

commercial coverage



Is Your Business Insured For Flood Loss?

2008, No. II

Melting snow and rains have caused flooding across the country. Businesses should make sure they have flood insurance, according to the Insurance Information Institute.

Standard business insurance policies provide coverage for disasters such as fire, lightning, hurricanes and winter-related damage including burst pipes, but flood damage is not included. Flood insurance is available through the federal government's National Flood Insurance Program. To purchase flood insurance, your business must be located in a community that participates in the National Flood Insurance Program. Fortunately, most communities do participate, and flood insurance is readily available.

"One of the biggest mistakes a business owner can make is not to buy flood insurance," said Loretta Worters, vice president of the Insurance Information Institute." Business owners should contact their insurance agent to make sure they have the right type and amount of coverage."

Coverage Available

Coverage limits for a standard flood policy are \$500,000 for the business structure and \$500,000 for the business contents; coverage for structure and contents is provided on an actual cash value basis (i.e., the replacement cost of an insured item at the time of loss, less the value of depreciation). Deductibles range from \$500 to \$1,000, depending on the policy you buy. Generally, if you buy a policy for a business located inside a floodplain (any area susceptible to being in-



undated by flood waters), the deductible is \$1,000, unless mitigation measures have been taken to protect the building.

Business owners should keep in mind that there is a standard 30-day waiting period from the date of purchase before a new flood policy goes into effect. However, if you are taking out a mortgage or other business related loan and your lender requires flood insurance in connection with making, increasing, extending or renewing the loan, the waiting period is waived.

Who Will Buy Your Business?

The Kiplinger Letter said that it will be a buyer's market for businesses for several years.

Baby boomer owners are starting to cash out in growing numbers, with about 750,000 looking to sell by 2009, a 15-fold increase over 2001.

Most firms will go to strangers—only 15 percent stay in families more than two generations.

One option that's growing more popular is selling to employees. Management buyout teams or employee stock ownership plans can work if owners set them up early, the newsletter said. Groom your best managers and train them in the intricacies of the operation so the firm will succeed without you, Kiplinger says.



Employee Internet Use Monitored

The Kiplinger Letter said that employers are getting fussier about employee use of the Internet. Increasingly, firms are limiting personal surfing to break times or setting other rules regarding what's permissible and what's not.

More than half of all employers now have monitoring software that can block porn, gambling, gaming and other unsuitable Web sites. Monitoring software can also spot raunchy phrases in e-mail exchanges. Besides hurting productivity, personal Web use can introduce viruses to company computers, slow down network speeds and increase the chances that corporate secrets are unwittingly revealed to unauthorized parties, Kiplinger said.

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.

Job Sleepiness Based On Extra Work

A recent survey by the National Sleep Foundation discovered that 29 percent of respondents fell asleep or became "very sleepy" at work, which isn't good for productivity.

The Washington-based non-profit surveyed 1,000 people and found that participants slept an average of six hours and 40 minutes a night during the week. Those same people, however, say they need a little more than seven hours of sleep each night to be at their best the next day.

Of those surveyed, 63 percent said they ignored their sleepiness, while 32 percent loaded up on caffeine to fight it off. Meanwhile, more than 54 percent said that they use the weekends to catch up on some much-needed Zzzs.

"Nearly 50 million Americans chronically suffer from sleep problems and disorders that affect their careers, their personal relationships and safety on our roads," Darrel Droblich, acting chief executive officer of NSF, said in a statement.

The main culprit for the loss of sleep is work, with 20 percent saying they spend 10 or more additional hours each week working at home and 25 percent saying they spend at least seven additional hours each week doing job-related duties at home.

Nearly one-quarter of those surveyed said they did something work-related in the hour before going to bed a few nights a week.



Integrating Generations X, Y And Baby Boomer Employees

As the workforce ages, organizations are faced with challenges in assimilating new workers with older workers who are reaching retirement age. A study from the American Society of Training Development shows that 76 million Baby Boomers, born between 1946 and 1964, will retire over the next 20 years, but only 46 million workers will be available to replace them, most of whom are referred to as Generation X, born between 1965 and 1979, and Generation Y or Millennials, born after 1980.

For organizations, it presents two situations to consider: how to maintain the needed number of employees given the expected exodus of Baby Boomers and how to manage a multi-generational workforce.

To slow down the departure of Baby Boomers, companies are developing strategies to lure workers out of retirement. Equally as important, companies are also focusing on gaining new, young talent. This will create a multi-generational workforce that will result in both challenges and opportunities for employers.

Regardless of whether the challenge is workforce shortage or age variation among employees, one thing remains constant for either issue: to help deal with generational differences in the workplace, organizations must strengthen their recruiting and retention efforts because it is a competitive market for attracting the best employees.