

commercial coverage



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Business Interruption Insurance Often Overlooked

Although most small-business owners know they need property and casualty insurance for their premises, many don't realize they need specialized insurance coverage to limit their losses from a disaster.

Perhaps the biggest omission owners make when buying a commercial policy is business interruption insurance, according to Loretta Worters, vice president for communications of the Insurance Information Institute. "They fail to think about what would happen if their business couldn't open again," she said.

Worters noted that business interruption insurance should be part of a company's business plan, and the blueprint needed for any kind of loan or financing. Even the many owners who fund their companies themselves should buy this type of insurance or they could see their hard work

and dreams become a casualty of a fire, flood, earthquake or storm, she added.

How much business interruption insurance a company should buy is an individual decision, Worters said, but it should be considered along with a disaster recovery plan. If businesses are certain they could quickly relocate operations to another site and keep working, they might not want to buy the maximum amount available. However, disasters like the Sept. 11, 2001, terror attacks and Hurricane Katrina have shown that the unthinkable can happen. Companies can be uprooted and put out of commission for months. Without business interruption insurance, many have failed, she said.



Terrorist Threat Continues

Six years after September 11, 2001, the threat of terrorist attack remains a source of tremendous uncertainty for the U.S. economy, with potentially negative consequences for both business interests and employment, according to the Insurance Information Institute.

"Besides killing almost 3,000 individuals, the terrorists also sent economic shockwaves throughout the U.S. economy," said Robert Hartwig, president of the I.I.I. "By paying September 11-related claims totaling \$31.6 billion, the insurance industry helped families and businesses get back on their feet after an event without precedent in U.S. history." Adjusted for inflation, insurers paid the equivalent of \$35.9 billion in September 11 claims in 2006 dollars, the I.I.I. estimates.



Time Valuable To Working Mothers

Forty-four percent of working mothers would take a modest pay cut if it meant they could spend more time with their families, according to a recent Harris Interactive survey. The survey of more than 1,100 working mothers, sponsored by CareerBuilder.com, also found that about half of those surveyed would opt to be stay-at-home moms if their partners made enough money to make such a move financially feasible.

Small Businesses = Big Work

Think you work harder than everyone else? If you own a small business, you're probably right. More than 30 percent of small-business owners report working an average of at least 10 hours a day, compared to only 19 percent of the general population, according to the monthly Discover Small Business Watch index. Nearly half of small-business owners say they work on holidays, and 15 percent show up seven days a week, more than twice the number of non-business owners.

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.

Health Insurance Cost Spiral Continues



The cost of health benefits for employers and employees rose an average of 6.1 percent nationally this year, compared with a 2.6 percent increase in the overall rate of inflation, according to an annual survey by the Kaiser Family Foundation and Health Research and Educational Trust, an affiliate of the American Hospital Association.

Premiums for health insurance offered by employers reached an average of \$12,106 for family coverage this year, with workers paying on average \$3,281, or \$273 a month, of the cost, according to the widely followed survey.

"The bottom line is health insurance is becoming increasingly unaffordable for more and more average Americans and for many businesses in our country," said Drew Altman, president and chief executive of the Kaiser Family Foundation.

Since 2001, the cost of health benefits on average has increased 78 percent, compared with a 17 percent increase in the cost of living. And so far this decade, premiums are up 92 percent; inflation rose 18.5 percent.

Small employers also are less likely to offer health insurance than large employers. Nationally, 45 percent of employers with three to nine employees offer health benefits. Smaller employers also typically pay a smaller share of the cost of family coverage.

The survey found only a slight increase in the number of people in high-deductible health plans with health savings accounts and health reimbursement accounts.

Commercial Buyers Like Multiline Carriers

Spurred by advice from their agent or broker, commercial insurance buyers show increasing interest in buying more than one line of coverage from a carrier, according to a new survey commissioned by a major insurance company.

Two-thirds (up from 58 percent last year) of respondents said their agent or broker "always or usually" encourages them to place multiple (at least two) lines of insurance with one carrier. And three-quarters of respondents said they would rather have their coverage priced by one multiline underwriting team than a separate underwriting team for each line of insurance.

Among respondents favoring a multiline underwriting team, more than two-thirds completely or somewhat agree the multiline approach is more likely to ensure a fairer price, broader expertise and knowledge of their business.