cannot deliver, and their policies may even prevent you from helping.

(2) Explain the Loopholes: Highlight the covert escape clauses buried in these insurance policies. We are happy to share examples on request. Your clients need to know that many insurance companies will dodge responsibility if they or anyone else tries to fix a problem. What good is managed IT if it does not manage anything?

(3) Position Yourself as the Trusted Expert: You already have the expertise and the customer relationships. Frame yourself as your customers’ fractional CTO — not just the guy solving tickets, but a partner who helps them plan for the future. Offer regular reviews that focus on more than just IT — introduce them to new technology, help them identify areas for growth and demonstrate how your services proactively safeguard their operations.

(4) Offer Redundant Cybersecurity Protection: As a TAG member, you can leverage doubly redundant cybersecurity liability protection through our strategic partnership with Lloyd’s of London. This is a massive differentiator. While insurance companies are playing games with escape clauses, you can offer real coverage that will not leave them hanging. We have personally vetted these policies to ensure there is no ambiguous language, so either your policy takes care of it or Lloyd’s of London does.

The Perfect Moment to Expand Your Services

Your clients already trust you. They are used to coming to you for their office technology needs. Expanding your

Act Now, Before It Is Too Late

This is a critical moment for your business. Even though competitors are looming, this is a time where you can harness their misguided overconfidence to establish yourself as a trusted office technology expert who is thinking strategically for them and anticipating their future needs, just like any great fractional CTO would.

Insurance companies are eyeing the managed IT space because they know it is a huge opportunity. But they do not have the experience, the expertise or the infrastructure to actually deliver what your clients need. You do.

Now is the time to act. Start by educating your clients, marketing your superior services and positioning yourself as the trusted partner who will keep their businesses secure — without loopholes, delays and empty promises. Do not let insurance companies steal your revenue stream. This is your space. Own it. ■

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