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volume 41 • issue 3

Improving Your Business Premises

As commercial tenancy begins the slow road to recovery across the U.S., the discussion of who is responsible for insuring improvements made to the property at the expense of the tenant will most certainly resume as well.

Tenants often spend thousands of dollars making improvements to the real property, improvements that cannot be legally removed upon lease expiration. Tenants need to know who is responsible for insuring those improvements so they are covered if the property is damaged or destroyed by fire, windstorm or another cause of loss. Likewise, building owners need

to know about responsibility for coverage since the improvements have now become part of the real property and would need to



be repaired after a loss.

One solution is for owners and tenants to draft an agreement and addendum to the lease prior to a damaging event explicitly stating who will insure the betterments. The agreement should also be communicated to the respective property insurance companies and agents to ensure

appropriate coverage is currently in force or purchased. Failure to take such measures can create confusion at claim time and may result in penalties due to underinsurance.

Storage Insurance Wars

Leave it to cable TV to bring new fame and attention to a common business practice: keeping business property at a storage facility.

If your firm is among the millions that rent such additional space, you may store everything from papers and records to furniture and equipment there. A good question to ask when storing items is whether or not they are covered by your firm's business property insurance policy.

The answer depends on a number of factors, including the type of items stored

there and the potential cause of damage. Standard property insurance policies cover only certain property and certain causes of damage. Even if the property and damaging peril are covered, many standard policies provide only limited coverage for items damaged while off the business's named premises.

Additional coverage is available by modifying the current business property insurance policy or by securing an additional policy specifically designed for the property stored. Insurance may also be available from the storage facility itself.

Pollution Cleanup



Many standard commercial property policies don't pay the cost to tear out and remove asbestos, lead-based paint and other items considered pollutants, even if such removal is required by law. Such items are still pervasive in older buildings in many areas of the U.S.

It can be costly to remove hazardous materials, but it's often required before the site is deemed clear and any rebuilding can take place. Even if there's no assistance from an insurance policy, building owners will still have to pay for cleanup.

While standard property insurance policies may offer little or no assistance, there are insurance policies available that can help pay the costs associated with the removal of hazardous building materials. The first step a building owner should take is to identify the materials used in the construction of the building. Once obtained, this information can be shared with your insurance agent to determine if the purchase of additional coverage is necessary. Your property insurer may be able to help with a list of approved contractors with expertise in determining what materials have been used in your building.

Insuring Your Outdoor Investments

With the price of precious metals rising, sculptures gracing the grounds of the premier businesses in town are increasingly in jeopardy as thieves take what they can.

Businesses that make an investment in outdoor art are doing a double service: They build their own name as top commercial enterprises, and they improve the neighborhood where they operate. They need to protect that investment through both insurance and loss prevention.

To protect outdoor art, consider taking three important steps: Install an alarm system; attach a concealed GPS tracking device; and list the piece when you purchase it with the Art Loss Register, which will help with recovery and prosecution.

When securing insurance, make sure

you have your art professionally appraised by an expert firm. That appraisal will play heavily into the price you pay for your policy and the limit of insurance payout you receive in a loss. You will usually have a choice between a retail replacement value and the fair market value. The retail replacement value is the estimated cost to replace the piece with a comparable one on the primary market. The fair market value is similar, but it uses the secondary market as a benchmark.

Keep in mind that theft isn't the only peril your outdoor art faces. Vandals and severe weather, such as hail, can also wreak havoc, so let's make sure your outdoor coverage is comprehensive and your insurer has the services you need.

Summer Heat: Are Your Systems Ready?

It's almost summer, and it seems there are few places in the nation that don't get hit with some hot spell over these few months. When the heat arrives, will your systems be ready, or will they fail, leaving your computers overheated and your temperature-controlled stored items wilting or molding?

An equipment breakdown policy can help protect your business income and get you back up and running if your systems fail you.

This insurance is sometimes part of a business owners policy, but it can also be purchased as a stand-alone coverage or as part of a commercial package policy. It not only provides money to assist with repairs of vital equipment; it will also step in to replace lost business income for the time your business is down, in accordance with the terms of the policy. Most policies will also cover spoilage of items that require temperature-controlled environments and are lost as the result of equipment malfunction.

Many equipment breakdown policies are accompanied by service provisions from the insurer to help keep equipment inspected and maintained. Those services may include certifications or reports that can be passed to regulators where needed. Regular inspections are a crucial risk management element and are a valuable addition to any equipment breakdown policy.



Getting That Artwork Insured

Many businesses display limited-edition paintings, drawings and other artwork, while others decorate with antiques or fine art.

Standard commercial property insurance has little or no coverage for these pieces. If they are stolen, damaged or destroyed, you might not be able to recover your investment.

An inland marine policy that covers fine art, antiques, or your other high-value décor is a smart addition to your insurance protection suite. Some insurers offer policies that combine such an inland marine policy with a general commercial property policy. Others offer separate coverage that lists, or “schedules,” your company’s high-value contents.

One of the typical benefits of procuring fine arts insurance for your high-value business décor is the service that accompanies the coverage. Insurers in this line usually work with specialty partners that are experts at salvage, valuation, restoration and protection. Protection services may include proper packaging, shipping



and storage for items that are at risk in a known, impending event, such as a hurricane, flood or wildfire.

If your property should be damaged in a covered event, your insurer will most likely help you get your collection or individual items to the appropriate restorer. These experts can often remove smoke damage, mold, and water damage caused by rain, floods, broken pipes and activated sprinkler

systems. They can also mend tears and repair finishes. In cases where items cannot be put back to their pre-event condition, your policy will most likely pay for a total loss based on the type of limits and valuation established under the insurance contract.

Don’t leave those valuable investments unprotected. Call us to schedule an appraisal and a review of your inland marine options.

Careful on Summer Attire Policies

If you are looking for ways to accommodate staff who get uncomfortably hot at work, you might try adopting a summer business attire policy. These often work very well, but to keep discrimination claims at bay, take a few precautions.

The first is to check all dress codes with your business attorney. Your legal counsel should be able to advise you of any problems you could be generating. The second is to anticipate discrimination issues. Those include any that have to do with gender, age, disabilities and religion. Avoid these.

Dress codes that accommodate weather are rarely a good basis

for gender discrimination claims. The Equal Employment Opportunity Commission and courts have generally held that, as long as attire rules don’t violate social norms, the employer is given a wide berth. For example, men can be required to wear neckties while women aren’t.

A permissive summer policy that allows short sleeves could open up ancillary dress code problems, so beware of conflicts. For instance, your company may have a legitimate restriction on the display of body “art,” such as tattoos. Any policy change for summer should stipulate in writing

that the rules against displaying body art remain in force unless you are going to make an exception, in which case, you have some decisions to make about how far the exceptions go.

Keep in mind that your dress codes need to match job duties as well. If long sleeves and pants are required for safety, your summer attire policy needs to say that employees in those positions cannot adopt different attire.

Part of a solid insurance program is risk management, so make sure to review dress policies for potential sources of conflict and causes of discrimination claims.

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

Customized Autos

There's no better way to promote your brand on the road than customizing your business automobiles. Marketing efforts can include windshield banners, logos and paint on side or rear panels, or even roof toppers. Whichever you choose, talk to your insurance agent about adding the value of those customizations to your business auto policy.

A standard commercial vehicle insurance policy won't typically cover expensive designer marketing additions. Those must be added by endorsement, which is an enhancement to your policy that specifies coverage for signage and customizations. Once added, the value of your additions will be covered for theft, vandalism, storm damage, accidents, and other perils as stipulated in the policy.

An endorsement for customized business autos doesn't have to be expensive. Talk to your agent about ways to save on your commercial auto insurance.