



# Business to Business

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### Vacancies Can Limit Your Coverage

If you are the lessor of a commercial property containing multiple tenants, take note of the vacancy provision in your commercial property policy. Most property policies limit or exclude coverage for buildings considered "vacant" by the policy and might require an endorsement to amend that. Vacant, as defined by the policy, means 31% or less of the building is occupied. A building under construction is not usually considered vacant.

This provision is of particular concern for owners of properties containing

multiple tenants, one of which makes up a majority of the building—for example, a 12-unit strip mall in which a grocery store leases five of the 12 units. In this situation, the loss of that largest tenant could trigger the vacancy provision, which can drastically limit or exclude coverage, change deductibles and cause the underwriter to not renew or to cancel your policy.

To see if your commercial property policy can be endorsed to cover such an occupancy gap, call our service team today. ■



### Entrepreneurial Zeal and Insurance

Forming a new corporation? Decided that an LLC is the way to go? Finally transforming that sole proprietorship into a partnership? Changes in legal structure are important to you and your insurance carrier for many reasons.

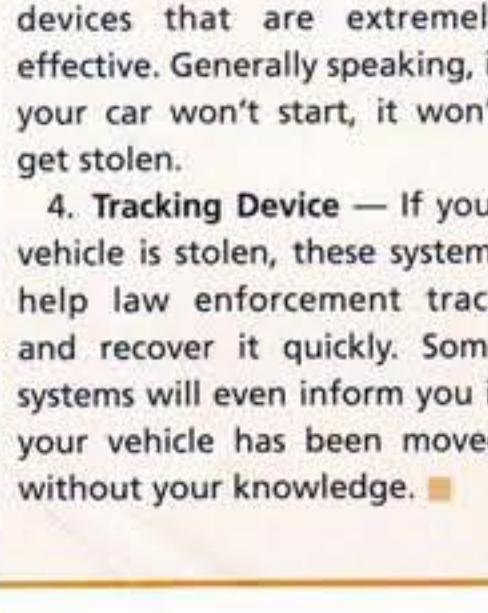
When considering a change to yours, it is important to call your insurance agent. The policy you currently have might need alterations. Your insurance carrier needs to

know the correct "named insureds." You will certainly want a seamless transfer that includes continued insurance coverage for past and ongoing work.

You might have a grace period under some circumstances, but it's best not to guess. Your agent can advise you on the options available that suit your new business needs, from property to liability to workers comp.

Give us a call! ■

### Prevent Business Auto Theft



More than 1.1 million vehicles were stolen in the United States in 2006, and only 59% were recovered, according to the National Insurance Crime Bureau. In order to assist vehicle owners in preventing auto theft, the NICB created its "four layers of protection."

1. Common Sense — The cheapest form of defense is simply to employ the anti-theft devices that are standard on all vehicles: locks. Lock your car and take your keys with you.

2. Warning Device — Install a visible or audible warning device to deter thieves.

3. Immobilizing Device — "Kill" switches, fuel cutoffs and smart keys are among the devices that are extremely effective. Generally speaking, if your car won't start, it won't get stolen.

4. Tracking Device — If your vehicle is stolen, these systems help law enforcement track and recover it quickly. Some systems will even inform you if your vehicle has been moved without your knowledge. ■

### Undocumented Workers on the Payroll

You have a good commercial general liability policy. You minimize risks with good business practices. Your staff is trained and your record is clean. All in all, it's a pretty safe bet you have low risk for a liability claim.

But there's something that can complicate matters: You hire temporary workers from the local community. In many districts, these day laborers and short-term workers are from abroad, and often times they are not here legally. Hiring these folks might significantly affect your insurance coverage.

If these workers were to be

injured or cause injuries, or if the work they perform results in damage to another's property or business operation, would your insurance pay?

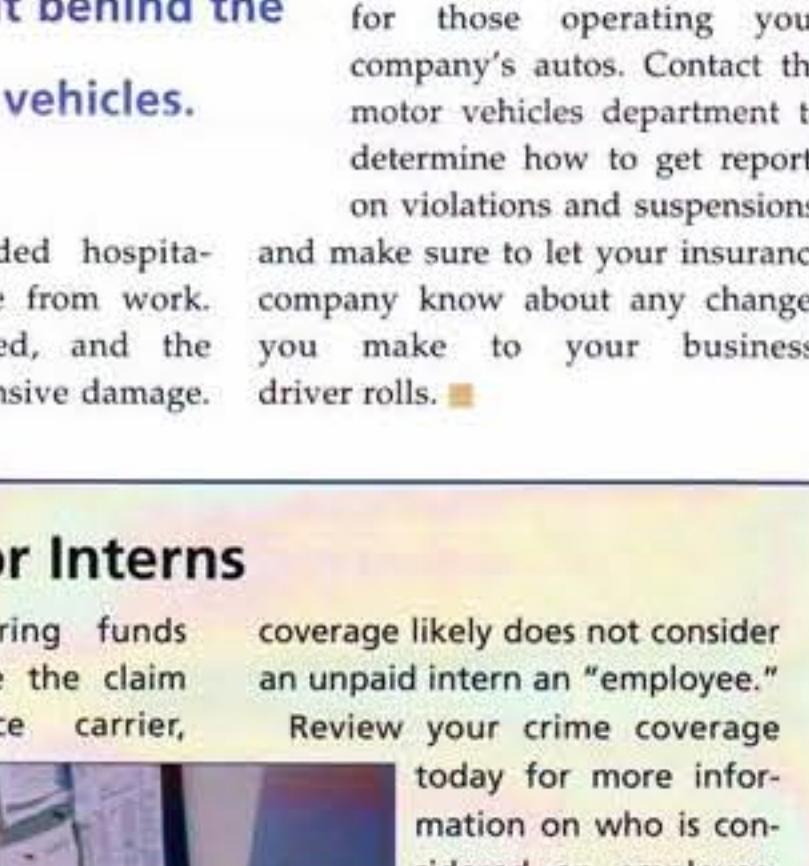
Your commercial general liability policy clearly states whose actions it covers and who is considered an employee. Familiarize yourself with those restrictions, and contact us for information about covering short-term workers. Your local Chamber of Commerce might have advice for you on how to deal with quick-hires of foreigners and how to ensure you are also in compliance with the law. ■

### Insuring Against E-Commerce Losses

While the tastes of individual service providers may vary, as a whole there is virtually no type of business that is not, well, virtual. Almost every type of industry has a product or service available through electronic purchase (also known as "e-commerce"). If you take orders or accept payment via e-commerce, you have special insurance needs.

Failure of an electronic system (Web host, server, etc.) has many costs: diagnosis and repair of the system, restoring lost information, and missed business, for example. Electronic downtime may cause a substantial loss of income.

Traditional business income policies do not usually include coverage



for e-commerce losses, meaning your costs will come out of your bottom line. To secure this valuable coverage, an endorsement or separate policy will likely be required.

For more information on insuring your business against e-commerce losses, review your current business income coverage or call our service team today. ■

### Burning Rubber and Your Business

It's time to review who's driving your company's vehicles. While you may have checked the driving records of employees prior to giving them the keys to your business autos, time passes and accidents happen. Someone convicted of aggressive or reckless driving might not be a good person to put behind the wheel of your vehicles. Take a look at this real-life example to see the risk you could be exposed to.

An employee driving a business auto at a good clip runs the stop sign coming out of the business' parking lot and rams into a passing car. The impact drives

that car into oncoming traffic, and a head-on collision with a third vehicle ensues. Both of the victims sustain injuries, with

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one requiring extended hospitalization and lost time from work. Both cars are totaled, and the business auto has extensive damage.

The employee suffers only minor injuries, but the business owner finds out from the police that the operator's driving privileges had been suspended two months earlier for drunk driving.

No coverage. Big liability.

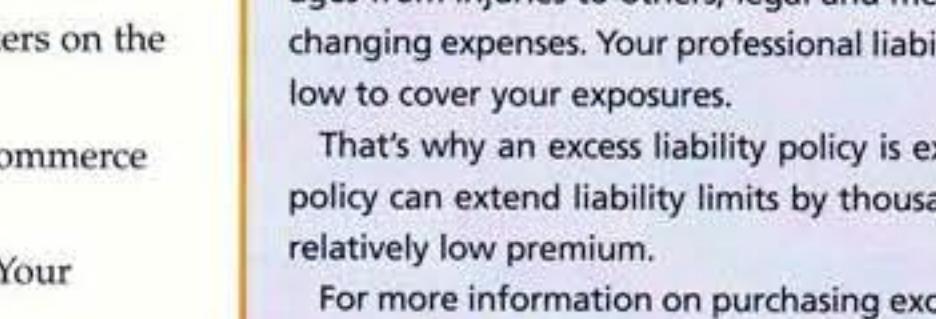
Nothing beats a regular review of driving records for those operating your company's autos. Contact the motor vehicles department to determine how to get reports on violations and suspensions, and make sure to let your insurance company know about any changes you make to your business' driver rolls. ■

### Plan Ahead for Interns

A career counselor from the local college calls to see if you are interested in offering unpaid internships to students looking to fulfill course requirements. You know such an opportunity is good for the school, the student and yourself, so you agree. You decide a good place for him to help is on the computer. After all, who knows more about computers than a college kid, right?

A few months later, you discover that the intern found a way to manipulate your accounting software and

has been transferring funds to himself. You file the claim to your insurance carrier,



coverage likely does not consider an unpaid intern an "employee."

Review your crime coverage

today for more information on who is considered an employee.

These policies often can be modified to extend coverage for losses caused by interns, volunteers, independent contractors, consultants and others who may not be automatically covered.

Call us if you are planning to bring other workers into your office. We can help you obtain the coverage you need. ■