



the upside of risk

**LanierUpshaw**



# We are your business risk guides

Most insurance agents disguise themselves as friends and advocates. But when pressure is applied they reveal their true colors. You find out they were really just insurance agents all along. Then there's Lanier Upshaw.

For over 70 years we have been the ones business leaders trust to help them reach their summit. At Lanier Upshaw, we believe the best way to prepare for the future is to create it.



**LanierUpshaw**

Insurance • Risk Management









Wind  
Are you covered?



# Wind Deductible

This deductible is typically a percentage of the insured values. The wind deductible is usually much higher than a flat dollar deductible. If you have a building insured for \$1,000,000 and you have a 5% wind deductible, you would *self-insure* the first **\$50,000** before coverage would apply.

Also, how the policy is structured will affect the amount; if you have a blanket amount of insurance vs individual buildings, that percentage amount could even be a higher number.



# Named Storm Deductible

A named storm deductible is advantageous over a blanket wind deductible because it has to be a **named storm** for the higher wind deductible to apply. Central Florida has it's share of non-hurricane bad weather so with this endorsement it allows your flat dollar deductible to apply to all other wind related claims.



# Business Interruption

## Business income

Business income includes the net income (net profit or loss before income taxes) that would have been earned or incurred by the insured and the continuing normal operating expenses incurred, including payroll.

## Period of restoration

Insurers are liable for the loss of business income only during the period of restoration, which is often defined as the length of time required to rebuild, repair, or replace the damaged or destroyed property. The period of restoration begins when the physical loss or damage occurs; it ends when the property should, with reasonable speed, be repaired or replaced



# Business Income *trigger*

## **Coverage**

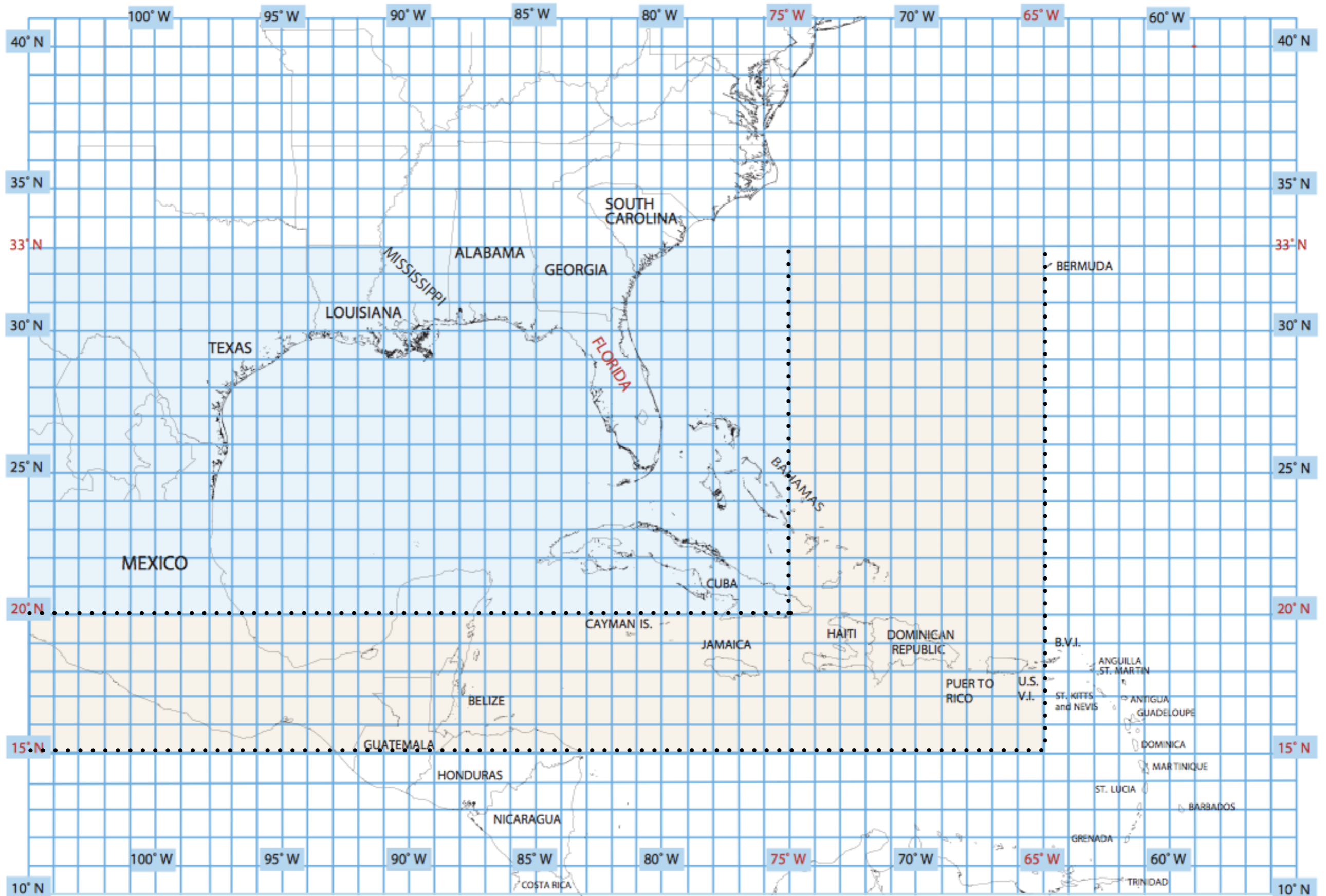
Carrier will pay for the *necessary* suspension of *operations*. The *suspension* must be caused by *direct physical loss of or damage to the insured property*.

The key is to have this coverage structured properly because it is not uncommon to have little or no damage to your building but the power is out for a week. You want your coverage to include an *off premises power interruption* endorsement and because this is a common occurrence after hurricane's in Florida, the insurance company might or might not be willing to add.





# Hurricane & Tropical Storm Binding Information



# HURRICANE SEASON IS HERE: STEPS TO CREATING A DISASTER PREPAREDNESS PLAN

While hurricane activity doesn't usually peak until September it's important to prepare now if you haven't already done so. Here are some important steps to take to create a Disaster Preparedness Plan. Having such a plan in place allows you to:

- Continue to communicate with clients before, during and after a hurricane.
- Have the peace of mind, knowing you took steps to ensure your employees' safety.
- Rest assured knowing you have the proper amount of insurance coverage in place.
- Be back up and running as soon as possible.



# Document an Internal Emergency Communications Plan

It's important to have a plan in place regarding how you will communicate with your employees in the event of a hurricane (or any disaster for that matter). One of the most important questions your employees will have during a crisis is, "Is the office closed? Do I need to come in?"

If your business has to shut down because of a hurricane how will you let employees know? Here are some ideas:

- Setup a special phone number with an answering service for staff to call. This can be a recorded message that lets callers know if the office is open or not.
- Create a phone chain that lets every employee know who they should call for updates.
- Setup a text message alert system (of course you should get your employees permission before you decide to text them).



# Document an External Emergency Communications Plan

It's also important that your disaster preparedness plan includes a section about how you will communicate with customers and vendors. Here are a few things to consider:

- Document a process for updating your home page to include an Emergency Alert.
- Document a process for changing the recorded message on your company's voicemail as well as your employees' individual voicemails.
- Train all staff members on how to setup Emergency Out of Office email replies. You may also want to use this tactic for employees who are still able to work (perhaps remotely) but may not be able to respond in a timely manner.



# Create an Emergency Executive Action Plan

It's not enough to create a plan for just your employees and customers. As the business owner you should also create a plan for yourself so you don't have to figure it out as you're literally in "crisis mode." Here's an example of a simple checklist you can adopt or modify:

- Update the emergency hotline (or whatever phone system you use).
- Call/text managers to give them personal update.
- Add an Emergency Alert to the home page.
- Call the utility companies to get an update.
- Call insurance agent to report any damage.
- Decide if you will instruct employees to setup remote work stations.





# Review Your Insurance

Hurricane season is a good reminder to review your insurance policy. The last thing you want is to find out after a hurricane that you did not have enough coverage. Here are some questions you should consider reviewing with your agent:

- Do I have enough and the *right* BI (Business Income) coverage?
- Do I have enough Extra Expense coverage?
- What is my wind deductible? And how will I fund it?
- Do I have flood coverage?



# Test Out Remote Working Before a Hurricane Happens

Although you may not allow employees to work remotely under normal circumstances it can be helpful to test out an Emergency Remote Working program. One way to do this is to schedule a day for one of more employees to work an entire day from their home. This may require that you figure out a few administrative things like:

- How do you forward calls to their phone?
- Can they access all the programs and websites remotely?
- Is there a way for them to clock in remotely?
- Is there a way for them to meet virtually (like Google Hangouts, or Go To Meeting)?



I'm sure you've heard this before but it's true,

**“Failing to plan is planning to fail.”**

So I encourage you to take the action now, so you can minimize the risk a hurricane could cause to your business.





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