

Insuring Your Business for a Disaster



Consumers 1-800-686-1526 • OSHIIP 1-800-686-1578 • Fraud & Enforcement 1-800-686-1527

Disasters of any type can strike at any time and often without warning. If your business isn't properly insured, it may take months or years to get your business back up and running. The following tips can help you be prepared in case of disaster:

- When any type of property insurance purchase is being considered, it's important to have your property value assessed before, and periodically thereafter. Be sure to keep copies of receipts for equipment, furniture and other valuable items in the event your premises are destroyed. Keep physical photos of your property in another location as well as digital pictures that you store on your computer or with a web service. Discuss with your agent data protection coverage.
- If you lease your building or offices, do not rely on your landlord to provide coverage for your business property. The building will typically provide insurance only for the basic structure and common areas. Read your lease carefully – there may be other requirements or penalties in the fine print. Check to see what is and is not covered, so that you are fully protected if something happens to your property and equipment or if someone decides to sue you for damages caused by you or one of your employees.
- Consider purchasing business interruption/continuation insurance. This type of insurance covers lost earnings due to a circumstance covered by one of the property insurance plans you purchased, such as a fire or theft that shuts down your business for an extended period of time. Business interruption/continuation insurance covers expenses associated with running a business, such as payroll and utility bills, based on the company's financial records. Business interruption/continuation coverage can be added to a property insurance policy or purchased as part of a package insurance product.
- Business owners might be concerned about having to shut down their operations due to an outbreak or absenteeism. Check your business interruption policy to see what eventualities will trigger coverage under your plan. Coverage generally requires the interruption to be caused by physical damage or loss (e.g., fire or weather). Business interruption policies generally will not be triggered by epidemic or pandemic warnings or alerts from public officials. Business owners will need to rely on existing risk management and business continuity plans to mitigate losses due to emerging public health crises.
- Even if you purchase business interruption coverage, make sure you have sufficient funds to tide you over the first few days. This type of coverage typically doesn't kick in for a specified time period after a disrupting incident occurs. The time period will be listed in your policy.
- Costs for business interruption coverage are tied to the type of small business you operate. For example, less business interruption coverage would be needed following a fire at a travel agency versus an art gallery, assuming that it would take more time for an art gallery to recover from a fire.

For more information about your business's insurance needs, call the Department's Consumer Hotline at **1-800-686-1526** or visit **www.insurance.ohio.gov**.

John R. Kasich
Governor



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