



Business to Business

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David G. Sayles Insurance Services

899 LINCOLN AVE.

GLEN ROCK, NJ 07452

PHONE:

(201) 652-0407

(800) 439-0292

FAX:

(201) 652-0721

Peak Season Inventory Should Be Insured

It's back to school time, and businesses far and wide respond to the demands by increasing inventory and promoting services like hair coifs for the kids and extra cafe lattes for mall-weary parents. If your business is one that has a peak season, consider amending your business property insurance to cover the temporary inventory bulge.

The business personal property or "contents" portion of your business insurance has a dollar limit that probably reflects your average inventory and often doesn't account for or adjust to that isolated time frame when you bulk up your inventory.

That limit is what the insurance adjuster will base your payment on if a loss occurs. If a loss happens during your peak season and the value of your inventory exceeds the dollar limit of your policy, a portion of your loss would not be covered.

Adding peak season insurance is like a booster shot to your policy during those times of above-average inventory. It can raise the business personal property limit by as much as 25%, a valuable cushion when you need it most.

Call our service team about peak season insurance before you bring in uncovered inventory. ■

Special Policy for Pollution?

Is pollution ever covered by a commercial general liability (CGL) policy, or is a special pollution liability policy needed?

Many CGL policies, while excluding most losses caused by pollutants, cover some limited circumstances. For example, consider a landscaper who accidentally ruptures a sewer line, resulting in the contamination of a nearby stream and adjacent properties. Cleaning up the pollutants in the loss will be costly. Fortunately, many CGL policies will cover this kind of loss since the pollutants were not brought to the jobsite in

connection with the landscaper's normal operations.

Remember, though, that the CGL largely doesn't cover pollution liability. Examples of uncovered losses may include those that occur on your property (consider a leaky underground storage tank or chemicals stored on site) and losses resulting from pollutants you use to manufacture products or to perform work.

For those situations, your business would need a special pollution policy. To discuss your pollution exposures, call our service team today. ■

Insuring a New Venture

Your business's legal status has many insurance implications. If you own outright or hold a majority interest in a newly acquired or formed organization, your current commercial general liability (CGL) coverage might not provide insurance coverage for that business.

Most CGL policies will automatically extend coverage for the new entity for up to 90 days or the end of the policy term, whichever comes first, provided the new entity is a corporation or a sole proprietorship. There is no automatic extension in most policies if the new entity is a partnership, LLC or joint venture. There are solutions. Sometimes the new entity can be added to an existing CGL policy. Other insurers will require a separate policy.

Considering making a change? Call our service team while you are in the planning stages so we can help you cover your new business seamlessly. ■