Network Event: Insurance and Benefits for Independent Consultants

EVENT SUMMARY

Online via Zoom
Thursday, June 10, 2021 | 2:00 PM - 3:30 PM ET

Moderators
Stacy Edgar | Founder, Venteur

Panelists
Angie Ferretti | Senior HR Manager, Resonance
T. Edward Williams, Esq. | Partner, Williams, LLP

ICN Co-Chairs
Amy Chase | Project Manager, EnCompass LLC
Mike Shanley | Founder/CEO, Konektid International

Event Description

While there are many advantages to being an independent consultant, we know there are also unique challenges that you face. In addition to having to find your own work and manage a variety of clients, there are also operational challenges that you have to figure out including insurance and benefits. During this event, attendees heard a variety of perspectives and gained advice on how to obtain insurance and benefits for themselves. The panel discussion featured an established USAID partner, an international corporate lawyer, and the CEO of a startup that is providing new insurance and benefits options to independent consultants.
Key Takeaways

1 The Basics

To kick off the event, Stacy Edgar (Venteur) acknowledged the many uncertainties that arise when working as an independent consultant by posing questions like: How do I make sure I’m protected when “what ifs” happen? How do I make sure I can still benefit from safety nets?

Edgar shared that uncertainty around what premium or deductible to choose has resulted in about half of adults delaying or denying care. With that being said, it is crucial to understand and consider key elements such as co-pay, co-insurance, and in or out-of-network insurance. Both Angie Ferretti (Resonance) and T. Edward Williams, Esq. (Williams, LLP) agreed that the most important types of insurance to have are health, medical, vision, and life. Ferretti recommended taking advantage of the ability to carry previous plans with you as you transition into new roles. Ferretti discussed her own experience switching from a low deductible and high premium to a high deductible and low premium, pointing out that it saved her a couple of thousand dollars in insurance costs. She then emphasized the importance of considering your current reality, as well as location and future travel plans, when considering types of insurance.

2 Choosing Entities

Williams highlighted the value of doing business through an entity that will serve as an additional layer of protection, leaving you less vulnerable. When deciding what entity to set up, the panelists concluded that size and function are two of the most important factors to consider. Williams shared that LLCs are a popular choice for independent contractors and consultants as it is relatively straightforward, easy to set up, and taxes are passed through. It may, however, not be the best option for all circumstances. For example, consider how easily you can convert your entity to accommodate for growth. If your services extend overseas, make sure to set up an international LLC.

3 Charging Services

Prompted by an attendee’s question, Williams, Ferretti, and Edgar discussed the importance of conducting market research on your position’s average salary range when determining how much to charge for your services. This process often requires some trial and error. Ferretti reminded attendees not to sell themselves short—try raising your rates and seeing what the client says. It should be a continuous conversation between parties. When there is little context to base your rates on, take advantage of the flexibility you have. Figure out what you provide that your competitors don’t. What makes you an attractive consultant?

Negotiation skills and transparency are essential when building the costs of benefits into your rate. Williams pointed out that building costs of benefits into your rate is not necessarily a legal issue, but rather one of negotiation. He added that you should not merely present your costs, rather, be transparent and break down your costs to build trust and understanding between parties.
4 Dealing with Contracts

Knowing what to look for in a contract can feel daunting but the panelists suggested focusing on what obligations the contract puts on you, what you are required to deliver, and how you are required to deliver it. Williams highly advised getting professional support when dealing with contracts. He emphasized the importance of understanding your lawyer’s effectiveness, and pointed out that you should focus on a lawyer’s efficiency, and not the hourly rate. If you choose to handle a contract without professional support, ensure that your understanding of the contract is clear via follow-up emails. This sort of documentation of your understanding can be used as evidence if a conflict arises later on.