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Above Average 2013 Hurricane Season Predicted

Hurricane season officially begins on June 1 and ends on November 30, but history has shown the majority of activity takes place from mid-August to early October. Veteran hurricane predictors from Colorado State University, Philip Klotzbach and William Gray, are saying this year will be far worse than normal.

Their latest 2013 predictions for the Atlantic and Caribbean areas are for 18 named storms, nine hurricanes and four major (Category 3 or higher) hurricanes. Compare these numbers to the averages of the 1950-2000 years—9.6 named storms, 5.9 hurricanes, and 2.3 major hurricanes—plus, add in that the probability



of landfall is predicted to be at least 50% higher than average, and you can easily see why experts are warning businesses and individuals throughout the country to be sure preparations are in place.

You don't have to take a direct hit from a hurricane to feel its effects. Your supply lines can be damaged, and you can experience flooding several states downstream from a hurricane that turns inland and stalls. Ports can be closed,

and airlines can be grounded. Pay attention to severe weather predictions this season and have backup plans in place to keep your business running smoothly.

Multiple Buildings and the Vacancy Clause

Most insureds understand that if a building or location stands empty for long enough (60 days is typical), commercial property insurance policies will limit or exclude certain losses that could occur at the vacant premises.

But what if you have three buildings insured under a single policy at a single location, two of which are occupied but one of which is vacant, and the loss occurs to the vacant building? Does the fact that much of the location is occupied make a difference, or is the vacancy of the one

building where the loss occurred sufficient to limit the coverage? Or what if you own a multi-unit building where most of the building is occupied but some units are vacant? How will that affect a loss in a vacant unit?

If any of your current property is vacant, whether an entire building, one location of many, or just one portion of a single location, now is the time to talk with our property professionals about how your current coverage will respond, and/or what modifications are available to address the issue.

Travel Insurance for Business Trips



While international travel safety issues have always included issues from “don’t drink the water” to “watch your wallet,” an increasing number of incidents have led travel and security experts to suggest one insurance coverage many businesses overlook: kidnap and ransom insurance, often referred to simply as “K&R.” Although certain areas of the world have typically been considered “hot spots” for such activity, the risk has spread to many locations.

K&R insurance often goes beyond offering financial coverage. It can also provide the services of an emergency response firm. Such firms can assist with relocation of insureds either out of a country or perhaps just to a safer location within the country. Another potentially valuable service is negotiating with kidnapers over release terms, with an intimate knowledge of local language and customs. Once the crisis is resolved by the response firm, the insurance company can then provide reimbursement for direct expenses, such as ransom paid and the employee’s transportation home.

If your business activities include international travel, speak with us about K&R coverage and availability and cost before your next business trip.

Disaster Planning Starts at the Top

While proper and adequate insurance will help you pick up the pieces if your business is struck by a major weather event, the Federal Emergency Management Agency (FEMA) offers an extensive list of disaster planning ideas to minimize your damages while maximizing the safety of you and your employees. Here are just a few:

- Have a business communication plan. Whom should employees contact? How? Is everyone aware of the plan and procedures?
- Learn the elevation level of your property and whether the land is flood-prone.
- Identify levees and dams in your area and determine whether they pose a hazard to you.

• Learn local evacuation routes. Determine where you and your employees would go and how you would get there if you needed to evacuate.

- Make plans to secure your property.
- Be sure trees around your business are well trimmed so wind is less likely to make them a hazard.
- Clear loose and clogged rain gutters and downspouts.
- Install a generator for use in emergencies.

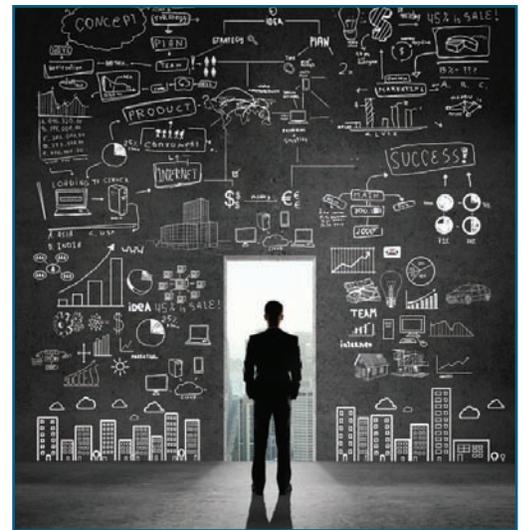
Many business insurance policies cover outdoor signs, which are particularly vulnerable to weather events. If your policy doesn’t already insure signage, give us a call to talk about options for adding that coverage.

The Evolution of Business Technology

According to a recent LinkedIn survey of 7,000 of its members, quite a few office features that once were considered irreplaceable are disappearing from the workplace. Those include tape recorders, zip drives, personal digital assistants, desktop computers and Rolodexes. They are being replaced by other personal and business property that streamlines and networks data and contact information.

Your business insurance policy needs to keep up with these technology changes. Over time, you may authorize employees to purchase or receive phones, laptops, GPSs, and other hardware and software that cumulatively are very expensive. Those items need to be inventoried and kept track of, and if you have coverage for them on your business property policy, you need to have good records of their purchase date and cost. If those items are crucial to your operations, you also need to have a backup system in place so you’re not caught with a lot of down time should your technology be damaged or lost.

Inland marine insurance and cyber risk insurance can be set up to cover expensive software or data if that is a concern. The goal is to protect your income stream through proper risk mitigation and solid insurance protection.



Trucking Safety Is a Priority

Many businesses use trucks in their operations. Some are small box trucks while others are tractor-trailers, dump trucks and even prime movers.

Not only is the function and property value of the truck a concern for the business, the skill and alertness of your drivers is as well.

Trucking frequently involves long, tedious and repetitive trips, sometimes during the wee hours of the morning, and often in heavy traffic. Fatigue is a reality as is driver frustration and pressure to stay on schedule. As a consequence, truck drivers can become dangerous to their fellow commuters and to your business.

Even highly skilled drivers can make disastrous errors in judgement due to fatigue and stress. Those managing deliveries and drivers need to take steps to guard your business, your employees and your community from dangerous trucking. Those steps include routine safety inspections on your vehicle fleet



and regular motor vehicle records checks to make sure drivers don't have hidden moving violations.

Sensible work hours and delivery schedules are also part of best practices. You might also consider some kind of reward system for those who are

incident-free over the course of a year as well as a notification system so other drivers can report dangerous behavior by your truckers. Write, disseminate and enforce a no-phone policy on the road, too. An increasing number of accidents are attributed to distracted driving.

Cyber Security and Personal Devices

Is your business one of the many where a "bring your own device" policy, even if not encouraged, is at least rapidly becoming normal operating procedure?

A "bring your own device" policy allows employees to utilize their personal smartphones, tablets or other devices in the workplace rather than using only those provided by your company. While this may be convenient for the employee and even save you the business expense of providing the devices, experts warn that too many employers are overlooking increasing security concerns. Where once an IT department could lock down or at least control the types of programs and protection

needed for the business, employees now can access highly confidential or strategic business information via their own apps and devices. You may have read stories about employees leaving behind in a cab or a coffee shop a cell phone or tablet that contained or offered ready access to business data and networks.

Security experts say new procedures, processes and added insurance protection are needed. Here are a few tips on how to tighten up your "bring your own device" security risk:

- Require on-device encryption be enabled.
- Require a passcode or password, at least for business data.

- Use secure connections (such as a VPN) when accessing company networks, especially when using increasingly available and convenient public Wi-Fi.

- Block downloading apps from unapproved or unknown sources.
- Set requirements for the type and technical qualifications for a device to be approved for company access.
- Consider a common storage database, such as secure cloud storage, for coordinating/saving data from all accessing devices.
- Require allowance for IT to monitor/block devices remotely. If a device is lost or stolen, IT should be able to lock or erase at least the business data.

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

Flood Rates on Rise

Many current flood insurance policyholders are unaware of just how deeply subsidized the program's rates have been. As a result of recent years of extensive flooding and huge payouts, plus growing demand for government fiscal responsibility, a recent renewal and revision of the National Flood Insurance Program by Congress mandated the program's rates be raised at least enough to cover its costs.

To soften the immediate impact on insureds, FEMA plans to phase in the required increases over a three- to four-year period. Rate changes will vary widely depending upon location and type of risk. Despite any increases in cost, flood insurance is a valuable asset in many of our clients' protection programs. Keep in mind that rates vary with your risk zone and those are updated periodically. We can help you review your coverage, zones and rates to find you the best coverage at the best price.