

WPEO Connections

Lunch with the Experts

Today's Guest



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WPEO

Lunchtime with The Experts – Christine Sadofsky



Understanding Business Interruption Insurance

It is a very important coverage designed to protect you from the loss of revenue due to a direct physical losses or damage to your property or premises. The limit is determined by looking at your net operating income and adding back expenses that would continue even though your business is temporarily not operating. These expenses can include key payroll; rent; lease payments; interest payments; insurance and taxes. You buy this coverage on your property insurance policy. Coverage can be extended to dependent properties, i.e., for manufacturers this would be your suppliers.



Selecting the Correct Insurance for your Business

All businesses need the basic insurance coverage which includes General Liability, Hired Auto Liability, Property Insurance and Workers Compensation. They can wrap these policies into an Umbrella policy to add higher limits of coverage.

In addition to the basic, most businesses are exposed to employee claims and claims from clients, competitors and regulators. So beyond the basic insurance policies, your business may need several of the management liability products.



Basic Insurance Coverage

General Liability for bodily injury and property damage you cause to a third party. This can extend to include Liquor Liability, Abuse & Molestation and Employee Benefits liability.

Hired & Non-owned Auto for times when the business rents vehicles or where employees use their vehicles for work purposes.

Property Insurance covering all buildings, business property, equipment and business interruption.

Workers Compensation & NYS DBL – both required statute.

Commercial Umbrella liability – providing higher limits over General, Auto and Employers Liability because sometime the standard 1,000,000 isn't enough to fully protect the business.



Management Liability Insurance

Directors & Officers liability protecting the individual's personal assets from claims against them directly for decisions operating their business.

Employment Practice liability covering claims for harassment, discrimination, wrongful termination, workplace violence etc

Crime coverage protecting the company assets from employee theft, funds transfer fraud, computer fraud and phishing scams



Management Liability Insurance

Professional Liability covering the business for errors & omissions it makes in providing its services to its customers.

Cyber liability covering the business for data breach claims; cyber extortion losses and potentially business interruption claims if the business earns its income from e-commerce or from a loss to its data stored online

Kidnap/Ransom coverage covering the owners and employees who are traveling to various parts of the world where they may not be safe.

Financial Statement Method

ASSETS

Cash & Securities (*crime coverage, credit insurance*)

Fixed Assets (*property coverage, pollution liability for buildings, breakdown coverage for equipment*)

Owned Auto (*auto coverage, aviation for aircraft, watercraft for boats*)

Good Will (*reputational coverage, reps & warranty insurance*)

LIABILITIES

Employees (*workers comp, employees benefits, DBL, Employment Practices, Fiduciary, Travel Insurance and Crime*)

Clients – products/services (*general liability, professional liability, cyber insurance*)

Retained Earnings/Capital (*business interruption, D&O, K&R, Key Man Life/Buy-Sell*)