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Saving Money the Old-Fashioned Way

Lately, much of the news concerning auto insurers relates to how they plan to respond to the impending exposures created by self-driving vehicles. While interesting, the truth is that most business owners don't yet have skin in that game and likely won't for quite some time. In the meantime, business owners hoping to lower commercial auto insurance costs should consider the following tips:

Select a higher deductible. How much cost are you willing to absorb if your vehicle is damaged in an accident? Higher deductibles are a tried-and-true way to lower the premium.

Reduce mileage. Some insurers use mileage as a factor in cost. More efficient mileage/route management could reduce premiums.

Modify with age. Plan to review your policy at least annually and consider updates to coverage as vehicles get older and their value diminishes.

Consider a monitored driving device. Some companies offer discounts in exchange for the installation of a device onto the vehicle that monitors and rewards safe driving habits.

For more ideas on reducing the cost of your commercial auto insurance policy, call your insurance agent.

Cyber Insurance: Still Underappreciated

While most business owners have heard of cyber insurance, many continue to go without. Only about one third of U.S. companies currently purchase some type of cyber insurance, largely because owners still question the purpose and function of the coverage.

Following are types of expenses that may be reimbursed by such a policy, according to *CIO* magazine:

› Investigation. A reported cyber breach must be diagnosed and often requires the services of an expensive, third-party security firm.

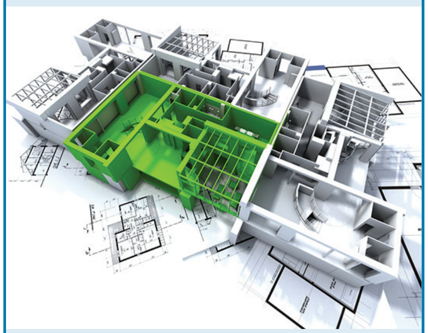
› Privacy and notification. Most states now have laws requiring businesses to notify parties who could have been affected by a data breach or cyber attack.

› Extortion. Insurance may also cover the costs associated with ransomware.

› Business losses. A variety of losses can cause financial and reputational damage to your business, including those associated with business interruption, crisis management and data recovery.

Cyber insurance—be it a comprehensive risk policy or narrower liability coverage—is complicated, and pricing is highly variable. Buying through an educated agent is essential.

It's Getting Easier to Go Green



According to the U.S. Green Building Council (USGBC), the green building sector is doubling every three years. Survey respondents from 70 countries report that 60% of their construction projects will be environmentally friendly by 2018.

The USGBC also cites the following:

- The upfront investment is being recovered quickly through rising building values.
- LEED buildings report almost 20% lower maintenance costs than typical commercial buildings, and green retrofit projects decrease operational costs by almost 10% in a single year.
- Between 2015 and 2018, LEED buildings in the U.S. are estimated to experience $1.2 billion in energy savings, $149.5 million in water savings, $715.3 million in maintenance savings and $54.2 million in waste savings.

Many insurance companies offer an opportunity to amend the commercial property insurance policy with an endorsement to repair or rebuild covered damage with green-certified materials. Owners who have installed such materials at their own expense should review their commercial property insurance policy's limits to ensure the value of the green upgrades has been included.

Extra Coverage Under Workers Comp

While many business owners are familiar with the primary purpose of workers compensation insurance—to pay benefits when workers are injured on the job—there is another important feature that protects owners and their companies.

Employers liability insurance, often included in workers compensation policies, creates coverage for certain exposures that are not addressed by a commercial general liability insurance policy.

Here's one example of how employers liability insurance would work to protect an employer:

A worker is seriously injured on the job and unable to work indefinitely. Statutory benefits are being paid to the employee by the workers compensation insurance policy. After a while, the family comes to believe that the worker's injury was due to the negligence of the employer, and they file a lawsuit against the employer. Costs related to this lawsuit could be severe, and without proper insurance, the employer will pay them out of pocket. The employers liability section of the workers compensation policy would kick in to provide defense coverage for this lawsuit as well as payment should the employer be found liable.

Employers liability insurance may provide coverage for other types of claims as well. For more information about this important insurance, talk to your insurance agent.

D&O Covers Your Leadership

The success of organizations of all types and sizes is usually contingent on the decisions of only a few individuals. These individuals often serve as directors or officers and, in some cases, make decisions that have an adverse effect on another party.

Should a party allege damages as a result of a vote or decision, a lawsuit could be filed against the organization and/or its individual directors and officers, thus putting their personal assets at risk.

Such lawsuits are the basis for directors and officers (D&O) liability insurance. This important insurance may include defense and coverage for the individual directors or officers named in the suit. Some policies also cover the cost to reimburse the organization for expenses it incurs to protect its directors or officers in such lawsuits.

Other D&O policies include coverage for the organization itself. There is no one standard D&O liability insurance policy; they often are tailored to the exposures unique to a variety of organizations. For more information on how such a policy could protect the essential individuals who drive your organization, call your insurance agent today.

Chip or Swipe

The fact that many consumers continue to ask "chip" or "swipe" at checkout is evidence that an abundance of retailers have chosen to ignore new standards and thus are now at risk of paying any costs associated with credit card fraud.

While such risk was once placed on the card issuer, times have changed. Retailers accepting credit cards were issued a deadline of Oct. 1, 2015, to make the change to chip readers for processing chip-enabled cards. Starting on that date, retailers still requiring consumers to "swipe" a chip-enabled card could be on the hook for any costs associated with the fraudulent use of that card that can be sourced to the retailer. If a consumer is paying with a card that does not have a chip, any liability resulting from fraud would still fall on the card issuer.

The chip technology, called "EMV" (Europay, MasterCard and Visa), is a global standard that greatly increases the security of in-person card transactions. The cost of implementing new systems required to meet EMV standards is the main reason why so many retailers are not compliant, according to American Express.

Businesses choosing to forgo implementing this technology must take precautions since they are at extreme financial risk should fraud occur. A cyber liability insurance policy might not cover costs associated with notifications to victims, forensic investigation of the breach, media response and settlements if you are noncompliant.

Three Myths About General Liability Insurance

#1 – Structuring your business as a corporation, LLP or LLC means you don't need general liability insurance. Selecting the type of legal entity for your business is important but does not remove an injured party's ability to sue for damages. General liability insurance can be used to secure the protection and funding a business needs to defend and pay liability claims.

#2 – Businesses that do not have a physical location do not need general liability insurance. Many people incorrectly assume that general liability insurance only covers losses related to bodily injury — such as a customer who slips and falls — for accidents that occur on designated premises.

This exposure, often called "premises liability," is only part of what a general liability insurance policy is designed to cover. Many policies also cover claims rising from injuries or damage caused on someone else's property, sales of defective products, and personal injury claims resulting from libel or slander.

#3 – General liability policies cover everything. While general liability provides broad coverage, many liability claims against businesses require more specialized insurance. For example, claims involving damage to intangible property, such as data, may require a cyber liability policy, and claims for financial damages resulting from specialized work require a professional liability policy.

A general liability policy is a must for all businesses that want basic financial protection, but in today's litigious society, savvy companies will do a deeper evaluation of their exposures and may go beyond the basics.

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

The Death of Key Personnel Can Damage a Business

What will happen to your business's income-earning capability if a key member of your leadership team dies suddenly?

The death of any individual who is essential to the business's ability to earn revenue would likely result in reduced business income for a period of time. Other financial consequences include costs associated with hiring and training a replacement or partners having to negotiate stock buy-backs from the individual's family members.

To help manage the financial consequences faced by a business after a key person's death, owners should consider a form of key person insurance. There are many options available, but the common thread of such insurance is the access to needed funds to contribute to costs associated with the untimely death of a primary member of your team.