



Invalid Certificates of Insurance

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According to the Independent Insurance Agents and Brokers of America, there is a type of certificate of insurance request that may also represent a significant danger to your business.

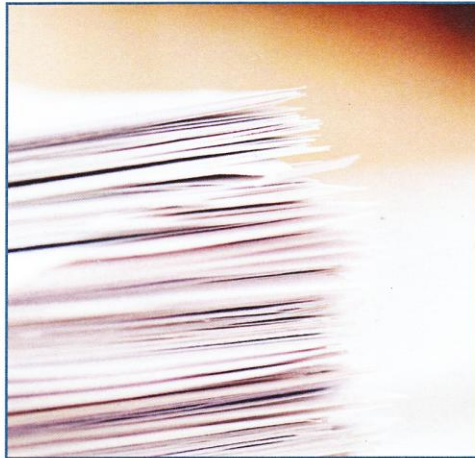
In short, some organizations and government entities have begun insisting on using their own certificates of insurance in lieu of the more standardized ACORD 25 - Certificate of Liability Insurance form. These may create problems because some states have laws or regulations prohibiting the use of such forms unless approved by the state department of insurance. Also, these forms may include wording implying coverages or rights that don't actually exist

under the policy, again violating the law in many states. To confuse matters further, many of these certificates are almost exact duplicates of the "ACORD standard" form(s), creating

copyright violation possibilities.

The IIABA recommends you be very wary of these non-ACORD certificates of insurance. If a firm with which you do business insists on using one of these forms, contact us immediately. We can assist in verifying if the form can be used in your state or

specific situation and, if it can be used, what requirements must be met that may lead to delays in issuance.



Insurance for Leased Staff

Companies that lease staff from employment leasing firms need to be concerned with how their insurance coverage will apply to: (1) liability claims caused by the leased worker and (2) injuries to the leased worker.

The standard commercial general liability (CGL) policy extends liability coverage to the insured organization for claims resulting from the actions of an "employee." That definition includes leased workers and volunteer workers. However, business owners should take note that the policy does not extend coverage for claims arising out of the actions of a temporary worker. Thus, owners

should understand that, absent a contractual agreement with a leasing firm, coverage may not exist.

The CGL excludes coverage for injuries to employees. Such injuries are covered by a workers compensation policy. Upon entering into a leasing agreement, business owners should be sure to review the contract for wording on who (the owner seeking the staffing or the staffing agency) is responsible for covering the person's job-related injuries. If this liability falls on the business owner, an endorsement may be necessary to extend coverage for the leased worker.

Do You Need Cargo Coverage?



A company that transports its own property is particularly vulnerable to loss exposures. This is because most forms of standard property insurance significantly limit or exclude coverage for property while in transit. Thus, businesses that transport property should have separate insurance coverage, commonly called “inland marine.”

Don't be thrown by the name. Inland marine covers property in transit over land and waterways. An inland marine policy may cover risks such as fire, explosion, theft, delay, packing defects, and malicious damage, among others, for goods in transit.

Cargo insurance is a type of inland marine policy specifically meant to cover property in transit. A business might need coverage for a single shipment, or it might want to cover all transport of property over the course of a commercial policy's term.

If your business moves property daily from site to site, you might need a different type of inland marine coverage called an equipment floater. There are other types of “floaters” designed for specific types of losses, from art to jewelry to equipment. Your policy will depend on your business niche.

Preparing for Renewals

Everyone likes a good deal, even if it's on commercial insurance! To get the best pricing on your business policy—either a new or renewal one—try the following techniques:

1. Examine your worksite for risks that could lead to an insurance claim and make needed changes to reduce those chances. Employee safety, physical and data security, and improvements in inventory and property management can all reduce your insurance premiums.
2. Consider your ability to handle a higher deductible. If you have the resources to keep a fund of cash in reserve, you could save on the costs of your policy.
3. Think about bundling your coverages. A package policy might

meet your needs.

4. Scrutinize your claims history and make sure it is accurately represented to each insurer.

5. Do the same for your credit report. Some states permit the use of credit scores in determining underwriting, and a bad credit risk is often considered a bad insurance risk. Clean up any errors or disputes before applying for insurance.

If you have a security system or an upgraded fire suppression system, make sure your agent knows so that information can be included on your application. The same goes for special hiring practices and data security programs that reduce the potential for other losses due to theft or other employee risks.

Manage Your Cyber Risk

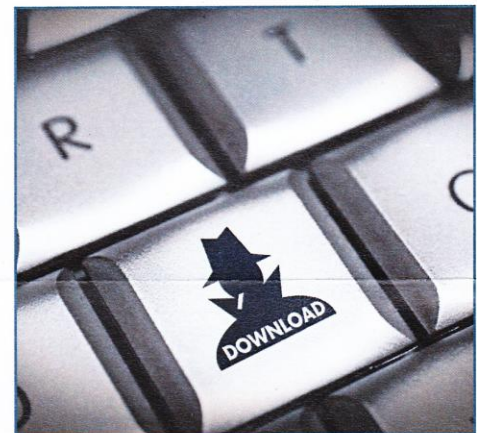
While large businesses may utilize highly sophisticated security methods to try to keep hackers out of their data files, small businesses and individuals typically rely upon WPA (Wi-Fi Protected Access) combined with PSK (pre-shared key), or as the approach is commonly referred to in the technology world, WPA-PSK.

For years, many small businesses felt basic WPA-PSK protection was just fine and assumed that cyber crooks were focused on only the largest entities with the most to steal. Unfortunately, criminals have broadened their horizons and are now regularly targeting small businesses.

The most effective solution may be better use of existing WPA-PSK options. From security experts, here are a few tips for small businesses:

- WPA allows password sequences up to 63 characters. How long is yours?
- Avoid using words that appear in common dictionaries.
- Accomplish the no-dictionary rule by including a good variety of symbols, letters and numbers.
- Change the password monthly, if not weekly.

Of course, a safety net is always a good backup as well. Many insurers offer cyber protection in their product line. Often, a policy can be found that meets small and mid-sized businesses' needs at an affordable premium. Call to discover your options.



Property Extends Beyond Your Building



While your property insurance coverages speak of “buildings” and “business personal property,” there is other business property that needs to be insured.

Your data records are your property, but they are not necessarily covered under your business policy. If those data are stolen or lost, the damages can be costly. In many cases, your business will need some kind of separate endorsement or policy to protect you against such losses.

You may also have intangible property that is vulnerable to theft or infringement on its rights of use. Those include but aren't limited to your reputation, your trademark and your inventions. There are policies out there that cover reputational damage and crisis response, if that is something that concerns you.

If you lease property, you might be liable for damage that occurs to it. That usually depends on the lease contract language. Your insurance advisor can recommend an appropriate policy based on your contractual responsibilities.

Consider scheduling a review of your business property with an eye to the unconventional and intangible assets that you might have. We can help you get the protection you need.

Avoid Common Gaps

While every business owner wants the broadest possible insurance protection, the reality is that expenses often require decisions that cut out some coverage. The key is to work with your trusted insurance advisor to keep a good balance between cost concerns and adequate protection for your business.

The International Risk Management Institute (IRMI) recently identified the following items as common insurance gaps that businesses face:

- Failure to insure property to replace value or to arrange agreed-amount coverage
- Failure to secure coverage for flood or earthquake even though property is exposed to the peril(s)
- Having no coverage for employment

practices or fiduciary liability exposures

- Not adequately insuring an executive (or salesperson) who is provided a company car

- Failure to provide additional insured status on a liability policy as required by contract

- In the workers compensation policy, not scheduling all states in which the insured operates.

Do any of these issues resonate with you? Do they spur thoughts of other possibilities that could directly impact your business? Talk with your insurance advisor to make such a list for your own business, review how your current program addresses each, and discuss the costs and procedures involved in closing your gaps.

Better Risks Get Better Rates

There are multiple factors insurers use to determine their willingness to sell your business a policy and at what price. You can improve your chances of getting better coverage at better rates.

Factors insurers consider include your location, business niche, previous claims, financial profile, and risk management programs you employ. In each of these areas, you can make a big difference in how attractive you are to an insurer. Your location might not be changeable, but

your risk management program can address any dangers associated with your locale. If you are in a high-hurricane-risk region, you should have a disaster plan in place. If theft or other crime is a problem near your workplace, you should be able to show that you've taken adequate security measures.

Regarding your financial and claims profiles, it is increasingly common for insurers to look at your record to determine how responsible you are as a corporate citizen. If you have had troubles in the recent past, you may find it harder to buy insurance at good prices. Take a step in the right direction as soon as possible to improve your record and reduce the appearance that you are a risky bet.



CUMMINGS INSURANCE ASSOCIATES

All Forms of Insurance

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Closed Due to Equipment Failure

During the depths of winter, many businesses have to crank the heat. But what happens when the boiler blows or any of your critical machinery goes down? Worse still, what if it does damage to neighboring properties?

Boiler and machinery insurance is a category of policies that address equipment breakdown and damages to your property and others' property caused by covered malfunctions. They cover many kinds of equipment used in businesses small to large—equipment such as air handlers, refrigeration systems, ovens and heating units.

In many boiler and machinery policies, part of the premium goes toward regular inspections of the equipment by qualified professionals. The coverage can be found as a separate policy, or sometimes it can be added to a package of other property/casualty insurance. It is a valuable, though often overlooked part of a complete insurance portfolio.



Have we got you covered?

Fill out this form and fax it in.

Or give us a call today.

We'd like to provide you with further information about your business insurance needs and other special coverages. And don't forget your friends! We'd be happy to provide them with the same great service.

Name of someone you'd like us to contact:

Name: _____

Phone: _____

E-mail: _____



Business to Business

My name: _____

E-mail: _____

My preferred number: (____) _____

Best time to call: _____

Please call me about:

- Insuring improvements and betterments
- Business interruption coverage
- Disaster planning
- My business insurance policy
- Employment practices liability coverage