

COMMERCIAL COVERAGE



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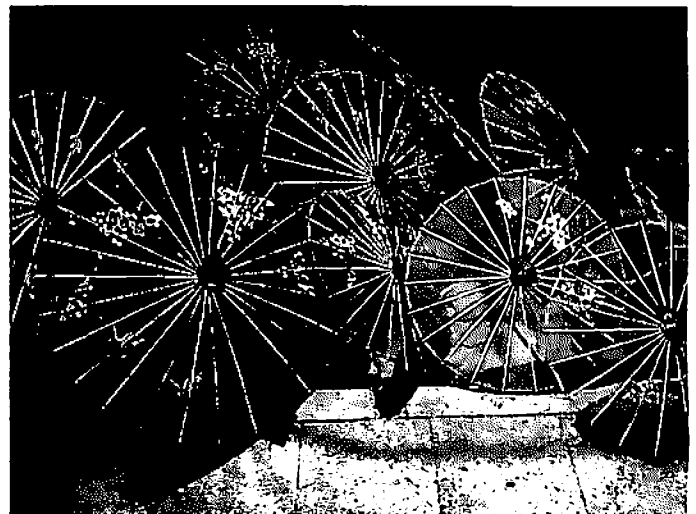
WHY BUY AN UMBRELLA POLICY?

As the name implies, an umbrella liability policy provides coverage over and above your other liability coverages. It is designed to protect against unusually high losses, when the policy limits of one of the underlying policies have been used up. For the typical business, the umbrella policy would provide protection over and above general liability and auto liability policies. If you have Employment Practices Liability Insurance, Directors and Officers Liability or other types of liability insurance, the umbrella could provide protection over and above those policy limits as well.

The Value of Umbrellas

Umbrella protection can:

- Assure business survival by protecting business assets from catastrophic consequences of uninsured or underinsured events.
- Qualify businesses for job awards from clients who require proof of extra limits.
- Assure compliance with contractual and lease agreement requirements.
- Minimize uncertainty of potential large liability claims.
- Help a buyer maintain a professional image and stature that is enhanced with a well-conceived and well-designed insurance program.



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BEWARE OF THE SOCIAL MEDIA

It is critical that companies monitor and, if called for, address what is being said about them in social media to avoid reputational damage, experts say.

One reason this is important is the pervasiveness of social media, said Scott Marticke, chief operating officer of Atlanta-based new-media analysis company Sentiment360.

facebook. & **twitter**

For instance, Facebook alone has 500 million members, which is significantly higher than the population of the United States, while there are
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Social Media, continued

1.73 billion Internet users worldwide, 125 million blogs and 234 million Web sites, Marticke said. “You have the ability to learn what is being said about your company and what is being said about your competition and any other subject you may even dream of,” Marticke noted.

Reputations At Risk

Simon Barker, San Francisco-based west zone practice leader and senior consultant at Marsh Risk Consulting's crisis management and reputational risks practice, said reputation “is a very vulnerable, intangible asset, and it can be severely damaged in a time of crisis.” Responding to what is being said in social media should be part of a firm's overall response, said Mr. Barker, who noted that what is being blogged about could be the “tip of the iceberg.”

SHOULD WORKERS BE REQUIRED TO USE THEIR OWN CARS?

Requiring employees to drive their personal cars for business purposes minimizes the risk for employers, but it does not eliminate it entirely, risk management experts say.



^ 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.

“It's a different type of challenge from the company's point of view,” said Ashutosh Riswadkar, line of services director in risk engineering at Zurich Financial Services Ltd. in Schaumburg, Ill.

Companies still run the risk of being held at least partially liable for damages even when a vehicle is not company-owned. While an individual's insurance typically would be triggered first in the event of an accident, the insurer may take action against the employer for subrogation purposes if it discovers the individual was driving for business.

Many personal auto policies have drive-for-business exclusions, requiring individuals to inform their agents that they drive for work and to acquire an endorsement, said David Jones, VP for Lockton Cos. This makes their policies more expensive, which is why so many people don't inform their insurers, he said.



Employees driving personal cars reduces employer risk but it does not eliminate it.

Something To Think About

Without the endorsement, insurers may refuse to cover a claim, possibly putting the burden on companies. A similar problem might occur if individuals buy only the minimum insurance required by their specific jurisdiction and have inadequate coverage because of low limits, said Kelly Pappas, a Liberty Mutual Insurance Co. claims manager.

Companies that provide vehicles to employees also should purchase hired and nonowned coverage within their commercial auto policy, Jones said.

Hired coverage is for vehicles not owned by the driver or company, such as rental cars and small moving trucks. Nonowned coverage protects vehicles owned by employees but used on a company's behalf. When an employee involved in an auto accident exhausts his or her limits, this insurance picks up where the other policy left off if a company has to pay damages.