

# BE PROACTIVE

The best way to protect your business against a disaster is by being proactive.

## READ YOUR POLICY

Read your policy carefully to make sure you know what is covered and if there are any exclusions. If you do not have supplemental insurance, you may want to add additional coverage to help insure your business from certain excluded risks. Insurers are required to advise customers of policy changes, but make sure to read every renewal notice so you do not miss any updated information.

## ASK YOUR AGENT

If you have a question or concern about what your commercial insurance policy covers, ask your insurance agent. Sometimes insurance agents do not explain all the nuances of a policy. Ask specific questions about coverages and exclusions.



## BE PREPARED

Storms, hurricanes, floods, and other disasters happen. If you have policies that require deductibles, make sure you save enough money so you will be prepared when an event eventually occurs. Prepare the best you can to protect yourself and your business.



# IS YOUR BUSINESS STORM PROOF?

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# PROTECTING YOUR BUSINESS

Commercial Insurance includes a broad range of insurance policy options created to protect a business from a financial loss. Commercial property insurance is one of those options designed to protect the physical property of the business. While insurance coverages vary and every commercial operation is different and has its own unique sets of risks, commercial insurance can help pay for repairs or replace damaged physical property, protecting your company investment.

**WHAT IS COMMERCIAL PROPERTY INSURANCE?**

If you are a business owner, it is important to match your commercial property insurance to the company you own. Having the right policy coverage can save you money and time in the event of a storm or other disaster that causes you to need to make a claim.

Commercial building insurance can typically cover damages caused by fire, theft, vandalism, or windstorms; however, every policy has some exclusions. Generally standard property insurance policies exclude coverage for damages or losses caused by hurricanes or flood damage. Since most policies do not account for storm related risks, it is important as a business owner to protect your business property by purchasing Hurricane Insurance Coverage and Commercial Flood Insurance.

## HURRICANE INSURANCE COVERAGE

Business that do not have the right type and amount of insurance could face losses that can wreck their bottom line therefore devastating a company. According to the Insurance Information Institute, an estimated 25 percent of all businesses that sustain destructive damages caused by a major disaster, such as a hurricane or flood, never reopen.

The state of Florida has been impacted by seven of the ten costliest hurricanes in the United States. While many people prepare their homes for severe weather, sometimes businesses are not adequately covered.



Hurricane insurance can help provide peace of mind to business owners. Hurricane deductibles usually are calculated as a percentage of the dollar amount of coverage on the business structure or as a flat dollar amount like a normal deductible.

In Florida, the application of a hurricane deductible is triggered by damages or losses sustained by a hurricane watch or where a tropical storm is declared by the National Weather Service. Deductibles typically apply for damages that happen during a hurricane watch or warning and up to 72 hours after the watch or warning ends or is cancelled.

## COMMERCIAL FLOOD INSURANCE

Commercial Flood Insurance is designed to help protect businesses from costs associated with floodwater damages. Most commercial property policies exclude flood damage as a covered cause of loss, by purchasing a separate policy you can help protect your business.

A flood insurance policy protects the location of your business. Adding an additional policy can help cover personal property, including the physical contents of the building. In the event of a flood, your business could have water damage to floors, walls, ceilings, equipment, and inventory and flood insurance helps protect your business assets.

## BUSINESS INTERRUPTION INSURANCE

After Hurricane Katrina and Hurricane Rita in 2005, approximately 81,000 businesses were damaged. While some never reopened, those that did suffered financial hardships due to prolonged recovery and rebuild time without any incoming revenue.

Business Interruption Insurance or Business Income Insurance is another supplemental policy designed to help offset expenses when a hurricane or storm keeps your business from operating.



Business Interruption Insurance can cover up to twelve months of lost income when certain disasters force you to put your business operations on hold. The policy can assist with costs associated with being out of business temporarily when it can not generate revenue, such as:

- Profits you would have earned based off your financial records
- Ongoing expenses, like electricity
- The extra expense if a business must operate out of a temporary location

**REPLACEMENT COST VERSES ACTUAL CASH VALUE COVERAGE**

Most commercial property policies provide a replacement cost coverage or actual cash value coverage and some policies offer a combination of both.

### REPLACEMENT COST COVERAGE

Replacement Cost Coverage pays to repair your property or rebuild your property based on current construction costs. The replacement cost is not the same as market value so it does not include the value of your land.

### ACTUAL CASH VALUE COVERAGE

Actual cash value coverage pays to repair your property or rebuild your property minus the costs of depreciation. Depreciation is the decrease in value due to age, and wear and tear. In the event that your business is destroyed due to some unforeseen disaster and you only have an actual cash value coverage policy, it may cost much more to rebuild than what the insurance company will pay out.