

Get the Facts!



BUSINESSES NEED DISASTER POLICY

by Joyce Rosenberg

The Columbus Dispatch, 3/31/2010

Recent occurrences of flooding and wind damage in the northeast should serve as reminders to businesses and municipalities that without adequate insurance they could be facing a second disaster, the entity's survival. But there are indications that companies socked by the recession might be deciding to cut back or even do without disaster coverage. Loretta Worters, a vice president at the Insurance Information Institute, said that some entities decide to gamble on being uninsured or underinsured and others that buy insurance after a disaster lose their sense of urgency over time if another calamity does not occur. Small businesses should consider getting at least a business owner's policy, known as a BOP, the most basic coverage, which generally includes property insurance, liability protection, and business interruption insurance. However, neither a BOP nor a standard property/casualty policy will protect businesses from damage caused by floods, earthquakes, and landslides. For damage protection from these disasters, a business needs to purchase special coverage.

Please note: If there isn't a disaster preparedness plan, the entity does not know what financial protection to purchase. Call us for help developing or refining your plan.

Insurance Daily Digest (April 19, 2010)

From The Insurance Information Institute

INSURERS SAY AIRLINES NOT COVERED FOR VOLCANO DISRUPTION

by Vladimir Guevarra, Ulrike Dauer, Ruediger Schoss

Wall Street Journal Online, 04/16/2010

Airlines will not be able to file insurance claims for the huge losses of revenue they will incur as a result of the volcanic ash cloud over northern Europe that has grounded flights. Christoph Groffy, a spokesman for Talanx AG's unit, HDI-Gerling, a large aviation insurer, said, "Business interruption policies are expensive and generally, airlines or airports haven't bought them, so the full risk lies with them." Most airline insurance policies would, however, cover damage sustained by planes that flew through a volcanic ash cloud. Robert Hartwig, president of the Insurance Information Institute, said, "The way the airlines are treating this is very much like a weather delay such as a severe snowstorm or an ice storm. Even though the event is going to be very, very expensive, costing billions in terms of economic losses, it's unlikely that much of it will be insured." The article reports that some stranded passengers may be covered under their personal insurance policies for the costs of the trip delays.

