



Organized Retail Crime

Organized retail crime is a growing industry of shoplifters and burglars targeting retail goods that are easy to resell quickly. The FBI reports exponential growth of these organizations in recent years.

Being struck by these thieves is serious—and expensive—business. Products that are favorites include over-the-counter medications, apparel and baby formula—all items that are relatively costly and easy to resell.

Law enforcement officials recommend that retailers join the Law Enforcement Retail Partnership Network (LERPnet) to combat growing threats from organized retail crime.



According to its Web site, LERPnet “is a secure, national database for the reporting of retail theft and serious incidents, which allows retailers to share information with each other and law enforcement.” This will help combat illegal activities such as theft, counterfeiting and online auction fraud. LERPnet’s site also contains valuable information on how retailers can further efforts to thwart organized retail criminals.

If your store becomes a victim, theft insurance will help reimburse you for damages. For more information on theft insurance, call our service team today. ■

Flood Insurance for Business

According to www.floodsmart.gov, the Web site of the National Flood Insurance Program, over 30% of property damage claims caused by flooding happen in areas that are not designated as flood zones. How is this possible?

Construction: When land is developed for buildings, parking lots and roads, a natural shift in drainage occurs. Most of the time developers mitigate the shift without notice, but Mother Nature is full of surprises.

Ground conditions: Some parts of the country have experienced drier than normal weather. In the South, for example, below-average rainfall has led to hardened terrain, which does not naturally absorb

floodwater as well as under normal ground conditions. This produces a shift in the flow of water that can be unpredictable.

Mapping and designation error: Mistakes in tracking floodwater, misinterpreting historical data, uncharted territory and unreported changes in water flow conditions all contribute to errors in the floodwater marking system.

It is important for business owners to understand that losses caused by flood damage are not covered by standard business property insurance; flood coverage must be purchased separately. For more information about flood insurance, call our service team today. ■

Offering Summer Daycare?



Daycare operations thrive during the summer. To handle the overflow during summer vacation, businesses and churches often operate daycare programs. If your organization is providing daycare, your insurance might need to be modified.

You might have to include workers compensation coverage, and depending on staff numbers and hours, you might be on the hook for some kinds of employee benefits. If your organization's vehicle is used for field trips or other enrollee travel, you might have to adjust your business auto policy.

Statistics prove that when children are part of the business equation, liability exposures skyrocket. If your business offers daycare, it might be prudent to purchase higher limits of liability in the form of an excess liability or umbrella policy.

Call us with your plans if your organization intends to sponsor daycare this summer. We can help you get the right coverage. ■

Mitigate Pollution Liability

Business owners who maintain or plan to acquire a business property should understand the importance of environmental insurance and pollution risk management.

There are known and unknown pollution issues that confront property owners—even those whose current business does not include the use of categorized pollutants. Steve Tinder, senior underwriter at XL Insurance–Environmental, highlights such issues as historical emissions, ongoing leakage and accumulations of previously released pollutants. He also notes that compromised structural integrity of existing storage containers and embedded toxins from pesticides and herbicides in the earth can lead to

dangerous problems and costly cleanup.

How much of this is known up front matters for insurance and liability. The value of a thorough investigation of the site and a high-quality evaluation of insurance needs cannot be overstated. If your business is one that uses known pollutants, you have even more to consider.

Unfortunately, most losses caused by pollution are not covered by standard general liability insurance. Your business will need a specialty product that is tailored to meet your pollution exposures. The good news is we can help you find the environmental insurance that is right for your business. Give us a call to get started on a full risk-management program for your environmental liability needs. ■

Restaurant Innovations and Insurance

Innovations in restaurant services are leading to new needs in restaurant insurance. Luckily, there are insurance policies out there to cover most of these new marketing venues.

Most restaurant insurance plans address the typical brick and mortar exposure (i.e., customers coming into the restaurant, ordering and eating). Today, though, even traditional sit-down restaurants are offering take-out service, catering and delivery. Take-out is fairly low risk. However, catering and delivery services significantly increase a restaurant's liability, and the decision to offer these services should not be made without consulting with your insurance provider. You might need special coverage.

If your restaurant offers online ordering using credit card information or if you maintain a customer database and information online, you have a significant e-commerce exposure that is likely



not covered by a standard policy.

And if yours is one of the increasing number of restaurants that has begun selling their products in a retail line, your business has additional concerns, such as inventory and home delivery of products. Resulting losses might not be covered if retail operations are not stipulated in your policy.

We can assist your restaurant in obtaining insurance tailored to its specific needs. Give us a call. ■

Issues for New or Expanding Businesses

We often receive referrals from our clients, for which we are immensely grateful. Some of those referral clients are just beginning their own business. The Insurance Information Institute offers some basic insurance concerns for new businesses to consider:

What if you need to rebuild your business property and replace all of your merchandise and possessions?

Business insurance typically addresses three types of property—the building, your business personal property, and the personal property of others. Each usually carries a separate limit; therefore, it is important that you adjust the limit as you make changes, such as improvements to your building or introducing

a new product into your inventory.

Do you have enough insurance to protect the personal property of your employees?

Coverage for your employees' personal items is sometimes not covered

Basic insurance issues: business property, employee property and business income coverage

by your business property insurance. If coverage is available, it may be up to a limited amount, such as \$2,500.

Consider the items your employees bring to work—laptops, purses, money,

etc.—and you can see why having adequate coverage for this property is important.

Do you have enough insurance to keep your business open?

Business income with extra expense coverage acts as a disability policy for businesses. While business property insurance will pay for direct physical damage to property, business income with extra expense will cover continuing expenses and loss of net income.

If you have associates who are starting or expanding their business, we encourage you to share these ideas with them. We would be pleased to assist them in setting up or modifying their insurance to cover their new venture. ■

Business Travel Insurance Options

Cover Yourself

When business travels take you abroad, your group health insurance and workers compensation benefits may not follow. Expenses such as emergency medical attention and medical evacuation can be costly if not covered by insurance. Ask your current insurance provider how coverage applies when overseas. If overseas travel causes gaps in coverage, don't cancel your plans before giving our service team a call. We can help you determine what gaps exist as well as what products will cover them.

Cover Your Property

Most property insurance has boundaries. Some policies offer

coverage for business property worldwide; others may cease when you leave a defined coverage territory, such as the United States, its possessions



and Canada.

Check with your current business property insurance provider for information on covering your

property if it is lost, stolen or damaged while abroad. Remember, business property insurance may limit or exclude coverage for personal items.

Therefore, you should contact your personal insurance provider as well.

Cover Your Trip

Travel insurance products exist to cover many different types of travel-related losses. These losses include damaged or lost luggage, trip cancellation and even kidnap and ransom. For more information on insurance products designed to offer a worry-free trip overseas, call our service team today. ■

Covering Risk Associated with Admin Outsourcing

Have you considered or started doing business with a professional employer organization (PEO) for administrative services? If so, be sure to review your employee dishonesty/crime coverage. This coverage is designed to cover losses caused by employees stealing from your business.

Do employees of the PEO meet the definition of “employee” under the dishonesty/crime policy? If not, you might want to see if there’s an endorsement available to add coverage for those PEO employees who do work for you.

You might find that the PEO covers their employees under their own employee dishonesty/crime policy. It would be worth investigating how that coverage protects you from illicit behavior.

If you would like to pursue employee dishonesty/crime coverage or if you have questions about what to ask your PEO, please give us a call. ■

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.
