



Summer Floods

As summer approaches, some areas will experience frequent downpours, which are prime contributors to flooding.

Owners of commercial property located in a designated flood zone are often required to purchase flood insurance as a term of a mortgage. However, a majority of properties are not located in flood zones, leaving the choice whether or not to insure up to the owner. Unfortunately, too many owners ignore the statistics, which annually prove that more than 20% of flood-damaged properties are located outside of designated flood zones.



Additionally, other factors can affect your need for flood insurance. For example, road construction and land development often

increase the flood hazard long before the Federal Emergency Management Agency is able to redraw the local map that designates flood zones.

Most business income insurance policies do not cover losses resulting from flood damage. Even if the business owner doesn't own the building, flood insurance may still be secured for damage to the business's personal property and stock, so consider the value of a flood policy for your commercial enterprise.

Theft of Business Property from Auto

It's not unusual for businesses of all types to drive around with items of personal property in vehicles. Often, such items are insured by the business's commercial property insurance policy for damage while in transit (although the dollar amount of this coverage may be limited). In some cases, the coverage may be insufficient due to the type of event that causes the damage. For example, if the items are damaged in a

vehicle collision they may be covered. However, should the items be stolen, the policy may respond only if there is evidence of forced entry into the vehicle.

Some commercial insurance policies do not have inland marine coverage, the kind of insurance that covers items in transit. This typically can be added if needed, so talk to your agent about this valuable coverage if your business takes property off site.

International Business Car Rentals



Attending a meeting with a colleague based abroad can be an exciting experience. If doing so requires that you rent a car, consider the following:

Where are you going? Your firm's business auto insurance policy restricts your "coverage territory" and might not include your destination. Some policies will extend temporarily while outside that territory under limited circumstances.

Does the rental company require you to insure damage you may cause to the rental car? If so, review your business auto policy for information concerning how it does or does not cover damage to rented vehicles. Also determine if this coverage is limited based on where the accident occurs.

Do you have extended coverage? In addition to considering alternative car insurance for your trip, review your business's umbrella insurance policy. Such policies will often extend coverage for accidents that the regular business auto insurance policy will not cover. This could include accidents occurring outside the normal territory.

An Essential Employee Distinction

If it has been a while since you reviewed the IRS guidelines on the difference between an independent contractor and employee, it's time to do so. This issue has dominated headlines in recent times, calling into question traditional work structures and creating liabilities for unsuspecting employers. The way people work is in constant flux, but one factor is unchanged: if an IRS rule considers a so-called contractor to be an employee, the employer could be on the hook for significant expenses, such as payroll taxes and workers compensation.

Examples of IRS guidelines include: how the worker is compensated; if you provide the worker access to vehicles and/or equipment; if the worker is allowed to compensate others; how much control the worker has over hours worked; if the work is performed at your place of business; and if the worker is subject to dismissal for any reason other than failure to adhere to contractual specifications.

Make sure your contractors don't actually meet "employee" definitions. Your workers compensation insurance agent can help you with this employee classification issue.

The Top Workplace Hazards

Millions of workers are injured or become ill annually due to workplace conditions. Following are some of the most common workplace hazards, according to safety.com:

Chemical It's easy to assume that dangerous solids, liquids and gases are present only in large manufacturing businesses, labs or other obvious worksites. However, such dangers lurk in offices, retail stores and other workplaces and can go unchecked for extended periods of time. Dysfunctional appliances and building systems such as HVAC could be the culprit.

Fire Workers must be trained on how to manage their exposure and on the location and proper use of suppression equipment. Such equipment must be frequently inspected to ensure it will work. Workers should also be aware of escape routes in case of smoke or fire.

Electrical Workers must understand their exposure to electrical shock to reduce the chance of injury. Employers should test that understanding periodically.

Repetitive Use Repeating the same actions or maintaining the same position for extended periods of time can cause joint, musculoskeletal and nerve damage. Workers must be encouraged to break routine regularly and avoid sitting for too long at a time.



Your Loss if the Other Guy is Uninsured

Businesses have a lot to lose if one of their vehicles is involved in an accident with an uninsured driver.

Uninsured drivers are more prevalent in some parts of the country than others, but no matter where your business operates, there's always a chance of an accident with someone who has no coverage. This leaves your business paying out of pocket for all related costs, including those that should have been paid by the other driver or his insurer. Such costs can include medical bills, lost wages, pain and suffering, and property damage.

There are a few different types of uninsured drivers. The most common are drivers who choose not to purchase insurance or who continue to drive after their insurance has been cancelled. Uninsured drivers also include those who have auto insurance but can't access it after the accident due to a problem of some kind with



their insurance policy.

Luckily, you can protect your business from the costs of an accident with an uninsured driver by adding uninsured motorist coverage to your business auto insurance policy.

This option often includes, or can be written to include, coverage for motorists who have too little insurance as well. With the number of uninsured and underinsured drivers on the roads today, this coverage is a wise choice.

Office Condominiums Need Shared Coverage

Condominiums have long been a popular option for business owners looking for an affordable workspace. If your business is considering operating out of a commercial condominium, you will want to consider what your business is responsible for insuring and what the building owners or association of owners insure.

Structural items are typically covered by the condo association's master policy. These items include walls, floors, windows, doors, fixtures, air conditioning equipment and other items that are considered part of the structure itself. If you own the unit your business uses, you need to know if you are

responsible for insuring such items in addition to your business's personal property.

You definitely need to review a copy of the master insurance policy

Liability insurance is key since an injury to someone can be life-altering.

and share it with your commercial insurance agent to make sure you don't have any coverage gaps between that policy and your business insurance. You'll also want to know what the master policy's

deductible is and if your business could be assessed to pay a portion of that if the building has to make an insurance claim.

Liability insurance is key since an injury to someone can be life-altering. Does the condo building have a liability insurance policy that protects you if someone is injured while on condominium property?

There are standard insurance policies that protect businesses owning or renting condominium office space. It is important to make sure your coverage dovetails with the condo's policy to prevent any gaps that could result in costly, uninsured outlays should property damage or personal injury occur.

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Inflation Guard for Commercial Property Insurance

The insurable value of your commercial building and business personal property often increases over time, thus increasing the chance your insurance limits of coverage will be inadequate at the time of the loss. To help avoid an inadequately insured claim, consider adding an inflation guard to your commercial property insurance policy.

For an additional premium, this option allows you to choose a percentage by which to automatically increase your available limit of insurance throughout the policy year in response to inflation. A loss that occurs later in the policy year will have more coverage available, as the limit has had more days to rise. An inflation guard can offer expanded limits for covered losses to buildings and business personal property, so talk to your agent about the value of this enhancement in today's economy.