

Insurance 101

Insurance for Small Businesses

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2012 DBE Supportive Services “Blueprint for Success” State Conference

“Strengthening & Expanding Your Business for Growth”

August 29, 2012

Emory Conference Center Hotel



Insurance for your Business



- Types Of Insurance
- Contract Requirements
- Certificate Of Liability
- Risk Control
- Premium Rate Changes





About Me

Atlanta's Insurance Lady

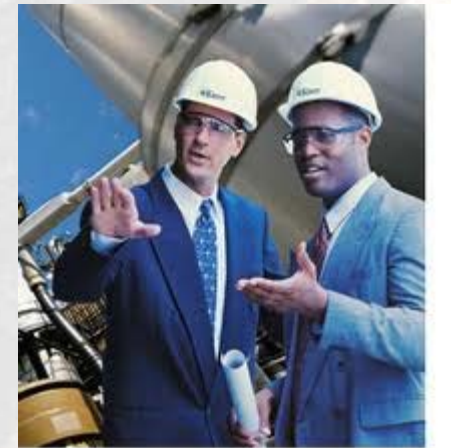


Aisha Danzy

- 15 years experience in the industry
- President & CEO, Five Star Insurance
- Licensed Insurance Agent- southeast
- Property Claims Adjuster
- Multiple Agency Locations
- Top Commercial Producer within GA
- Award Winning- Atlanta Business League
- National Newsletters
- Editor of Atlanta Truckers United Post
- Active within the Community



WHO NEEDS TO BE INSURED?



EVERY BUSINESS



DON'T WAIT

No Insurance = No Protection

- A Loss or Claim May Occur
- Without Insurance, You assume Liability
- Protection Against Legal Suits (Past and Present)
- Protection Against Catastrophic Financial Loss
- **Keep Coverage In Place At All Times**
- Time and Opportunity Lost to Acquire a New Policy
- Underwriting Guidelines and Rate Changes
- Knowing Insurance Cost Prior to Contract Bidding
- Purchase less coverage (that can be later increased)
- Business appears Trustworthy & Dependable (Primes & Ins. Companies)

Lets Get Straight to It!

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED INFORMATION

INSURANCE INFORMATION

COVERAGE	DESCRIPTION	AMOUNT	EXCESS	COINSURANCE	OTHER
1	Automobile Liability (Auto)	\$1,000,000			
2	Commercial Auto Liability	\$1,000,000			
3	Commercial General Liability	\$1,000,000			
4	Commercial Umbrella Liability	\$1,000,000			

AGREEMENTS AND EXCLUSIONS

ENDORSEMENTS

INSURANCE COMPANY INFORMATION

INSURED INFORMATION

INSURANCE INFORMATION

=



CERTIFICATE OF LIABILITY

Snapshot of Coverage

Evidence of an entities' existing insurance. Provides extensive information about current insurance in force, but provides no actual benefit to the certificate holder.

READ THE FINE PRINT!

TYPE OF COVERAGE	LIMIT	COVERAGE PERIOD	COVERAGE CLASSIFICATION	COVERAGE CLASSIFICATION
Automobile Liability	\$1,000,000	1/1/2012 - 12/31/2012	Commercial	Commercial
General Liability	\$1,000,000	1/1/2012 - 12/31/2012	Commercial	Commercial
Professional Liability	\$1,000,000	1/1/2012 - 12/31/2012	Commercial	Commercial
Workers Compensation	\$1,000,000	1/1/2012 - 12/31/2012	Commercial	Commercial

MOST CONTRACTS REQUIRE

LIABILITY

Coverage of damage to YOUR OWN property is RARELY a contract requirement

Few exceptions

-trailer interchange coverage

-cargo

-Lien holders proof of physical damage

LIABILITY COVERAGE = PROTECTION

- providing protection when you are sued by a third party
- include the cost to defend the individual as well as the cost of any settlement or court award.
- provides protection from claims arising from injuries or damage to other people or property

Certificate Holder VS. Additional Insured

- **Certificate Holder has no rights-** *merely for information purposes*
- **Additional Insured has rights-** *named insured must request additional insured to be added. Once policy is endorsed, protection is provided under the policy giving rights and the ability to make claims in the event they are sued.*

MOST COMMON MISCONCEPTION

I Already **Have** Liability!



Breaking Down the Certificate

ACORD CERTIFICATE OF LIABILITY INSURANCE		OP ID LN	DATE (MM/DD/YYYY)		
PRODUCER YOUR AGENT / BROKER'S NAME AND ADDRESS GOES HERE		SUPER-8	01/01/2008		
INSURED YOUR COMPANY NAME AND ADDRESS GOES HERE		INSURERS AFFORDING COVERAGE INSURER A: NAME OF INSURANCE COMPANY INSURER B: INSURER C: INSURER D: INSURER E:			
COVERAGES					
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
NEW ADD'L LTR INSR#	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR WARNING - This Policy does not cover any use of Explosives or Pyrotechnics. See Special Exclusion & Limitation Endorsement attached to this Policy. GEN'L AGGREGATE LIMIT APPLIES PER POLICY <input type="checkbox"/> PRO <input type="checkbox"/> LOC	Policy#123456789	01/01/2008	01/01/2009	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (EA ACCIDENT) \$ 1,000,000 MED EXP (per one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COM/PROP AGG \$ 1,000,000
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Policy#123456789 AUTO PHYSICAL DAMAGE \$125,000 LGTY P/VEHICLE \$2,500 MIN/\$5,000 MAX	01/01/2008	01/01/2009	COMBINED SINGLE LIMIT (EA ACCIDENT) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	<input type="checkbox"/> GARAGE LI <input type="checkbox"/> ANY				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	<input type="checkbox"/> EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER:				E.T. DISEASE - POLICY PERIOD \$ \$ \$ \$
A	Miscellaneous	Policy#123456789	01/01/2008	01/01/2009	Limit: \$250,000 Ded: \$2,500
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS Certificate Holder is named as an Additional Insured and Loss Payee as their interests may appear.					
CERTIFICATE HOLDER		CANCELLATION			
Budget Video Rentals 1825 NE 149 Street Miami, FL 33181		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ADVISE ADVISE BY MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE: <i>Harry White</i>			
ACORD 25 (2001/08)		© ACORD CORPORATION 1988			

WHO?
WHAT?
WHY?

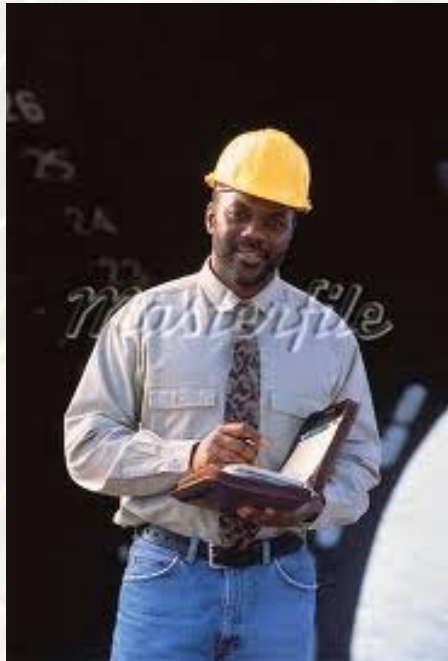
This section required only if using Grip or Video Truck

This section is Essential

Greater or Equal to Replacement Cost of All Rental Equipment

We must be named as this

Who Needs General Liability?



- Contractors (20/80)
- Subcontractors
- Artisans (80/20)
 - Landscapers
 - Truckers
 - Painter
 - Electrician
 - Janitorial Services
- General Handyman

What is General Liability? Why do we need it?

General Liability provides an overall layer of protection against liabilities that an individual or company generates as a normal course of doing business.

- *protection for employees acting on your behalf*
- *anyone else legally connected to the business*
- *Injury or damage could occur on site or off jobsite*
- *customer slips or falls or gets injured on your property.*



Who Needs Commercial Auto Liability?



- Transportation of Goods or People
- Truckers
 - Dirt/Sand/Gravel/Asphalt Haulers
- Delivery Vans

Any Business Use of an Auto

- Landscaper (not for hire)
- Painter
- Electrician
- Plumber
- Welder
- Janitorial Services



What is Commercial Auto Liability? Why do we need it?

Commercial Auto provides protection for a business owner and employees who drive and operate company vehicles for business purposes.

- Business owners who drive a vehicle--or send employees--to pick up goods or people
- policies tend to offer higher limits than personal auto policies (ex. 1,000,000 CSL)
- and can cover all types of vehicles from sedans to tow trucks and big rigs

key criteria's separate commercial auto from personal auto



Commercial Auto Insurance Filings

Federal Filings

- ICC - MCS90
- Cargo - Form F

State Filings

- Form E
- Form H

35 days Notice Must be Given Prior to Policy Cancellation

Types of Commercial Auto Policy?

- ✓ Any Auto (*fleets*)
- ✓ All Owned Autos
- ✓ Scheduled Autos
- ✓ Hired Autos
- ✓ Non-Owned Autos

Garage Liability

protection against liability arising out of service or inspection work performed by mechanics or employees.





Excess & Umbrella

REQUIRED IN MOST CONTRACTS FOR ADDITIONAL PROTECTION

- ❑ **Excess Liability-** *provides coverage that is typically beyond that of an underlying policy*
- ❑ **Umbrella Liability-** *provides additional protection you exceeds insurance limits on an underlying policy(s).*

Workers Compensation **REQUIRED BY LAW**



provides a schedule of benefits payable to an employee for injury, disability, dismemberment, or death as a result of occupational hazard.

Insurance agreeing to pay the Workers Compensation benefits required by law on behalf of the employer.

Other Types of Liability

PROFESSIONAL LIABILITY - commonly called Errors and Omissions helps protect professional advice- and service-providing individuals from bearing the full cost of defending against a client claims made against them, causing the insured financial loss.

- Insurance Agents
- Accountants
- Attorney's
- Architects
- Engineers
- Doctors (medical malpractice)



BONDS

SURETY BONDS - is a promise to pay one party (the *obligee*) a certain amount if a second party (the *principal*) fails fulfill the terms of a contract.

A **performance bond** is a surety bond issued by an insurance company or a bank to guarantee satisfactory completion of a project by a contractor.

FIDELITY BONDS - also known as employee dishonesty coverage, cover theft of an employer's property by its own employees.



Cargo

- **Cargo-** protection as a carrier while transporting the property of others.



Reefer Break Down Coverage- provides coverage for cargo loss caused by the mechanical or electrical breakdown or malfunction of a temperature control system.

Other Types of Liability

- **Bobtail insurance** typically protects a tractor when it's being operated *without a trailer, regardless of whether or not it's under dispatch.*



Other Types of Liability

On-Hook Coverage- *will pay to repair or replace a vehicle you don't own if it is damaged while you are towing or hauling.*



Garage Keepers Liability- *applies to damages to vehicles left in the insured's custody for inspection, service or repair.*

Ex. those who provide towing services or operate service stations.

Are Trailers Always Covered?



Trailers whether owned by you or NOT, must be listed on policy.

- Dump Trailers
- Flat Bed
- Car Carriers
- Dry Vans
- Refrigerated Trailers
- Lowboy

HOW TO PROTECT THE TRAILER?

Trailer Interchange- *a nonowned trailer being pulled under a trailer interchange agreement. This is essentially physical damage coverage for non-owned trailers.*

What Actual Protects YOUR truck!

- **Physical Damage** *-protects your vehicle*
 - Comprehensive
 - Fire-Theft (Limited Comprehensive)
 - Collision



Protection for Contractors & Their Equipment



designed to cover all types of mobile equipment used away from the primary business location

Examples

- large piece of construction equipment
- small hand tools
- mobile electronics
- to a camera.



may not be licensed for road use and must be owned or leased by the business for use in business operations.

BUSINESS OWNER POLICIES

combines some of the basic coverage needed by a typical small business into one standard package at a discounted premium.

Example Package Includes

- General Liability
- Property Insurance
- Contents Coverage
- Business Auto
- Business interruption insurance
- Crime Insurance

BENEFITS

One monthly premium
Underwritten One Time
Less Hassle



Common Types of Insurance for Haulers



- Commercial Auto Liability
- General Liability
- Workers Compensation
- Umbrella/Excess Coverage
- Physical Damage
- Cargo Coverage

What Insurance Companies See

<http://safer.fmcsa.dot.gov/CompanySnapshot.aspx>

SAFER
LAPSE

Company Snapshot
SUBARU BUSSETS INC
USDOT Number: 1420090

Enter Value: SUBARU BUSSETS INC

Operations | Inspections | Crashes | Safety Rating | Insurance

Other Information for this Carrier

Carrier: If you want to update the following Operations information, please complete and submit Form MCS-150 which can be obtained (2010) or from your State FMCSA office. If you would like to challenge the accuracy of your company's safety data, you can do so using FMCSA's DataQ system.

Carrier and other users: FMCSA provides the Company Safety Profile (CSP) to motor carriers and the general public interested in obtaining precise and up-to-date information on carrier safety performance that is captured in the Company Snapshot. To access a CSP please visit the CSP 2010 page in our website home or press the link (see thumbnail).

For help on the explanation of individual data fields, click on any abbreviation or for help of a general nature go to SAFER's glossary page.

The information below reflects the content of the FMCSA management information systems as of 01/12/2011

Entity Name	Carrier	State	Service State	Class
Subaru Buses, Inc.	SUBARU BUSSETS INC	VA	VA	01
Legal Name	SUBARU BUSSETS INC			
DBA Name				
Physical Address	2701 LA BELLE DR ALABAMA, MO 65009			
Home Phone	202-457-1040			
Working Address	2701 LA BELLE DR ALABAMA, MO 65009			
USDOT Number	1420090	State Carrier ID Number		
MC or BR Number	00001	Legal Number		
FMCSA ID	1420090	Carrier ID		
MC or BR Firm Date	01/01/2007	MC or BR Firm Date		

Business Operations:

Recent Changes within the Industry

PREMIUMS HAVE INCREASED AMONG MOST COMPANIES

Contributing Factors

- ✓ Age
- ✓ Gender
- ✓ *Marital Status*
- ✓ *Driving Record*
- ✓ *Safety Reports and Other Public Information*
- ✓ *Geography*
- ✓ *Years of Experience (individual and Business Experience)*
- ✓ *Increased Risk In Industry*
- ✓ *The Number of Claims*
- ✓ *Credit Scores (represent more stability and less risk)*
- ✓ *Inflation*
- ✓ *Replacement Cost*
- ✓ *Driving Distances (Radius of Work)*



RATE INCREASES MUST BE APPROVED BY THE STATE

Annual Policy Reviews

- ✓ *Is Everything Right on my policy (Vehicle Vins, Driver, Values etc)*
- ✓ *Ask does the Company offer any new coverage's?*
- ✓ *Am I getting all my discounts & credits (customer loyalty)*
- ✓ *Do I have the proper coverage needed NOW?*
- ✓ *Are all business properties & exposures covered*
- ✓ *Do I need to update my garaging location*
- ✓ *Check MVR status prior to Renewing*
- ✓ *Keep Contact Information Up to Date for Future Notifications*
- ✓ *Safety Procedure in Place or Take Defensive Driving Class*
- ✓ *Verify Subcontractors Insurance on a regular basis*
- ✓ *Request to be Additional Insured on Policy*



www.sbwc.georgia.gov

Annual Workers Comp Audits

Don't let this be you!





Here's a few...
Commercial Insurance Companies

*Progressive
Columbia
Northland
Zurich
Infinity
National Indemnity
Carolina Casualty*

*Victoria
Great West
Canal
Travelers
The Hartford
Essex
Grange*

One Agency, One Call



Having all your insurance at one agency makes it easier to obtain a completed certificate of liability



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