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Party Time

Summer is the perfect time of year for that outdoor promotion or company picnic. Balloons fly, inflatable bounce houses and free cotton candy attract the kids, discounts and prizes draw the adults, employees enjoy the fresh air and sunshine: a business win-win on all fronts.

But what if an employee collapses from heat stroke? Or what if a person not covered by workers compensation gets hurt, such as a child injured on a ride or a client sickened by contaminated food?

The simple reality is that any company-sponsored activity, be it the regular

duties on the job or social activities at a recreational area, creates responsibility for the employer to provide a safe environment and protection from harm. Your workers



compensation provider will consider whether or not the social occasion was part of the injured party's "employment" under state laws, but what kind of insurance will cover your liability for injuries to guests?

Your insurance professional can help you determine if you have appropriate insurance and can suggest risk prevention

strategies. Contact us while you are in your planning stages.

Organized Retail Crime

Organized retail crime is an ongoing problem that is trending upward. The term describes crews of shoplifters and burglars who steal retail goods that are easy to resell quickly. The FBI reports exponential growth of these organizations in recent years.

Organized retail crime is a serious and expensive business. To combat the threat, law enforcement officials recommend retailers join the Law Enforcement Retail Partnership Network (LERPnet). According to its website, LERPnet "is a secure national database for the reporting of retail theft

and serious incidents, which allows retailers to share information with each other and with law enforcement."

While LERPnet is a great risk management initiative, it is not designed to compensate you for your losses from theft. That requires crime insurance. This coverage typically protects your business from employee theft, forgery, theft of money or securities, burglary, robbery and computer fraud. These are losses that are not covered under a typical business policy, so you might want to consider adding crime insurance to your portfolio.

Flood Maps



While the need for flood protection may be obvious to businesses located along rivers or near coastlines, more than 30% of property damage claims caused by floodwaters occur in areas that are not designated flood zones, according to the National Flood Insurance Program (NFIP). Moreover, over time, NFIP changes its evaluation of flood risk, increasing dangers in some areas and reducing it in others.

Losses caused by flood damage are not covered by standard business property insurance, so a separate flood policy can be critical. Our professionals can check the flood risk rating for your area of operation and find what kind of flood policy is available for your business. Most state insurance departments also have information online that could be useful to you. Keep in mind that there is typically a 30-day waiting period from the date of purchase to the effective date of coverage, so don't delay.

Replacing Is More Than Just Rebuilding

Although your building may be well covered compared to the amount required by the mortgagee or basic replacement costs, have you considered what it may actually cost to rebuild it from the ground up following a major loss? For example:

- Are there special design issues that may increase the building costs?
- Since you are starting with a “clean slate,” would you prefer the new structure to be “greener” and/or LEED certified?
- Are there any building ordinances (such as requiring all new buildings of your type to be fully sprinklered or wind-resistant) that will significantly increase your rebuilding estimates?

• Might there be hazardous materials to be removed and/or replaced?

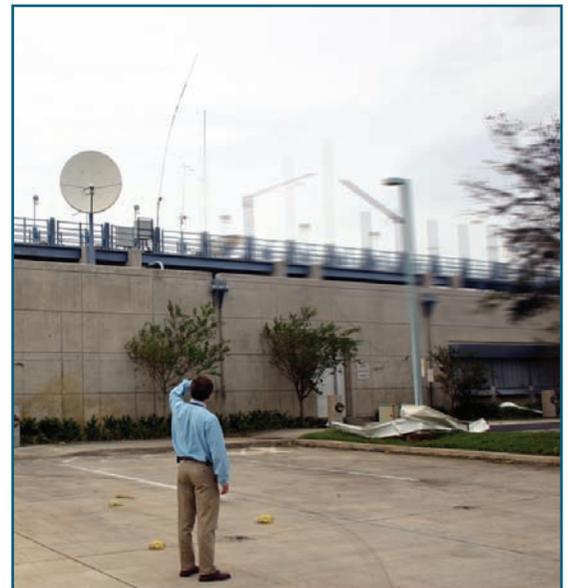
• If your building was “grandfathered” under your community’s current building restrictions, will you be allowed to rebuild a similar structure for similar usage at your current location?

All of these are among the considerations that may increase the true replacement cost of your buildings far beyond an estimate sufficient to replace the exact same building. Talk with our professionals about these and other construction factors, then determine what modifications, if any, to your current coverages and limits will provide you the protection you want and need.

Are You Prepared for a Windstorm?

As the heat index goes up, so does the potential intensity of storms—both tornadoes and hurricanes. The Caribbean Disaster Emergency Response Agency (CDERA) has five solid risk management tips, all related to developing a written preparedness plan for your business.

1. Make plans for the protection of your plant and equipment.
2. Develop a staffing policy that identifies essential employees and which of them, if any, must remain at the facility during a storm. The policy should identify when employees will be released from work as well as when they are expected to return. Businesses may predetermine the time when employees must return, in case telephone service is lost.
3. Develop procedures and policies for all phases of storm operations.
4. Identify and protect vital records, such as accounts receivable, customer records, tax records, and other personnel and administrative documents.
5. Review insurance policies to ensure that there is adequate coverage.



Authorized Access Only

Does your business have areas where others are not freely allowed to go, perhaps for security or safety reasons?

If so, effective risk management is the key to making certain your safeguards are actual prohibitions to entry.

According to security experts, there are a few key tools to consider.

Locks: It may seem ridiculous to suggest, but you would be surprised how many businesses don't use locks to restrict access. Those that do often fail to control or catalogue the distribution of keys. They also neglect to change the locks periodically or retrieve keys from departing employees. Keys should be numbered, non-duplicable and recorded by recipient, date of distribution and date of return.

Electronic-code entrances: These systems require a user to input a code to gain access through a doorway. The obvious vulnerability with these systems is that, if the code is left unchanged, the



entire facility staff, as well as employees who have left the company, may eventually have access. So be diligent about changing it. If possible, provide a unique code to each employee. When an employee leaves the company, you simply deactivate his or her access code.

Access control cards: The most effective means of restricting access is

a control card system. These grant or deny access via a set of rights assigned to each card (which is then assigned to a single person). These allow facilities to handle special situations, changing staff, and multiple locations most effectively. A potential downside is that full-feature access control card systems can be expensive.

Keep It Simple

Insurance programs can be as complex as the unique needs of your business. Too often, the high levels of detail involved lead business owners to throw up their hands in frustration and put off what may be key protection decisions. If you are tempted to do just that, consider two basics of needed property insurance recommended by the experts at the Insurance Information Institute.

Check your limits. Take a look at the maximum payment you would receive if your business were to suffer a loss. See if there is enough insurance to rebuild the business property and replace all merchan-

dise and possessions. Business insurance typically addresses three types of property—the building, your business personal property,

Consider two basics of business insurance: payout limits on property; and income flows during a shutdown.

and the personal property of others, each usually carrying a separate limit on reimbursement.

Think of income flows. You may

have enough insurance to pay for rebuilding or replacing property, but you may not have coverage for the income you will lose while closed or expenses you will incur getting your business back up and running. Business income with extra expense coverage is a good resource for those needed funds.

Don't let fears about complexity interfere with getting good insurance. Most businesses can do fine with basic business policies, but if you have concerns about theft of cash or other more complex issues, bring them to your agent's attention so we can discuss which options are appropriate for you.

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

Seasoning Your Insurance

Does your business volume vary with the seasons? Many businesses deliver products or services that generate the majority of cash flow at certain times of the year. At other times, earnings are significantly less or even negative. In effect, you store the excess cash during the time of bounty then feed from the warehouse during times of famine.

Have you considered such seasonality in your insurance program? Business income policies can be modified to focus upon seasonal receipts. Your inventory insurance may be improved by adding "peak season" provisions. Even your premium payments can often be adjusted to coincide with the times of year when your financial ability to meet the expense is the highest.

If your business is subject to seasonal highs and lows, let us help sync your protection to your business cash flow.