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Flood Coverage Isn't Standard

Should you be concerned about flooding for your business? The easy answer is yes. To quote information from the federal government's National Flood Insurance Program, "All areas are susceptible to flooding, although to varying degrees. It is advisable to have flood insurance in high-risk areas and even in low-to-moderate flood risk areas; between 20 and 25 percent of NFIP's claims come from outside high-risk areas."



You don't have to be located alongside a river, lake or ocean to need flood coverage. Flood hazard zones have changed over time, and your property—if once outside of a high-risk flood zone—might now be inside of one. Adding to concerns, old levee systems may not provide the protection they once did, and commercial and residential development has altered water flow and absorption patterns.

Floods can waterlog a business, damage interiors with contaminated waters, or wash away entire buildings. Outside of a flood policy, your business would have no coverage. We would like to review the NFIP flood maps with you and discuss your exposure to flood risks. Our advisors can help you find a policy that best meets your needs.

Property Extends Beyond Your Building

When an Uninsured Driver Hits You

Despite laws in every state addressing insurance requirements for drivers, a recent report from the Insurance Research Council (IRC) found that roughly one in seven drivers is uninsured. That means that costs incurred from a collision they cause will not be paid by their insurance, and if they have no assets, collecting any compensation at all will be very difficult.

The magnitude of the uninsured motorist problem varies from state to state. In 2009, the five states with the greatest number of uninsured drivers were Mississippi (28%), New Mexico (26%), Tennessee (24%), Oklahoma (24%), and Florida (24%). The five states with the lowest uninsured driver estimates were Massachusetts (4.5%), Maine (4.5%), New York (5%), Pennsylvania (7%), and Vermont (7%).

Whether your employees drive in high- or low-risk states, your business auto policy needs to cover injuries resulting from an accident caused by an uninsured or underinsured motorist. Injuries that occur in the course of business duties will likely be your responsibility if the at-fault party can't pay. Uninsured/underinsured motorist insurance is your best bet.



While your property insurance coverages speak of “buildings” and “business personal property,” there is other business property that needs to be insured.

Your data records are your property, but they are not necessarily covered under your business policy. If those data are stolen or lost, the damages can be costly. In many cases, your business will need some kind of separate endorsement or policy to protect you against such losses.

You may also have intangible property that is vulnerable to theft or infringement on its rights of use. Those include but aren't limited to your reputation, your trademark and your inventions. There are policies out there that cover reputational damage and crisis response, if that is something that concerns you.

If you lease property, you might be liable for damage that occurs to it. That usually depends on the lease contract language. Your insurance advisor can recommend an appropriate policy based on your contractual responsibilities.

Consider scheduling a review of your business property with an eye to the unconventional and intangible assets that you might have. We can help you get the protection you need.

The Going-Green Blues

It seems everybody is “going green”—that is, becoming an environmentally friendly business.

From local shops to multinational corporations, businesses have seen the advantages of minimizing their negative impact

Avoid Common Gaps

While every business owner wants the broadest possible insurance protection, the reality is that expenses often require decisions that cut out some coverage. The key is to work with your trusted insurance advisor to keep a good balance between cost concerns and adequate protection for your business.

The International Risk Management Institute (IRMI) recently identified the following items as common insurance gaps that businesses face:

- Failure to insure property to replacement value or to arrange agreed-amount coverage
- Failure to secure coverage for flood or earthquake even though property is exposed to the peril(s)
- Having no coverage for employment practices or fiduciary liability exposures
- Not adequately insuring an executive (or salesperson) who is provided a company car
- Failure to provide additional insured status on a liability policy as required by contract
- In the workers compensation policy, not scheduling all states in which the insured operates.

Do any of these issues resonate with you? Do they spur thoughts of other possibilities that could directly impact your business? Talk with your insurance advisor to make such a list for your own business, review how your current program addresses each, and discuss the costs and procedures involved in closing your gaps.

Better Risks Get Better Rates

There are multiple factors insurers use to determine their willingness to sell your business a policy and at what price. You can improve your chances of getting better coverage at better rates.

Factors insurers consider include your location, business niche, previous claims, financial profile, and risk management programs you employ. In each of these areas, you can make a big difference in how attractive you are to an insurer. Your location might not

be changeable, but your risk management program can address any dangers associated with your locale. If you are in a high-hurricane-risk region, you should have a disaster plan in place. If theft or other crime is a problem near your workplace, you should be able to show that you've taken adequate security measures.

Regarding your financial and claims profiles, it is increasingly common for insurers to look at your record to determine how responsible you are as a corporate citizen. If you have had troubles in the recent past, you may find it harder to buy insurance at good prices. Take a step in the right direction as soon as possible to improve your record and reduce the appearance that you are a risky bet.



Don't Let Scammers Prey on You

on the environment. Projects range from changes in lighting and fuel efficiency to making LEED certified building enhancements.

When you undertake this kind of corporate stewardship, you also need to re-evaluate your insurance coverage. The typical business insurance policy can leave significant shortfalls since the cost of rebuilding to "green" standards after a loss includes more expensive materials and labor.

Many insurers, however, have begun offering business policies that either include a component to cover these costs or provide an enhancement to the policy as an option. Your needs will depend on how "green" you've gone, so it would be best to consult one of our insurance professionals to discover your choices. Give us a call to get started.

Thank you for your referrals.

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 Federal Emergency Management Agency (FEMA) cautions businesses and individuals to be on the lookout for scam artists pretending to be employed by FEMA or another government agency, such as the U.S. Small Business Administration (SBA).

"Consumers should keep in mind that a FEMA or SBA shirt or jacket is not absolute proof of someone's affiliation with these agencies," said FEMA's federal coordinating officer Libby Turner. "The best way to verify authorized FEMA or SBA personnel is by checking their laminated photo identification card, which they are required to wear at all times."

One common scheme involves con artists going door-to-door in areas of damage, or phoning victims, and soliciting personal information such as Social Security and bank account numbers. Consumers should know that FEMA inspectors never require this information. A Social Security or bank account number is requested during the first phone call to the FEMA registration line. On any follow-up calls, a FEMA representative may ask for the last four digits of your Social Security number but never the whole number.

There have also been reports of scammers pretending to be from the SBA and offering to fill out disaster loan applications for a \$50 fee. Disaster victims should remember that under no circumstances are FEMA or SBA representatives allowed to accept money. FEMA staff register all applicants without charge, and experts are located at Disaster Recovery Centers to assist storm survivors with their applications for disaster aid. Also, there is never a charge to be placed on a "FEMA List" or to have SBA representatives assist applicants with their disaster loan application.

Double-Check That Contractor

Maybe your office building was damaged by a storm or another disaster. Maybe you simply want to make improvements to your worksite. In both cases, you will probably enlist the services of a contractor. Before signing a contract or laying down a deposit, take a look at the checklist below.

- **Reputation** Check on a contractor's licensing status with local or state licensing agencies and business associations.
- **Rebates** Be suspicious of anyone who offers to increase the amount of your disaster damage assessment or says they'll rebate your deductible. Rebates are often illegal.
- **Their Insurance** Ask for proof of insurance. If a contractor is uninsured, you may be liable for accidents on your property. Make sure the contractor has both disability and workers compensation insurance.
- **Document** Get a written estimate and check to make sure it includes all work you expect to have done, as well as taxes and other fees. You also need a written contract before work begins that includes all tasks to be performed as well as associated costs, a timeline and a payment schedule. If the work is being done under an insurance claim, the insurer might demand copies of this paperwork.
- **Pay by Check** Do not give anyone an advance cash payment. Pay by check in order to keep a record and avoid double charges. Legitimate contractors normally do not require more than one third of the total charges as a down payment.

- **Guarantees** Get a written guarantee that states what is covered, who is responsible and how long the guarantee is valid.

- **Cancellation** If you feel uncomfortable about a contract and have already signed it, cancel it quickly. You may cancel some contracts within three business days after signing. Be sure to follow the contract cancellation clause procedures.

If the work you are having done is the result of a covered loss, you will need to work with your insurer's claims department to make sure the work corresponds to the claim reimbursement. If you are having additions or improvements done, please let us know so we can advise you on any recommended changes to your business owners policy.

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