



Would a Disaster Destroy Your Business?

Some 25% of businesses that shut down after a declared disaster never re-open, according to the federal government's www.ready.gov, and few have a catastrophe contingency plan in place.

Many enterprises don't purchase the necessary business interruption insurance coverage to pay bills and other replacement services essential to keeping the business going. Business interruption coverage can be the difference between bouncing back from a disaster and shutting down completely. It can provide income while covered losses are dealt with, and it can cover operating expenses, such



as electricity, that continue even though you are not open for business.

Business interruption coverage is usually sold as an addition to a property policy or included in a package policy. You can choose different limits depending on the type and duration of risk you think you are exposed to and the typical profits you earn. Prices vary based on the type of business, limits, and risk of interruption by a covered event.

Contact us to talk about your business's risk exposure and the benefits of business interruption insurance. We can help you assess your risks and show you options for coverage. ■

Building Upgrades Can Change Coverage Needs

Tenants often approach building owners about making additions, alterations or improvements to a leased building. The urge to splurge might be due to a franchise agreement, a potential new client or the desire just to improve the workspace.

Remember that improvements or alterations to real estate change the building's value. If the structure is damaged by fire, windstorm or another event, the cost to repair or rebuild will likely be changed by the alterations. It is important that the insurance policy keep up with changes

to the building that could raise the value.

Consider contacting an attorney to amend the lease or draft an agreement concerning the ownership and responsibility of the improvements. Also check on local codes governing building projects. It is important to stay within those guidelines.

If you are making such improvements (or already have), give us a call. The property insurance policy for the owner, tenant, or both should probably be amended to adequately cover the new financial value. ■

Commercial Vehicle Insurance Prices Vary



Firms in the market for a new SUV-type vehicle might want to consider a van as an alternative, according to recent research from www.insure.com. The organization recently reported on the most expensive SUVs and minivans to insure, calculating average automobile insurance premiums for vehicles with the model year 2009.

Minivans are much cheaper to insure due to a reputation for safer operators and enhanced safety features. In contrast, SUVs are more expensive due to normally higher price tags, theft exposure and higher crash frequency.

Some high-end SUV models average more than \$2,000 annually to insure, while the cheapest SUVs average just over \$800 annually. Conversely, the most expensive minivan to insure—the 2009 Nissan Quest—costs just over \$1,000 annually, on average.

For more information on insuring your new vehicles, give us a call. ■

Watch Those Endorsements for Changes

Business owners relying on additional insured endorsements as an important piece of the risk transfer process should proceed with caution. The reason is that language in such endorsements might have been revised and might contain stipulations unfamiliar to you. For example, older certificates may indicate broad coverage for lawsuits arising out of products and completed operations, whereas newer versions may significantly limit or eliminate such coverage.

Business owners should review copies of requested endorsements to ensure they contain the desired coverage. Owners requesting additional

insured status from others should also review copies of current endorsements for clarity on the coverage being extended. Look for information concerning how much coverage will apply to the additional insured, under what circumstances coverage will and will not apply, and when coverage will begin and end.

Failure to correctly interpret the language in the endorsement could result in a claim not being paid the way you expect. It could also become the source of a contractual dispute. For assistance with endorsement interpretation, call our service team today. ■

Equipment Breakdown Often Not Covered

If you are a manufacturer, could you afford to go days without the use of one of your assembly machines? Can a retailer successfully keep customers in the store without a working A/C or heating system? Could a restaurant stay in business without access to cooking or refrigeration equipment?

If the loss of use of certain equipment could jeopardize your business, shouldn't you carry insurance coverage to pay the cost to have it quickly repaired or replaced?

The problem is that many business owners wrongly believe they are already covered if their equipment breaks down. The truth is that most property insurance policies cover equipment that is damaged by a covered loss, such as fire, smoke or windstorm, but not equipment that loses its function due to



mechanical failure, power surge, burnout, operator error, or another loss not specifically covered by property insurance.

Equipment breakdown coverage might be available as part of a business owners policy, or it can be purchased separately. For more information, call our service team today. ■

Insuring Against Product Recalls

The Consumer Product Safety Improvement Act of 2008 expanded the government's ability to regulate unsafe or defective products. Under a recall, vendors and others can be required to notify consumers as well as shoulder the expense.

If you are required, either by a government entity or a manufacturer, to recall a product, do you know who pays the bill? With complex supply chains often including international components being the norm in

today's business culture, where does the buck stop?

Product recall plans are essential for any business that manufactures a product or that touches the distribution process, including the final sale to the consumer. The construction of such a plan must include, among other things, extensive research of contractual obligations between manufacturers, suppliers and vendors. In addition to determining who is responsible for carrying out the

recall, such a plan should detail how the costs are paid.

Here's the important question: Could your firm shoulder the cost of an extensive (and expensive) product recall?

Give our service team a call. We work closely with insurance companies that may be able to assist you in developing a recall plan as well as provide essential insurance coverage to help cover the cost of a recall. ■

Space Heater Safety

Maybe it's because your heat is not working properly, or maybe you have that one employee who insists it's cold no matter how high the thermostat goes this winter. Maybe your employees spend most of the day in a warehouse with poor heating. Regardless, businesses that offer or allow the use of space heaters in the workplace should proceed with caution.

The U.S. Consumer Product Safety Commission reports that space heaters are associated with more than 300 deaths annually and millions in property damage. This winter, consider sharing the following tips with your staff to ensure the safety of people and property:

- Buy a space heater that has been certified by a nationally recognized testing laboratory.
- Keep all furniture and

combustible items at least three feet away from any heating device.

- Never refill a fuel-burning space heater while it's on or while inside the building.
- Space heaters should not be



left on whenever employees leave the room.

- When not in use, space heaters should be unplugged.
- Do not connect a space heater to an outlet using an

extension cord, and never overload the circuit.

- Never use a space heater with a damaged or frayed cord, and never cover the cord with carpeting or furniture.
- Be sure your space heater is in good working condition and that the heating element is protected by a metal guard.
- Keep young children away from space heaters.
- Avoid using electric space heaters in a bathroom, and never touch an electric heater if you are wet.
- Make sure that your smoke and carbon monoxide detectors are working before using a space heater.
- Check the cord on an electric space heater to determine if it is very warm or hot. If so, unplug it immediately and try another outlet. If it continues to be hot, contact an electrician. ■

**Thank you for
your referrals.**

If you're pleased with us, spread the word! We'll be happy to give the same great service to all of your friends and business associates.

Web Liability

Most commercial general liability (CGL) insurance policies include coverage for personal and advertising liability. Many such policies, however, limit liability for claims that arise from the use of chat rooms, blogs, bulletin boards and other communication outlets residing in cyberspace.

With the Web rapidly becoming business's most pervasive advertising and communication tool, firms are at an increased risk of claims alleging libel, slander, false advertising, copyright issues and other claims stemming from viral advertising campaigns, blog posts and other virtual messages.

If your firm, like so many others, is turning to the Web to communicate with prospects and customers, review your CGL for coverage details concerning online communications. For assistance determining coverage or for information on an insurance policy designed specifically to address Web-related liability, call our service team today. ■
