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*Protection & Planning You Deserve*

# Risk Review

Keeping you informed on **Business Insurance** issues



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## In the Aftermath: Ordinance or Law Endorsement

Imagine if a sudden fire swept through the building where your business is located, destroying over half of the property and its contents. After such a catastrophe, you learn that local ordinances require you to demolish the remainder of the building. The building inspector also informs you that the building cannot be reconstructed exactly as it was before the fire because that would violate current building and zoning codes. At this point, you may need to cover significant expenses to get your building back and your business up and running. Do you know if your insurance would help cover the cost if such a disastrous event should ever occur?

Generally, basic commercial property policies exclude coverage for building updates, repairs, or demolitions mandated by public law or ordinance. This can be a costly gap in your coverage, even if you are required to add a sprinkler system or make other minor changes to meet current building codes. The cost of meeting accessibility requirements as stipulated by the Americans with Disabilities Act (ADA) is also generally excluded under basic commercial property contracts.

To fill this gap, you may want to consider adding an **ordinance or law endorsement** to your policy. In the event that your building is damaged by an insured peril, an ordinance or law endorsement can provide coverage for the following:

- the cost of construction necessary to comply with current building codes
- the cost of demolishing the undamaged portion of the building
- the cost of rebuilding the undamaged portion that was demolished.

Your building may have met all existing laws and ordinances when it was constructed, but codes change over time. As a building owner, an ordinance or law endorsement could prove to be a valuable addition to your insurance coverage. Even if you rent your building, you should confirm that your landlord has this coverage. Furthermore, if you have made significant improvements to your space that you are responsible for insuring, you should be certain to maintain this extended protection.

Be sure to contact one of our qualified insurance professionals for further information on ordinance or law endorsements.

## Incentives to Encourage Workplace Safety

Achieving a safe workplace is nearly impossible without full employee cooperation, but an incentive program can help you achieve that goal. By providing small rewards to those who demonstrate safe behavior, you can motivate your workers to help reduce on-the-job accidents.

To get everyone involved, consider a company-wide meeting led by top managers, and encourage employees to make suggestions for rewards. Prize ideas may include free lunches, gift certificates, t-shirts, or even tickets to events.

Establish detailed criteria necessary for earning rewards, and communicate these criteria to your employees and supervisors before the program starts. Also emphasize to your employees that the incentive program should never deter them from reporting valid injuries.

# Insurance Advisory for a Safer Trip in Cyberspace

Business opportunities in the virtual world of electronic commerce abound, but they inherently include exposure to risks and possible losses. In fact, business owners who operate in cyberspace may be subject to risks that are not necessarily covered under their insurance policies.

The insurance industry is currently addressing liabilities associated with electronic commerce and communication by offering newly designed cyber coverage that responds to the realities of modern technology where traditional liability policies do not. If you are operating in cyberspace, you may want to evaluate your own exposure to Internet liabilities in order to determine the extent of your insurance needs. Below are three main risks today's Internet businesses face:

**Intellectual Property Risks.** Currently, the Internet allows for the reproduction of logos, trademarks, and other copyrighted material through software and downloads. This technology could infringe upon the rights of other parties. Also, losses could arise if the enabling technology fails to perform as expected or guaranteed.

**Media Liability Risks.** As you surf the Internet to provide and promote your products and services, consider the risks associated with the creation, manipulation, or dissemination of content found in cyberspace. Some issues to consider are copyright and trademark infringement claims resulting from the use of published material, defamation suits caused by the broadcasting of libel and slander throughout global chat rooms, and invasion of privacy claims from tracking files that monitor user visits (i.e., "cookies").

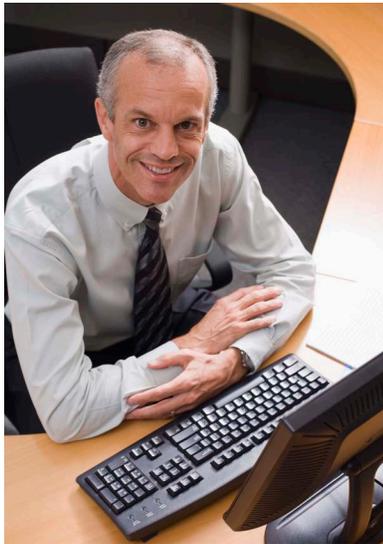
**Breaches of Security Risks.** Information that is provided by you online could expose you to risk of loss if that information is stolen, damaged, or released without your consent. Security breaches or loss of data can occur by error (e.g., system malfunction) or malicious intent (e.g., computer hackers).

## What to Do?

As you conduct business on the Internet, your risks and exposure to associated risks may vary. Here are a few tips about insurance coverage for online activities that may help you navigate the web of potential liabilities:

- Review your **liability, property,** and other **insurance** policies for coverage in those geographic locations where you intend to work. Generally, insurance policies limit coverage to specific geographic regions, so you may not be protected against claims instigated in other countries.
- Consider purchasing specialized insurance policies that are similar to those purchased by media and communications professionals. Generally, companies using the Internet to provide or promote products and services are subject to the same risks as companies in the media industry.
- Attempt to obtain **business interruption insurance** that is not specifically tied to a physical event or occurrence. For example, loss of Internet service that could prevent you from conducting business could result from system viruses and other technological breakdowns.
- Develop and maintain a formal, written business Internet and intranet policy, a policy for responding to and remedying complaints, and procedures for dealing with independent contractors and consultants. Be sure to train your employees accordingly.

As you conduct business in cyberspace, consider your company's online liability risks and the insurance you may need to protect your interests. One of our qualified insurance professionals can assist you in obtaining the appropriate coverage before a virtual malfunction becomes a real world loss.



## Did You Know?

### Workers Confident in Economy

According to the recent Randstad Employee Confidence Index, America's workforce is feeling more self-assured, conveying some of the highest levels of confidence since the recession hit in 2007. The Index measures employee attitudes toward the economy, their employers, and the job market. The Randstad Index rose 56.8 points in June, which is a 2 point rise in overall confidence since May. The survey was conducted by Harris Interactive and included 1,351 employees in the U.S. ages 18 and older.

### Revenue Growth Predicted in 2013

Eighty-two percent of industrial manufacturers predict revenue growth in 2013 with only 3% anticipating negative growth, according to the Q2 2013 Manufacturing Barometer by PwC U.S. Confidence regarding the U.S. financial position was 63% during Q2, up from 55% in Q1. In addition, 72% of respondents believed the U.S. economy grew in Q2, up 10 points from Q1. Simultaneously, response to the global economy remains cautious with only 31% expressing optimism.

### Big Data Becoming a "Must Have"

Techaile's study, World-wide Big Data Adoption & Trends, shows that 18% of mid-market businesses currently invest in Big Data. Another 25% are planning to invest in Big Data. The potential of examining multiple data points that can lead to business insight is too great to ignore. The larger the company size, the more Big Data becomes a "must have", with 29% believing it is an important part of their business decision-making process.