



## Damage to Premises Rented to You

Does your firm rent the space in which you conduct operations? If so, what happens if you cause damage to that property?

If you or one of your employees were to be held legally liable for damaging the space you rent, it's likely your landlord's property insurance company would pay the claim and then seek recovery from your firm. If that were to happen, you would probably turn the claim over to your commercial general liability (CGL) insurance company. Unfortunately, you would find any coverage available under your CGL policy for this claim limited or totally excluded.



The section in your CGL policy called "Damage to Premises Rented to You" is where such a loss is addressed. This coverage carries a separate limit, and that limit may be inadequate to cover the full extent of the damage. Further, the coverage applies only to damage that occurs in the first seven days of occupancy. After seven days, the only cause of loss that is covered is fire.

So how can you protect your business assets from damage you cause to rented property? There are solutions available. To find out more about your options, call our service team today.

## Employees Working from Home

Working from home is a benefit that many of your employees will appreciate. There are, however, some risks to your business that derive from that arrangement, and they should be addressed by your business insurance policies, including property, liability and workers compensation.

Consider the following scenarios as examples of insurable risks:

- A company-issued piece of equipment is damaged or stolen while being kept in the employee's home
- A client stops by the employee's home

to conduct business and is injured

- An employee working from home is injured in the course of employment.

If your employees work from home, even just once in a while, your insurance should reflect that. We can help you identify potential exposures and suggest insurance policies and risk management programs that can control the potential for loss. We can also help your employees identify exposures that may be created for them personally by working out of the house. For more information, call our service team today.

## Blanketing Your Business Property



If your business has multiple locations and moves property from place to place, you could be creating an insurance gap.

Many commercial property policies contain limits of insurance that are location-specific. Those limits are often determined based on the property that is at a certain location at the time the policy is written. If the amount of property present at a location when it is damaged adds up to more than the limit of insurance shown for that location on the policy, you are underinsured. This could result in a costly penalty for underinsurance that will make your out-of-pocket expenses from the loss even greater.

One way of avoiding this problem is by “blanketing” your insurance. Blanketing gives your firm the opportunity to create a single policy limit that can be shared by multiple locations. This allows you to move property between locations without having to worry about which location the property is at when a loss happens.

For more information on protecting your firm by blanketing your property insurance, call our service team today.

## Equipment Damaged in Transit

Imagine your firm is moving some equipment from your office to another location and the vehicle is involved in an accident. The vehicle and all of the equipment are damaged beyond repair.

The good news is that your firm’s business auto policy will cover the damage to the vehicle. The bad news is that it will not cover the equipment because a business auto policy does not cover damage to personal property owned by an insured.

Looking to your commercial property policy is not much help, either. The rea-

son is that most commercial property policies are location-specific and damage to personal property that occurs away from the specified location while in transit is typically limited to a small dollar amount, such as \$5,000. In some cases, it may not be covered at all.

If you plan to move large quantities of equipment, inventory or other business property, even just once, you will need separate insurance to cover that property in case it’s damaged. Call us for more information if you are planning a major move.

## Building Codes Increase Repair Costs

Costs of repairing and rebuilding are escalating as local jurisdictions upgrade and update their building codes based on new research and knowledge about risks, the environment and structural protection.

There is insurance to cover these costs. It’s called “Increased Cost of Construction” coverage. It will pay if changes in building codes necessitate extra spending for repairs after a covered loss.

Even if your building currently meets all local codes, you still need this important coverage. For example, many communities are creating new building standards designed to conserve water and energy. The components required to satisfy the codes could cost thousands of dollars that your policy won’t pay for if the coverage isn’t there.

Some policies include Increased Cost of Construction coverage, but the amount is limited and could be insufficient to cover your actual needs. In these cases, an alternative way to secure this coverage is by adding an endorsement to your policy called “Ordinance and Law.” This endorsement gives you the opportunity to purchase Increased Cost of Construction coverage along with insurance for other expenses related to repairing and rebuilding to new building standards.

Give us a call and let us show you your alternatives.



## Flood Is an Under-Insured Risk

One of the risks consistently underestimated by business owners is that of flood damage. Floodwaters affect many properties not listed in flood zones and not located in low-lying areas.

Additionally, flood maps are constantly being revised based on changes in land use, runoff patterns and other factors.

Following are a few important tips to remember about flood insurance.

- Floods are not covered by a commercial property policy.
- Currently, the National Flood Insurance Program allows you to purchase up to \$500,000 of coverage for your building and up to \$500,000 for your contents. If you require higher limits, you will need to secure those through the purchase of an excess flood insurance policy.



- Watch those deductibles! If you purchase flood insurance for your building and its contents and a flood

does damage to both, you will have to pay two deductibles—one for the building coverage to kick in and one for the contents coverage to apply.

- There is a 30-day waiting period between the day you purchase flood insurance and the day it takes effect. Don't wait until the water is rising to buy flood insurance.
- Flood insurance covers only direct physical damage to property. Loss of income is not covered by flood insurance.

To learn more about flood insurance to protect your business, call our service team today.

## Self-Insured Retention

When you purchased a commercial umbrella policy for your firm, you may have agreed to a “self-insured retention” of \$10,000. Many commercial umbrella policies include a self-insured retention that applies to claims that are covered by the umbrella policy but not covered by any of the policies protected by the umbrella.

For example, your commercial umbrella policy might state that it covers your firm's commercial general liability and business auto insurance. In that case, the umbrella provides higher limits for claims against either of those “underlying” policies. In effect, they

“lie under” the umbrella. Some umbrella policies serve this purpose only, and if a claim is filed against another policy, e.g., employment practices liability, the umbrella

**Some commercial umbrella policies cover losses that are otherwise not insured by an underlying policy.**

won't offer any extra protection. Other commercial umbrella policies include coverage for losses

that are otherwise not insured with an underlying policy. If this is the kind of commercial umbrella insurance your business has, your insurance company will respond to the claim after your firm pays the self-insured retention. That means your business would pay out of pocket for the first \$10,000 of a claim on a loss that is not covered by an underlying policy—in other words, a policy that is specifically enhanced by the umbrella coverage. That retention may seem costly at first, but most likely it's a small price to pay compared to what it could cost your firm to defend and/or pay the claim completely out of pocket.





## Insure New Business Autos Promptly

It's possible that your firm's business auto policy is constructed in such a way that it automatically extends coverage for a new vehicle. But don't assume this, as it all depends on the wording of your policy. Definitely confirm coverage before acquiring an additional business vehicle.

In some cases, liability coverage is automatic, but physical damage to the car itself is not. Further, any automatic coverage that is extended is usually only for a defined period of time. Accidents that take place after that will not be covered.

The best procedure is to notify your insurance company immediately upon the purchase or acquisition of any additional business vehicle—used or new. This will help ensure that the vehicle is added to the policy correctly and that adequate insurance coverage is put in place.

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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: \_\_\_\_\_

## Business to Business

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

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

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

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

### Please call me about:

- Insuring improvements and betterments
- Business interruption coverage
- Disaster planning
- My business insurance policy
- Employment practices liability coverage