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Three Important Considerations for Business Autos

Business owners often purchase vehicles through the business entity and title the vehicle through the same entity. The owner drives the vehicle for both business and personal use. If this situation describes you, here are three important things to consider:

- Most personal automobile insurance companies will not insure a company-owned vehicle on a personal auto policy. Thus, you will need to purchase a commercial auto policy.

- If the commercial auto policy lapses or provides insufficient coverage for a serious accident, your personal automobile insurance policy will not take its place or kick in extra money. Personal auto policies do not cover vehicles furnished to you

for your regular use unless the policy has been specifically modified to do so. Such modification will require a fee.

- The commercial auto policy may have limitations on who is covered while driving the vehicle. The commercial policy should be reviewed to determine if a spouse and family members would be covered while driving the company-owned vehicle. Further, the commercial policy likely also limits coverage for the spouse and family members while using vehicles that are not titled to the business.



Commercial auto policies vary significantly from personal auto policies and should be reviewed with your insurance agent to highlight important differences.

Insuring Property of Others in Your Office

Think of the personal items your staff brings to work: coats, handbags, laptops, phones, decorations, etc. Imagine the value of all those items together. Now imagine those items are damaged or stolen while at your office. Surely this is no big deal because the owner has those items insured, correct?

If they own their home, chances are the answer is yes. A majority of homeowners have a homeowners insurance policy that covers personal property if damaged or stolen anywhere, including the workplace. However, if they rent their home, chances are the answer is no. According to the Insurance Information

Institute, only 37% of renters have a renters insurance policy.

As an employer, you probably don't concern yourself with whether or not your staff insures their personal items. Still, you may feel a sense of responsibility to them should their personal items be damaged or stolen while at your place of business. Your business insurance policy likely includes some coverage for personal property of others. Such coverage is, however, usually limited and is not sufficient to cover larger losses, such as those caused by fire or windstorm. This coverage can usually be increased for a fee.

Reduce Paper, Consider Insurance



A paperless (or “paper-reduced,” to use a more realistic term) workplace is good for many reasons. Perhaps the most important reason is risk management. Simply put, the thought of losing paper files to fire, wind, theft or any other reason is enough to make business owners uneasy.

Luckily, there are many ways to implement a reduced-paper workplace and improve risk management without paying high fees or becoming an IT expert. According to PCMag.com, one of the most important commitments a business can make in this endeavor is to designate a “scan and shred” time. Exactly as it sounds, businesses should commit specific personnel to an assigned time each week to create a record of documents that need to be saved and to properly discard those that are not needed.

Businesses concerned that some records, such as legal agreements, receivables and blueprints, will prove too difficult to scan must consider the reproduction cost should damage occur. These businesses should discuss such concerns with their insurance agent. Though such coverage isn't standard on commercial policies, a variety of insurance products are available to help with the cost of reproducing records if damaged by a covered loss.

Secrets of Business Interruption Insurance

You know standard property insurance is designed to cover losses from named perils, like replacing fire-damaged items. You also know business interruption insurance is designed for indirect losses—namely lost income and continuing expenses—resulting from that fire.

But here are three things you might not know about business interruption insurance:

Coverage doesn't begin immediately. Most policies include a 72-hour time period before the policy will begin covering lost income and continuing expenses. This time period can often be reduced for a fee.

Payroll is important but can be removed from coverage if requested.

Good employees are essential and should be protected. For this reason, business interruption insurance will continue to pay employees while the business is closed for repairs. If you decide it's not necessary for your business to continue paying workers while closed, tell your insurance agent. It may be possible to modify your policy to remove payroll as a continuing expense, which could result in a lower cost to you.

Identify your peak months (not average months) and use them to determine how much insurance you should buy. This is especially crucial for businesses with a quantifiable period of time during which business is much better than normal (e.g., retail stores during the holidays).

Insuring Your Renovation

When making the investment to renovate your business location, there are several key considerations to include in your planning.

Are you using an insured contractor? Don't cut corners and potentially put your business on the hook for property damage caused by an uninsured or underinsured contractor. You could even be liable for injuries to the contractor's employees or subs!

Does the contractor carry insurance on the materials being used in the renovation before those become part of the structure? Some contractors will secure insurance for the duration of the renovation. Others will expect you to do this. Clear it up before letting the job begin because, if those materials are stolen or destroyed without proper coverage, you could simply be out those costs.

Does the renovation include items of property that may have limited coverage or not be insured at all under your policy? Such items include landscaping and other outdoor property, such as walkways, patios and parking areas. Sometimes enhancements, or endorsements, to your commercial insurance can be secured, so ask your agent.

If you are a tenant, will your landlord insure the renovations once the job is completed? Clear up any disputes about this before letting the job begin.

Will the renovation increase the insurable value of your property? It's likely to, so make sure you keep records of all that is updated and share these with your insurance agent for the necessary updates to your policy.



Five Things to Look For in Proof of Insurance

Business owners are often advised to verify the insurance of a third party before allowing that person or entity to perform work.

Whether you are engaging a subcontractor, IT consultant, or handyman for repairs at the office, verifying insurance is a wise step before green-lighting any job.

Asking for proof of insurance should go further than someone handing you a sheet of paper with some numbers on it. When reviewing, look closely at the following five items:

- *Name of Person/Business You Are Hiring* The first thing to verify is that the proof of insurance received is consistent with the name of the person or entity that you are paying to do the work.

- *Name of Insurance Company* If it's one you've never heard of, do a Google search of the insurance company. Look for information regarding its financial strength (your insurance agent can recommend the names of several rating agencies that you can include in your Google search) and reviews from others



about their claims experience with that company.

- *Effective/Expiration Date* Consider the length of the job for which you are hiring.

- *Limits of Insurance* Consult your insurance agent for industry standards.

- *Types of Coverage* Consider proof of general liability and workers

compensation as a minimum standard. Contractors who also carry excess liability or umbrella insurance should merit greater consideration.

Consider these five items as just the basics. Additional analysis from your insurance agent is always recommended, especially for larger/more sophisticated projects.

Your Landlord's Policy Might Not Cover You

When you lease space, your landlord will have some kind of insurance coverage, but it might do very little to help you in the case of a disaster. It is critical to understand your landlord's coverage so you and your agent can fill gaps as needed with your business insurance.

Tenants should never rely on a landlord's insurance policy to cover damage to property owned by the tenant. In addition, to clarify any questions concerning insurance coverage, always discuss any potential improvements or betterments to the rented space with your landlord before paying for them.

While direct damage to the building is likely covered by your landlord's insur-

ance policy, your lost income due to the inability to use the building while it is being repaired is not. Business interruption insurance can be used to cover expenses that will continue during the

Your landlord's commercial insurance policy might do very little to help you in the case of a disaster.

shutdown, including rent and utilities.

If you have a favorable lease agreement with your current landlord, keep in mind that it could change

should cancellation by the landlord occur. If this were to happen, finding alternative space could result in a higher monthly cost. A portion of the difference in the cost could be covered by leasehold insurance.

If you are held responsible for damage to the building in which you rent space, either your landlord or his insurance company could require you to pay. Standard general liability insurance includes only limited coverage for such situations. Discuss legal liability insurance with your agent to learn about the different types of damages that could be insurable should you be held responsible.

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Summer: Keeping an Eye on Your Outdoor Workers

The threshold for tolerating heat differs in everyone. Staff working primarily outdoors must be trained to recognize the symptoms of heatstroke in themselves and others and know how to act when needed. Employers should consider requiring staff to review tips such as those available from WebMD.

According to WebMD.com, symptoms of a heatstroke include the following:

- Fainting
- Throbbing headache
- Dizziness and light-headedness
- Lack of sweating despite the heat
- Red, hot and dry skin
- Muscle weakness or cramps
- Nausea and vomiting
- Rapid heartbeat, which may be either strong or weak
- Rapid, shallow breathing
- Behavioral changes such as confusion, disorientation or staggering
- Seizures
- Unconsciousness.

The seriousness of heatstroke cannot be understated. Employers must proceed with caution during summer months. In addition to resources like WebMD, employers may contact their workers compensation insurance company for additional resources on heat management and hydration on the jobsite.