



## Every Business Is in a Flood Zone

The horrific sight of homes and businesses almost completely submerged by flood-water along the southeastern coast after Hurricane Matthew served as a reminder of just how powerful and unpredictable floods can be.

The Federal Emergency Management Agency's flood zones are admittedly not perfect, and freakish weather events like hurricanes and torrential storms are not the only causes of rising water. Flood management is further complicated by property development which may push the flow of runoff to areas not



initially thought to be affected when the plans were drawn. Unfortunately, too many property owners do not heed the agency's frequent warning: "Everyone is in a flood zone."

Is your business adequately insured for flood damage? If not, would your business be able to survive the cost of replacing damaged portions of your building, damaged equipment, products, furniture, etc.? If it has been some time

since you reviewed your business's flood insurance policy, or if you don't currently have one, call your insurance agent today.

## Help Your Insurance Keep Up

If your business has been around for a few years, it's likely your operations have evolved, your processes have changed, and/or technology has shifted the work duties of your employees. If so, when was the last time you discussed such changes with your insurance agent?

As your operations and employee activity evolve, so should your insurance coverage. For example, the class codes used to determine the pricing of your general liability and workers

compensation insurance may be different today than they were a few years ago, yet your premiums are being based on outdated information. You might also have moved some operations to the cloud or changed the business property you own. All of this affects what your insurer will pay if you file a claim.

Your insurance agent can help make sure the coverage your business has is sufficient to meet your business's current needs. Call to update your information.

## Cyber Claims' Costs Continue to Rise



The costs incurred by businesses that lose customer data due to various forms of cyber attacks continue to rise. According to NetDiligence, insurance companies underwriting cyber insurance report that the average claim resulting from a breach has risen to \$665,000. Such claims encompass a variety of costs, including crisis services, legal defense, and compensation to those harmed.

Businesses that continue to ignore such threats should consider what such a breach would do to their bottom line. Cyber insurance is an expansive market, and such policies vary greatly depending on the nature of your business. Some cover losses of your data and damage to your hardware from attacks; others address your liability for damage to others caused by cyber intrusions linked to your negligence.

Regardless of the nature of your operations, there is likely a cyber insurance policy suited for your business's most common exposures. For information about this important insurance and why your business can no longer afford to ignore it, call your insurance agent today.

## Injury Rates Hurt Company Value

According to the Bureau of Labor Statistics, more than 3.5 million workplace injuries and illnesses occur annually in the United States, costing an estimated \$250 billion.

Did you know that a company's value is tied to its injury rates? A 2016 study by the University of Texas at Dallas found that companies' market value decreases "substantially" with an increase in worker injuries. It also found that companies that have greater debt or experience a negative cash flow have higher injury rates, likely caused by spending money on debt payments instead of workplace safety.

So, what can employers do to improve workplace safety when there isn't a lot

of money available for injury-prevention programs? The answer may lie in free resources from the Occupational Safety and Health Administration, state worker-safety agencies and workers compensation insurers. All of these groups, as well as some industry-specific associations, offer low-cost or free risk-management resources that can increase employee safety awareness and reduce injury and illness events.

Additionally, take advantage of all equipment maintenance plans offered by manufacturers and property insurers, some of whom include checkup and maintenance programs in their insurance contracts.

## "Drive Other Car" Coverage

Employers often choose to purchase and insure vehicles they use for both business and personal use through their company.

When no autos in the employer's household are personally owned and insured, a major exposure is created which often goes overlooked. The exposure is when the employer or members of the household are using non-owned vehicles. Examples of the non-owned auto exposure may include when the employer personally rents a car for vacation, when the spouse of the employer drives a relative's car, or when a child of the employer borrows a friend's car.



The concern is that the business auto policy will not automatically extend its coverage to accidents involving the employer or family members when they use vehicles not owned by the business. Fortunately, there is a way to modify the business auto policy so that it will extend coverage for accidents involving non-owned autos. The company's auto policy must include an endorsement commonly called "Drive Other Car," and the endorsement should include the individual names of the employer as well as each driver residing in his household. This coverage can allow business owners to get the most out of their company's vehicles without sacrificing important liability protection for self and family.

## Fire Safety at the Office

**B**usiness owners who own their building should engage staff to take simple steps in helping to spot fire hazards.

There are several easy steps businesses can take to prevent common fire hazards in the office.

Keep cooking spaces clean and clear. Does that seem like a no-brainer? Consider that cooking equipment is the leading cause of accidental home fires. Many offices these days also have kitchen facilities, so staff should be on the lookout for anything flammable—towels, paper products, etc.—and keep them away from hot surfaces.

Learn the signs of electrical problems. A building's electrical system will often show signs of impending trouble, such as discoloration around power outlets, dimming or flickering lights, or strange smells around the power sources of appliances. Staff must also steer clear of overloading power strips or extension cords.

Install safety equipment. Smoke alarms and fire extinguishers are a



must, but also consider installing arc fault circuit interrupter outlets, commonly referred to by the acronym AFCI, which greatly reduce the risk of electrical fires.

And keep in mind that space heaters are always a fire hazard. Most manufacturers require a three-foot perimeter

around the units, but there are no guarantees papers or other flammables won't fall onto or into the heating mechanism if left unattended while on.

It's easy to alert office workers to common fire hazards. Bring these things to their attention to improve fire prevention at your workplace.

## Employees' Outside Work

Do any of your employees do contract work or pursue other paid jobs independent of their employment with you? If they are using their employment with your firm to bolster their independent work, you could find your business embroiled in an ugly claim dispute.

Their clients might not understand that the work they do that isn't contracted through your company isn't covered by your insurance or other warranties. If your employee causes property damage, business losses or injury, the client might turn to your business for

recompense. Even if you have no liability, you may find yourself burning resources to respond to legal actions and brand damage.

Make sure your employees understand that independent

### **Your professional liability insurance and other coverages do not extend to independent work done by employees.**

contract work outside of the firm should be clearly separated from your company's name and reputation. Consider including language in your employment

contracts that clarifies your policy and clearly stipulates that your professional liability insurance and all other insurance protections do not extend to independent work done by

employees. It is best to include your legal counsel to review the wording for such clauses.

If you are concerned about worker crime or errors while under your employ, talk to your insurance agent about employee-crime insurance, or a fidelity bond, and errors and omissions insurance, sometimes broadly referred to as professional liability coverage.

Thank you for your  
referral.

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

## Can Med Pay Save the Day?

As the owner of a retail store, restaurant or office, you are concerned that customers coming onto your property may injure themselves and require medical attention. Simply owning the property where the injury occurred may not be sufficient proof of your negligence for their injury. However, given the choice, you may prefer to have their medical bills paid and hopefully avoid the costs associated with a claim of bodily injury liability.

Enter medical payments insurance. Medical payments insurance is designed to pay necessary medical expenses incurred by someone who is injured while at your place of business. This often overlooked coverage is typically built into a commercial general liability insurance policy. The limit normally included is small—usually between \$1,000 and \$5,000—but it often can be increased for additional premium. Note that medical payments coverage is not a substitute for workers compensation; thus, it is not available for injuries to employees.