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## COMMERCIAL COVERAGE

2009 | No. 3



### A Good Time To Tackle To-Do Lists

The last few weeks of summer can be a useful time for small business owners whose companies are going through a slow period—they have a chance to tackle some of those tasks they've been putting off, Associated Press reported.

Some owners use summer downtime for big projects like writing an employee

handbook, while others cross off more mundane items from their to-do lists, such as entering that pile of receipts into their accounting software.

It's probably safe to say that if you haven't done your strategic planning for the rest of 2009, that should be your priority. For example, what changes do you want to make to your products or services? How do you want to adjust your marketing program? What do you need to do to meet customer expectations that may well be changing in a more difficult business climate?

### Updating Customer Lists

The slow days of summer are a good time for companies to update or make changes to their Web sites. Culling customer lists is also a good idea—not just to make record-keeping or mailings easier, but to help find some overlooked marketing opportunities. It's a widely held belief that it's a lot easier and a lot cheaper to market to someone with whom you've already done business.

This is also a good time to be looking over your costs and seeing what you can cut. Maybe to look for new vendors or suppliers, companies often stick with someone they're not thrilled with, or who they think is too expensive, just because there's no time to find somebody else.

story continued on reverse ↘

### Business Leaders Say Worries Keep Them Awake At Night

Nearly two-thirds (65 percent) of small business decision makers say that worries about their businesses keep them awake at night, according to the Small Business Opinion Poll conducted by Opinion Research Corporation. According to the 500 small business decision makers polled across the country, they worry most about the economy, growing and maintaining their business, meeting operating expenses and their business closing.

Additional small business decision maker sentiments garnered from the Small Business Opinion Poll include:

Small business decision makers are evenly split on whether the Obama Administration will be a stronger advocate for small businesses than the Bush Administration (47 percent vs. 47 percent, with 6 percent undecided):

- ✓ 72 percent expect their 2009 revenue to stagnate or decline in 2009
- ✓ 81 percent expect to cut costs in some way in 2009
- ✓ 42 percent expect to eliminate or cut back expenses in 2009
- ✓ 21 percent expect to lay off workers in 2009

### Wisconsin Personal Income Suffering

Wisconsin ranks 47th in a comparison of states' personal income growth from 2003 to 2008, according to a new report by the Wisconsin Policy Research Institute. The personal income growth ranking, which includes the District of Columbia, puts Wisconsin ahead of Rhode Island (No. 48), Indiana (49), Ohio (50) and Michigan (51) but behind Midwestern states such as Iowa (14), Minnesota (29) and Illinois (45), according to data from the U.S. Bureau of Economic Analysis.



#### ^ 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.

A Good Time To Tackle To-Do Lists — continued from front ↵

It's also a time to think about employee issues—maybe this is a good time to get some annual performance reviews done. Then there's that employee handbook, some owners are motivated to put one together during the summer after having had friction over employees' summer vacation schedules. A handbook also can detail policies on sick time, promotions, benefits, dress code and the standard of behavior that staffers are expected to meet, Associated Press noted.

### Certificates Of Insurance

A certificate of insurance is an informational document issued by or on behalf of an insurance company. The certificate indicates that an insurance policy exists of a certain type and limits. Certificates are simply snapshots of basic policy coverages and limits at the time of issuance of the certificate. Certificates are not intended to modify coverages or change the terms of the insurance contract and they convey no contractual rights to the certificate holder.

In your industry, you are no doubt often asked to sign contracts (or ask someone else to sign them) that include certain insurance requirements that must be evidenced by a certificate of insurance. If the certificateholder desires status as an additional insured under a policy, this can only be done by an endorsement to the policy. A certificate alone will not change the policy.

Problems often arise when a contract makes demands that are, for all practical purposes, virtually impossible to meet. Examples include requests for insurance for losses or damages that are uninsurable, requests that agents do not have authority to execute or cannot legally comply with, requests that require inappropriate certificate wording, and requests that are impractical from a market standpoint.

#### Beware Of Certificates

As a result, insurance agents are sometimes asked to provide a certificate of insurance that cannot comply with the contract you may have already signed. In fact, you may have completed the job and need the certificate in order to get paid.

While it is rare, there are unfortunately some insurance agents who will issue certificates that do not accurately reflect coverages and policy terms just to allow a contractor to get a job or a loan to close and for the agent to retain the account. Since certificates are rarely legally enforceable against insurers or agents, you may be incurring significant liability if a certificate is issued that does not accurately reflect contract terms. It is important to do business with insurance professionals you trust implicitly and that you verify the accuracy of the certificate.

The single best thing you can do in dealing with certificate of insurance requirements is to involve your independent insurance agent before committing yourself to something that cannot be accomplished. He or she can counsel you on how to best meet your insurance requirements and, if not possible in some instances, provide an explanation as to why something is difficult or impossible, often to the satisfaction of the requestor.

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