



## Additional Premium Assessments

Maybe you've been there. It's been a year since your insurance policy has been in effect, and you've been paying your premium as due. Then an auditor shows up, reviews your sales and/or payroll and tells you that an additional premium is due.

How did this happen?

Insurance premiums are based on estimates for sales or payroll (depending on the type of insurance policy) before the policy goes into effect. If these estimates turn out to be low, additional premium is due after the audit. Unfortunately, additional audit premium is usually due within a defined time frame, such as 30 or 60 days,

leaving you very little time to secure the funds necessary to pay the additional premium.



We can help. Our service team will work with you throughout the policy term to help track your performance and determine how your actual sales or payroll is comparing to your estimates. Benchmarking like this allows you to prepare for any premium shortfalls at audit time and makes estimating for your policy renewal that

much easier. Call us to get started with your tracking and preparation so your premiums are as accurate as can be.

## Affordable Increases in Liability Limits

Many contractors purchase only the amount of insurance required to secure a specific job or contract. What many fail to realize is that the contractual requirement is a minimum—much higher limits are likely available for little additional cost.

Higher limits are often available in an excess liability or commercial umbrella policy. The former simply extends the dollars available for a general liability claim. The latter does the same but may also

cover losses that are not insured by the general liability policy as well as extend over the liability limits of other policies, such as auto insurance.

Our service team works with several of the industry's top providers of excess liability and commercial umbrella insurance policies. We can help you obtain quotes from these companies that will show you how inexpensive it may be to secure millions of dollars of additional liability coverage.

## Determining Contractor Status



Is that contractor really a contractor? Establishing the work status of partners and hired help is a key component to proper reporting for payroll and insurance. If a contractor is considered an “employee” by your insurance company, your state or the federal government and you don’t properly report their status, you could face fines or other penalties.

Contractor status depends on a number of factors, including:

- How the individual is compensated
- If they work for others or offer themselves for other employment
- If you furnish them with a vehicle, tools or other equipment
- If they have their own insurance coverage.

There are many other factors involved in properly classifying an individual who is performing work on your firm’s behalf. For assistance in determining the proper status of someone you think is a contractor, call our service team. We can give you details on the insurance aspect of classification.

## Classification Limitations More Common

As the insurance industry attempts to control loss exposure, more insurers are placing classification limitations on general liability insurance policies issued to contractors. While such a limitation is not yet common on standard insurance policies, it is becoming more common for contractors who, due to unfavorable loss history or operations, must find coverage with a non-standard (often called “excess” and/or “surplus”) insurance company.

The reason this limitation is dangerous is that it could remove coverage for claims that arise out of operations that are not considered standard under the type of work normally performed by the contractor. For example, a

contractor that is classified as a commercial builder may choose to do some residential work to generate additional income. If a classification limitation exists on that contractor’s liability policy, a claim that is filed resulting from the residential operation might not be covered.

Have you adjusted the work your firm performs to make up for a slowdown in contracts? Have you changed the type of work you do to attempt to reach a broader base of customers? It’s a good idea to call our service team any time you make changes to your personnel or operations. We can help you understand the effect specific changes could have on your coverage.

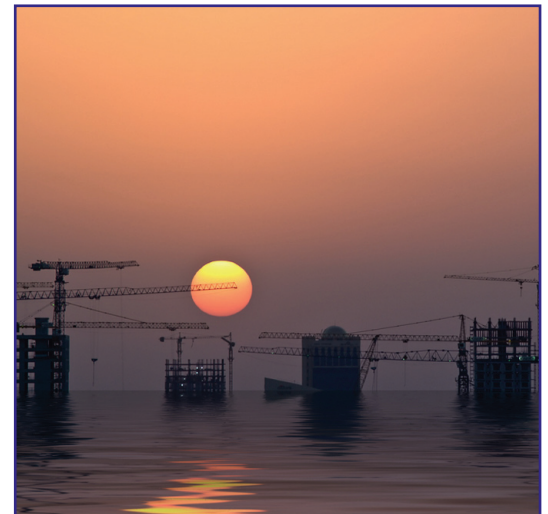
## Paying Bills After a Disaster

If your location is damaged in a fire, windstorm or other cause of loss, how much of your business income would be lost? What if the same loss destroyed some of your firm’s equipment or service vehicles? Would you be able to pay bills and satisfy other obligations during the repair phase?

Contractors swamped with workers compensation and liability insurance requirements often overlook the importance of “time element” insurance. This insurance is designed to protect your firm’s financial obligations if you are unable to produce income due to a fire, windstorm or other covered cause of loss.

Standard property insurance pays only the cost to repair or replace directly damaged property. It does not cover dollars lost because the building or equipment can’t be used for its normal purpose while damaged. Time element insurance can provide essential funds to pay bills and satisfy important contractual obligations that may otherwise be missed without the firm’s standard income.

Interested in learning more about how time element insurance can protect your firm’s bottom line after a loss? Give our service team a call for more information.



# Open Sources on Job Site Safety

Job site safety is the most important factor in reducing the chances of a bodily injury claim that will eat up your liability limits and send the cost of your liability insurance soaring into the stratosphere.

Unfortunately, safety services are often put low on the budget list or ignored altogether in an effort to save money. With the variety of low-cost and free services available, savings should never be an excuse. Consider the following resources for safety advice:

## Your Insurance Company

Many insurance companies offer free worksite safety tips and audits to policyholders. A phone call to your company's loss control department

is a great way to learn about the free services. It will also let your insurer know that you want to work with them to prevent losses.

**With the variety of low-cost and free services available, saving money should never be an excuse for a lack of job-safety knowledge.**

## Uncle Sam

OSHA is the government's most active agency charged with managing workplace safety. OSHA's website, [www.osha.gov](http://www.osha.gov), includes hundreds

of tips, videos, brochures and other resources for free that are designed to help prevent injuries to both your workers and your visitors.

## Cyber Space

The Internet is home to many organizations, such as the International Risk Management Institute ([www.irmi.com](http://www.irmi.com)), that offer free tips, newsletters and other resources, as well as paid services, to enhance workplace safety. File-sharing sites, like [www.youtube.com](http://www.youtube.com), are also excellent sources for free videos on job site safety.

For more information on inexpensive or free safety programs available for your firm, call our service team today.

## Protecting the Value of Your Firm's Data

Anyone who thinks the high-tech revolution has missed the construction industry or that the industry is too old-fashioned to digitize workflow is grossly mistaken. In reality, the construction industry is as highly computerized as any other. Contractors spend thousands—sometimes millions—of dollars creating an electronic infrastructure that manages client data, runs sophisticated software and keeps the lines of communication open 24/7.

For this reason, contractors should understand that standard property insurance offers very little protection for the cost to restore or replace data that is lost or harmed as a result of damage



to hardware, such as a laptop or network server. For example, if a laptop is stolen from a vehicle or a

server is damaged in an office fire, standard property insurance offers little to no assistance in paying to retrieve vital information quickly and get back to business as usual.

How much would it cost your firm to restore your data? Could a loss to your data or an inability to run software cost you a lucrative contract? Such questions illustrate the importance of adequate insurance coverage for electronic data.

Some standard property insurance policies can be amended to provide adequate coverage for lost data. More often, a separate insurance policy designed to cover data should be considered. For more information on insuring what's inside your firm's computers, give us a call.



## Is Your Stored Equipment Insured?

Think about the money you have tied up in your equipment. Now think about where it is right now. Is it in your vehicle? On a job site? Loaned to someone else? In a storage facility?

The truth is that your equipment could cost thousands of dollars to replace if stolen or damaged. The insurance you currently have might help pay to repair or replace it only if damages occur while it's located in specifically described locations.

Your equipment is too valuable for you to leave its insurance coverage to chance. We can help you obtain a policy that adequately covers your equipment under a broad array of storage situations. With that peace of mind, you can focus on other ways to protect your firm's bottom line.

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## Have we got you covered?

Fill out this form and fax it in.

Or give us a call today.



We'd like to provide you with further information about your business insurance needs and other special coverages. And don't forget your friends! We'd be happy to provide them with the same great service.

Name of someone you'd like us to contact:

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

## Construction

My name: \_\_\_\_\_

E-mail: \_\_\_\_\_

My preferred number: (\_\_\_\_) \_\_\_\_\_

Best time to call: \_\_\_\_\_

### Please call me about:

- Builders risk coverage
- General liability insurance
- Employment practices liability insurance
- Safety and risk management issues
- A free appraisal of my insurance situation
- Other: \_\_\_\_\_