

Your Business

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Driving for work? Make sure you meet the commercial auto requirements

If you or your employees drive a company vehicle for work, it is important for you to understand business vehicle coverage and its requirements. Business vehicle coverage, otherwise known as commercial auto insurance, helps cover the costs if you or an employee is in a car accident while driving a company-owned vehicle, while in the course of business. Liability coverage for bodily injury and property damage applies if there is a collision with a pedestrian, another vehicle or some other inanimate object, such as a telephone pole or a mailbox.

Personal auto policies do not cover the business use of a vehicle unless it is a private passenger auto, pickup truck or van. Even then, there is no coverage for these vehicles while used as a public or livery conveyance (e.g., Uber, Lyft), or while used in a garage business. Business owners need to purchase a commercial auto policy if they own, lease or rent business vehicles; if they have employees who drive their own vehicles to conduct business; or if other vehicles, such as a customer's vehicle, are driven by you or

your employees. A truckers or motor carriers policy would be needed for any person or organization engaged in the business of transporting property by auto for hire.

You should become familiar with the minimum financial responsibility requirements applicable to your state. The requirements for liability in New Jersey are \$15,000 per person for bodily injury, \$30,000 per accident for bodily injury, and \$5,000 per accident for property damage. If a vehicle is engaged in transporting passengers for hire, various limits will be required based on the seating capacity. Tow trucks have special limits and truckers can be subject to federal liability requirements.

In most cases, the minimum state requirements are not enough to adequately protect you. Please give our office a call to discuss the commercial auto policy that is right for you and the limits you should purchase to protect your business. We look forward to hearing from you.



Business interruption insurance—it's a little complicated

COVID-19 is affecting our lives and businesses—not just here, but around the globe. From business interruption to supply chains being drained, and travel and event cancellations, we are seeing COVID-19's impact. Please be assured that we are here for you should you need us.



No doubt you now are educated on the need for a covered peril in order to trigger business interruption insurance—whether you are losing income (business income coverage) or need to conduct business at an alternate location in order to reduce your lost income (extra expense coverage). In most cases, COVID-19 shutdowns are not going to be a covered peril. Some other perils that are not covered in standard forms are cyber events, floods, earthquakes, mechanical breakdowns (including boiler explosions), and the failure of power, communication, water or other utility service to the business premises. Fortunately, there are means to cover these perils with appropriate forms and endorsements.

The complexity does not end there. You will need to consider the length of time it will take to resume business following a loss. Will new building ordinances or laws prolong the time it takes to rebuild? Then you need to anticipate how long it will take for your business to achieve the same level of income prior to the loss, once you have resumed your business. Looking back—

and projecting into the future—you will need to establish the maximum potential income loss you could incur for the next 12 months. These considerations will guide you in choosing a limit and the appropriate coinsurance percentage. You also will want to decide how long a period you are willing to wait after a loss for business income payments to begin, which is called the waiting period.

Some businesses are dependent on the survival of other businesses (e.g., suppliers, customers, leader locations). If this applies to your business, you may want to protect your income if the business upon which you are dependent suffers a property loss. If a civil authority prevents access to your property following a covered loss to property nearby, you must decide how long you want the lost income coverage to last. Your policy can be amended to protect your income for most of these variables.

You can do your own research on what it will take to properly insure your business, or you can call our agency to arrange a consultation about business interruption coverage. We are here when you need us.

Insuring your seasonal business



If your business relies heavily on one season each year, it's imperative that you consider purchasing a seasonal business policy. Examples of seasonal businesses include costume shops for Halloween, Christmas tree vendors, recreational facilities, ski resorts, amusement parks, public pools or pool maintenance services, etc.

Seasonal business insurance is important because it offers coverage for a host of issues that may arise. If your business may be susceptible to the following scenarios, you should consider purchasing a seasonal business policy:

- Your business is a venue for one-off events, like concerts, live theatre, etc. A performance is canceled, and now you are responsible for refunding tickets, and you could be out any money spent on food, beverages or other merchandise before the event was canceled.
- Similarly, you must cancel an event at your space because weather damage

has rendered the venue inoperable until repairs are made.

- You rent out your business space for a pop-up store, and an employee or customer of that pop-up store is injured on your businesses' property.
- The weather impedes on your business because your business relies on the

your business caused by weather, or even loss of revenue that you could have made had things gone according to plan.

But it also is important to understand why seasonal business insurance isn't for every business owner. If your business earns a significant portion of its revenue during a specific season; if your business relies on the

weather for its business, such as a public swimming pool or ski lodge; or if your business operates only during a specific season, then you should have seasonal business coverage to ensure that you are covered should the

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weather to behave a certain way, like snow at a ski resort or sunny weather at a water park.

- Business is unusually slow, during a season that your business relies heavily on its annual income.

A seasonal insurance policy can cover these mishaps should they occur. This coverage could help pay for ticket refunds, damage to

unexpected happen and sales go down as a result.

Unsure if you should have a seasonal business insurance policy? Give our office a call today and we will be happy to discuss with you all the options to best protect you and your business. We look forward to hearing from you.



Signing triple net leases—what now?

Congratulations! But what does this really mean for you?

Here's a little background: Triple net leases are popular when leasing commercial space. They are different from other types of leases because they give landlords a means to shift some of their operating costs onto tenants, while often lowering the tenant's rental obligations. Particularly, a tenant agrees to pay property taxes, maintenance fees and insurance costs for the landlord through a triple net lease.

How does a triple net lease affect your business's insurance policy? Traditionally, a tenant is responsible for insuring his or her business, which would include

coverage for liability in the event of an accident and for damage to the business's personal property. A landlord is responsible for insuring the building itself. A triple net lease shifts the responsibility to insure the building from the landlord to the tenant. In other words, you would be required to purchase additional insurance coverage to satisfy the terms of the lease.

Your triple net lease might require you to purchase more or less coverage than described above. It is not uncommon for a landlord to include provisions in the triple net lease requiring the lessee to purchase "specialty" insurance. This can include "natural disaster" policies, such as

flood insurance and earthquake insurance, as well as coverages designed for specific types of businesses. For example, a landlord may require the owner of a bar or restaurant to purchase liquor liability coverage as part of the terms of the lease. The exact types of coverage will vary from lease to lease. Therefore, it is imperative that you discuss your insurance obligations with an insurance professional to ensure that you are procuring the coverage that your contract requires, and that best protects your business.

Have questions about triple net leases? Give our office a call today. We look forward to hearing from you.

News from our agency

We won't let you down

When times get hard, we won't let you down.

We realize that the COVID-19 pandemic has changed your business drastically. We want you to know that not *everything* has changed. We are and always will be right here for you to guide you when things get hard. Let's talk about your current insurance coverages or discuss additional coverages you may need for your business.

Give us a phone call or send us an email, any time. You are essential to us.

