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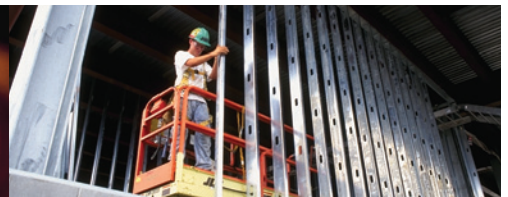


Risk Review

Keeping you informed on *Business Insurance* issues



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Insurance Certificates: The Key to Effective Risk Management

If your business hires contractors and other vendors, it may be important for you to confirm that these vendors have appropriate insurance coverage. In the event of a problem caused by the work of a hired subcontractor, you may be held liable if that vendor does not have proper coverage. One key element in an effective risk management program is to maintain an accurate and complete record of all **insurance certificates**, which are documents that detail both the amounts and types of insurance held by an individual or a business. Here are a few hints to help you get organized:

- Establish a risk management department or group to manage incoming contracts, agreements, and insurance certificates. Employees working in this department may be responsible for receiving and reviewing insurance certificates.
- Keep photocopies of all insurance certificates and file the original certificates with the appropriate contracts, purchase orders, and agreements.
- Create a filing system to track and monitor insurance certificates, and

establish procedures to promote efficiency when receiving and reviewing updated insurance information. It is often recommended that businesses establish a schedule of certificate follow-ups, based on the nature of the work and the relationship with the business from which a certificate is requested. For instance, if a company establishes a six-month working relationship with a contractor, it may be advisable to obtain a certificate prior to commencement of the work and again at three months. In many cases, especially where the risk of loss is small, an annual check may suffice.

These simple steps toward organizing insurance certificates may help you control your business risks and avoid any liability associated with other vendors with whom you work. As your business grows and expands with new partners, it is important to review your insurance coverage periodically to determine the coverage that is right for you. For assistance in managing your insurance certificate management program, contact one of our qualified insurance professionals.

Office Theft: Cause for Alarm

In response to growing concern about crime, nationwide efforts to curb burglary and other crimes have increased. Your business can take steps to help fight crime on *your* property by investing in a quality alarm system.

The most effective systems alert either a private security agency or the local police station. However, even a basic, on-site alarm that activates a bell or siren can frighten an intruder or attract attention. Some systems detect motion, while others are activated by sound, heat, or vibration. The level of effectiveness depends on the quality of the alarm's components, installation, and maintenance. Before purchasing an alarm system, verify its reliability—in short, check references and obtain several written price quotes.

Take preventive action *before* it's too late. Be sure to protect your business with an effective alarm system, and always make sure you have adequate crime coverage. Feel free to stop in or call us for more information.

Cleaning Up after a Disaster

Once the shock of a disaster wanes, it's time to regroup and pick up the pieces. When cleaning up after a fire, storm, or flood, the business owner is left to decide what can be salvaged and what must be thrown away.

In worst case scenarios, such as in the Gulf Coast region devastated by Hurricane Katrina, standing water, sludge, and sewage can destroy entire homes and businesses. But even a flooded basement, leaky roof, or small fire can cause extensive property damage. Time is of the essence in these situations, and you may be most successful if you are able to respond to damage within 48 hours. Bear in mind that once water is gone, mold becomes a dangerous, lingering contaminant. Eliminating moisture is often the building owner's greatest challenge.

Areas of Concern

In order to minimize loss and properly clean up in the event of a disaster, consider the following areas of concern.

- 1. Your Building's Structural Integrity.** Keeping your building well maintained can help ensure it is structurally sound, possibly enhancing its capacity to withstand a destructive storm or flood. Should a disaster strike, it is important to have a professional inspect the foundation for any shifts, cracks, or weaknesses. In the event of serious flooding or a fire, the wooden frame should be dried out and decontaminated to eliminate any mold.
- 2. Equipment, Heating and Cooling Systems, and Water Heaters.** Have a service professional inspect the functionality of your business equipment and computers. While certain machinery may still work, water damage may reduce its efficiency or lifespan. Furnaces, air conditioning systems, and water heaters often need to be replaced, as repair and cleaning can be difficult and costly.
- 3. Interior Restoration.** Professional restoration services may be able to speed dry a building that experiences water damage, thus minimizing the loss to a business. Hardwood floors, once dry, may be restored, but carpeting may need to be replaced, especially if it was damaged by toxic or dirty water. Similarly, wood furniture may be refinished, while upholstered furniture may need to be discarded. Items that

can withstand a heavy duty cleaning can often be salvaged, but avoid trying to save anything made of porous materials that came in contact with contaminated water.

- 4. Document Preservation.** It is important to store all paperwork necessary to your business operations, including employment records, insurance policies, tax records, and financial documents, in a dry place that does not experience severe temperature shifts. Paper and other organic materials are particularly vulnerable to mold and need to be air dried within 48 hours after contact with water.

Insurance Considerations

To minimize your financial loss, make sure your business property insurance is adequate. Because property insurance does not cover all perils—damage caused by earthquake or flooding is often excluded—be sure to understand the scope of your coverage and ask one of our qualified insurance professionals about any additional insurance you may need, according to your risks.



In addition, consider obtaining **business income insurance**, also called **business interruption coverage**. This insurance is designed to replace the income your business would generate under normal circumstances in the event of a disaster or other covered peril. It can help your company get back on its feet by providing funds to help cover critical expenses and lost profit until the business is up and running again. For more information, please give us a call.

For Your Information

WasteWise

WasteWise is a free, voluntary EPA program through which organizations can eliminate municipal solid waste and select industrial waste, benefiting the bottom line and the environment. WasteWise members can join as partners, endorsers, or both. Partners seek to change their behavior and track their internal waste reduction efforts, while endorsers are government agencies, trade associations, nonprofit organizations, and businesses that help members, clients, and constituents reduce solid waste. For more information, visit www.epa.gov.

Promoting WorkLife Balance

The goal of WorkLife, a program of the National Institute for Occupational Safety and Health (NIOSH), is to improve worker health through better work-based programs, policies, and practices. NIOSH has funded three WorkLife Centers for Excellence to support research, training, and education that recognizes the complexity of influences on worker health and the interactions between work-based and non-work factors. To learn more, visit www.cdc.gov/niosh/worklife.

Protecting Your Customers from ID Theft

Many companies collect personal information from customers, including names, addresses, phone numbers, and bank/credit card account numbers. The Gramm-Leach-Bliley (GLB) Act requires these companies, defined under the law as "financial institutions," to ensure the security and confidentiality of this information. For more information about protecting your customers from ID theft, visit the Federal Trade Commission (FTC) website at www.ftc.gov/idtheft.