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COMMERCIAL COVERAGE



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Higher Deductibles, Loss Prevention Among Ways To Save Money

More than 25 million small businesses operate in the United States today, yet many of these business owners did not take advantage of the many ways to save money on their insurance. In lean times like this, it is even more important to evaluate your business and consider ways to reduce spending while boosting profits.

We can provide invaluable advice to help protect your business. It is important to keep us informed

about any changes in your business operations, such as major purchases, expansions or changes in hiring or in the nature of your operations.

> Don't Skimp On Important Coverage

Insurance coverage is an expense that many small business owners might be tempted to cut back on or even forgo as they try to cut costs during the recession. They're making a bet that they won't need the coverage, but it's a bet they could lose.

Loretta Worters, vice president for communications of the Insurance Information Institute, a New York-based trade group, said insurance may seem like a lower financial priority for some small business owners right now.

An underinsured business doesn't have adequate coverage for disasters or incidents like fires, thefts or accidents. But even companies that aren't cutting back their coverage might be unwittingly uninsured. Worters noted that a business might have made improvements to its building or bought new equipment, and if an insurance policy isn't adjusted upward, payments could fall well short of the replacement costs.

story continued on reverse ↘

Agents Provide Valuable Workers' Compensation Advice

Too many small business decision-makers appear to be spending money on workers' compensation insurance coverage without understanding how workers' compensation insurance works, what they get



for their premium payments, or why they continue coverage with a particular carrier, according to a survey by Reno, Nev.-based Employers.

The national survey by the workers' comp carrier found that 14 percent of small business owners and executives could not name their insurer. In the survey, 13 percent admitted they do not understand how workers' compensation insurance protects employees with work-related injuries, or how their coverage can protect their small business's bottom line against catastrophic claims.

Higher Deductibles, Loss Prevention Among Ways To Save Money continued from front ↗

> Don't Play The Odds

Still, an owner uneasy in this economy might decide to play the odds and either cancel a policy or cut it back too far. Or, make a mistake out of ignorance, by buying insurance to cover damage from forces such as wind, rain, hail and fire, and not checking to see what isn't covered. For example, damage from flooding isn't covered in such policies. That coverage has to be purchased separately.

Some owners might also decide against business interruption insurance, which is available in what's known as a business owner's policy, or BOP, which also includes property coverage. Business interruption insurance makes the coverage more expensive, but it can mean a company's survival when it can't operate because of a disaster; this type of policy covers a company's expenses and lost profits.



^ 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.



Home-Based Businesses

Many workers who have been downsized over the last year have decided to start businesses out of their homes, and many are likely to be underinsured because they mistakenly assume their homeowners coverage will protect them. The same can apply in the case of a vehicle used for both business and personal purposes.

Some homeowners or standard auto policies may include a small amount of business coverage. For example, someone who does freelance writing at home might not need an additional policy. But, the important thing is to check—nobody wants to find out there is no coverage when a client coming to visit, trips over the family dog and falls.

Preventing Fire Losses

Over time, experts have identified the most frequent causes of loss and how to reduce the extent of damage when accidents occur. Below are questions designed to help you decide whether you need to take additional precautions to control the risk of fire.

Are employees trained in fire safety? Do they know exactly what to do if a fire starts? Is extra training given to those responsible for storage areas, housekeeping, maintenance and operations where there are open flames or flammable substances are used or stored?

Do you have the right type, size and number of fire extinguishers? Your fire department or fire protection equipment supplier can advise you. Are the fire extinguishers serviced and tagged annually? Do you review with employees at least once a year where the fire extinguishers are and how to use them?

If needed, have you modernized your electrical system? Faulty wiring causes a large percentage of nonresidential fires. Are electrical panels accessible?

