

- Use as high a deductible as you can afford.
- Avoid duplication of insurance.
- Select only one agent to handle your insurance.
- Like a homeowner, do everything possible to prevent losses to your business by protecting windows and areas open to exposure.
- Work closely with your insurer for reliable services.
- Review your insurance program periodically to ensure that your coverage is adequate.



A qualified agent can explain the options, recommend the right coverage and help you avoid financial loss, especially in the aftermath of a hurricane.

**Source: Insurance Council of Texas**

Stamp

Customer Information

Your Company Information

## Preparing for a Hurricane



### Insurance Advice for Business Owners

To adequately prepare for a hurricane, business owners should be prepared for worst case scenarios.

Many times insurance is an afterthought for business owners in today's competitive market where entry is steep and bankruptcy is a possibility. However, purchasing commercial property insurance that is tailored to the specific needs of a business can be the most important action a business owner can take. It protects a business against unforeseen damage and property loss, and helps it stay in business and move forward after a misfortune.

## General Types of Business Coverage

In Texas there is no standard Commercial Property insurance policy. This benefits businesses because it allows insurance companies to customize policies to address the unique characteristics and needs of business owners. There are three general types of commercial property policies and all three offer windstorm.

- **Basic Form** – covers common perils. Some examples are damage caused by fire, lightning, windstorms and vehicles.
- **Broad Form** – includes perils such as water damage and glass breakage in addition to the **basic form** perils.
- **Special Form** is a type of policy that will protect a business from most causes of loss except for those excluded.

## Windstorm Coverage



Along the Texas coast, windstorm coverage may be excluded in some Commercial Property policies. The coverage would be offered as a separate policy and purchased through the Texas Windstorm Insurance Association (TWIA). The maximum amount of windstorm coverage that a business can currently obtain from TWIA is \$4 million on any one building and its contents. The minimum deductible for commercial/governmental risks for TWIA windstorm policies is 1 percent per item, per occurrence.

## Flood Coverage

Coverage for floods or rising waters as in a storm surge is generally not covered by Commercial Property policies. However, flood policies can be purchased through any insurance agent and it is offered from the federal government's National Flood Insurance Program. Any business located near the Texas coastline should consider purchasing flood insurance.



## Additional Coverages

There are additional coverages that a business may consider in order to protect its assets. These include:

- **General Liability** – protects business from expenses incurred from lawsuits.
- **Auto Liability** – protects business related vehicles for liability, physical damage & theft.
- **Business Interruption** – reimburses businesses for lost income attributed to damaged or lost property covered in the policy.
- **Extra Expense** – the additional funds needed to resume business after a covered loss.
- **Specialized Coverage** – includes flood, crime, inland marine, equipment breakdown and cargo.



Businesses can combine their commercial property insurance with additional coverage into a **Commercial Package Policy**.

A **Business Owners Policy** is directed toward small-business owners and it combines property and liability coverage into one policy.

## Right Choice

The company and the agent that a business owner chooses also have a significant impact on the cost of a policy. It is important to get multiple quotes because insurance companies may have significantly different prices for the exact same coverage. In addition, the experience and reputation that an insurance agent has in selling commercial property insurance is important in assuring that a business gets its best possible policy and rate.



## Initial Steps

Before you purchase insurance, look at how you can reduce the costs of your coverage.

- Write down what you expect insurance to do for your business.
- Decide what perils to insure against and how much loss you might suffer from each.

