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Hot Topics in Insurance: Insuring a New Venture; Managing the Risk of Supply Chain disruptions; Personal Autos Used for Business

What do you need to properly insure your new business venture? Your business's legal status has many insurance implications. If you own outright or hold a majority interest in a newly acquired or formed organization, your current commercial general liability (CGL) coverage might not provide insurance coverage for that business.

Most CGL policies will automatically extend coverage for the new entity for up to 90 days or the end of the policy term, whichever comes first, provided the new entity is a corporation or a sole proprietorship. There is no automatic extension in most policies if the new entity is a partnership, LLC or joint venture.

There are solutions. Sometimes the new entity can be added to an existing CGL policy. Other insurers will require a separate policy.

Considering making a change? Call our service team while you are in the planning stages so we can help you cover your new business seamlessly.

How to insure against supply chain disruptions? It used to be that only the "big guys" had global operations. Not so anymore. The word "global" is part of discussions concerning supply chain management in many of the nation's businesses.

Retailers, manufacturers and service providers depend on goods from sources beyond the borders of local communities, even outside of the U.S. While you may not consider your business global, the products and materials that make your business possible probably do come from abroad. From the parts in your computers and autos to the lamps that light your office, your business is integrated to the worldwide supply chain.

Consider the economic loss to your business if a storm on Southeast Asia closes the port that normally ships the raw materials you use to manufacture your product or if a trade dispute between the European Union and China causes goods to be held up during shipment. Such situations could cost end-users millions in lost revenue.

Unfortunately, most forms of business interruption insurance will not cover your economic loss in these situations. The reason: Standard business interruption policies are designed to cover losses you suffer directly, not the consequences of problems elsewhere. All hope is not lost, but obtaining coverage requires action. It may be possible to amend your current business interruption policy, but often a separate policy change is needed. One thing is certain: Failure to address this need could result in lost revenue and significant out-of-pocket expenses incurred while seeking alternate suppliers.

If your business relies upon foreign suppliers, call our service team to see if there is business interruption insurance that can help your company protect itself against supply chain disruptions.