

# COMMERCIAL COVERAGE



2011 | No. 4



## IS YOUR BUSINESS PREPARED FOR DISASTER?

Businesses that recover quickly are those that plan in advance. This involves not only purchasing the right type and amount of insurance, but also developing and maintaining an adequate disaster recovery plan, according to the Insurance Information Institute (I.I.I.). The I.I.I. reminds businessowners that property damage from disasters can destroy a business. Fortunately there are steps you can take to be prepared.

### Minimize Risk of Damage

Minimize the risk of damage in advance of an emergency by doing the following:

- Train employees in fire safety, particularly those responsible for storage areas, housekeeping, maintenance and operations where open flames or flammable substances are used.
- Modernize electrical systems; faulty wiring causes a large percentage of nonresidential fires.
- Situate your business in a fire-resistant building — a structure made of non-combustible materials with firewalls that create barriers to the spread of fires — and in a building with a fire alarm system connected to the local fire department. It is also a good idea to have a sprinkler system to douse fires.
- Limit storm-related damage by making sure the building conforms to damage-resistant building codes.

### Have a Plan

To protect your business, develop and maintain a disaster recovery plan:

- Keep up-to-date duplicate records of both computerized and written records. Under federal law, if companies fail to maintain and safeguard accurate business records, the company may still be held liable. (For example, in the event of a data breach.)
- Identify the critical business activities and resources needed to support them in order to maintain customer service while your business is closed for repairs.
- Plan for the worst possible scenario. Do research before a disaster strikes by finding alternative facilities, equipment and supplies, and locating qualified contractors to repair your facility.

*continued on reverse*

## COMMERCIAL COVERAGE

*Are You Prepared For Disaster, continued from front*

- Set up an emergency response plan and train employees in how to execute it.
- Consider the resources you may need to activate during an emergency such as back-up sources of power and communications systems. Also, stockpile any supplies you may need such as first-aid kits and flashlights.
- Compile a list of important phone numbers (including cellphone numbers) and addresses, including local and state emergency management agencies, major clients, contractors, suppliers, realtors, financial institutions, insurance agents and claims representatives. The list should also include employees and company officials. Keep copies of the list off the premises in case the disaster is widespread.
- Decide on a communications strategy to prevent loss of your customers. Clients must know how to contact your company at its new location. Among the possibilities to explore, depending on the circumstances, are posting notices outside the original premises; contacting clients by phone, e-mail or regular mail; placing a notice or advertisement in local newspapers; and asking friends and acquaintances in the local business community to help disseminate the information



### Business Inventory

The I.I.I. also recommends that businessowners take a business inventory. An up-to-date business inventory is an important component of disaster planing. It can help you:

- Purchase the right amount of insurance.
- Substantiate property losses to make filing an insurance claim faster and faster.

#### ^ What This Symbol Means to You

There is a difference in where you buy your insurance. Many don't realize there are three sources for insurance:

##### 1 CAPTIVE AGENTS

who can sell you the insurance of only one company.

##### 2 TELEPHONE &

INTERNET

##### REPRESENTATIVES

who can offer you the insurance of one company only on the telephone or via computer.

##### 3 INDEPENDENT

INSURANCE AGENTS

like us — who represent many insurance companies. We research these firms to find you the best combination of price, coverage and service for all your insurance needs.

### HOW TO EMPLOY SOCIAL MEDIA

The Kiplinger Letter said that in using social media to help you sell your products and services you should be sure to keep a regular dialogue going with customers and others.

Answer queries and blog comments promptly, and participate in discussion boards. Simply pitching ads to customers without offering ways to build relationships is one of the most

common mistakes made by firms tapping social media outlets. It's also vital to make social media part of your overall marketing strategy to avoid sending mixed messages via different channels, which could confuse clients.



### DRUGS HEAVILY INVOLVED IN FATAL CRASHES

A study finds that drivers who die test positive for drugs 25% of the time, a new study finds.

Researchers examined data on more than 44,000 drivers in single-vehicle crashes who died between 1999 and 2009. They found that 24.9% tested positive for drugs and 37% had blood-alcohol levels in excess of 0.08, the legal limit. Fifty-eight percent had no alcohol in their systems; 5% had less than 0.08. The data were from a government database on traffic fatalities.

Study co-authors Eduardo Romano and Robert Voas of the Pacific Institute for Research and Evaluation in Calverton, Md., say their study is one of the first to show the prevalence of drug use among fatally injured drivers. Among drivers who tested positive for drugs, 22% were positive for marijuana, 22% for stimulants and 9% for narcotics.