



THE Insurancenter NEWSLETTER

WINTER 2020

Homeowner's Policy Won't Cover Home Business



WITH MANY people working from home or having been laid off due to the COVID-19 pandemic, many Americans now have or are planning to start a home-based business.

But will your homeowner's policy cover the risks of a home-based business? In nearly every case, the answer is no.

While some insurers will offer special endorsements, such as one to run a child-care operation from home, fewer and fewer companies have been offering them.

Even with a special endorsement, policies may provide limited coverage for business property. The bottom line is, nearly all homeowner's policies exclude business operations and not having proper coverage in place can leave you with uninsured exposure.

This is why you need separate business insurance to cover your home-based business risks.

Home-based business owners may feel that they do not need coverage because nobody steps foot on their premises. Even if this is true, liability claims often happen away from the business premises.

The case for coverage

A business owner's policy protects the unique interests and property of a business owner. This package policy includes nearly all of the coverage you need.

Business insurance covers you in situations where someone takes action for information on your website, or if someone is injured by the product, or service, you provide.

Off-premises injury can occur when someone trips on or is injured by property you

have taken into the field, such as to a trade show or if you are working at a customer's location.

Additionally, business policies include coverage for personal injury lawsuits, should someone take legal action against you for things like libel or slander.

Business insurance will also cover theft of or damage to equipment, furniture, inventory and any other physical assets.

Moreover, a business policy usually covers loss of income as a result of a covered loss. Policies may also cover valuable papers, damage to property of others, property coverage off-premises, and more.

However, if you are providing professional advice, consulting or other non-tangible professional services, you may also need a professional liability policy. In addition, if you have any employees, you are usually required by law to get worker's compensation insurance.

You'll also need a commercial auto policy if you have a business vehicle. Depending on the type and size of your business, you may need other coverages too.

The takeaway

Hoping that your homeowner's policy is going to cover you in the event of a claim will leave you frustrated if your business experiences a loss.

Businesses have a much higher risk than a homeowner's policy allows for, and homeowner's claims adjusters will quickly deny coverage for business-related claims in the event of a loss. Call us today to explore your business insurance needs and options. ❖

Welcome to *The Insurancenter Newsletter!*

It is with great satisfaction that we bring this newsletter to you. In this issue and in coming months, we will discuss pertinent risk management topics which may affect you and your family. We sincerely hope that you will find this newsletter informative and please do not hesitate to contact us should you have any questions or needs. — Douglas Nellans



You Can Do Better With Us!

How to Avoid the Costliest Fire Claims

THE KITCHEN is one of the most common sources of home fires, and the results of cooking fires are the most expensive to repair.

The average cooking fire ends up costing more than \$30,000, which is four times higher than the next most expensive type of homeowner's claim, according to a new study by Nationwide Insurance. Most kitchen fires occur in March – followed by April, December, October and May – but they can of course occur at anytime.

As such, you should take steps and precautions to make sure you don't suffer a cooking fire in your own home.

Cooking fires accounted for 32% of all fire claims experienced by Nationwide last year, followed by electrical system fires, 25%. Appliance fires accounted for 11% of the insurer's fire claims, followed by wood-burning fireplaces, 10%. Another 21% of its fire claims were the result of an unknown cause.

Prevention tips

- Always keep what you are cooking in sight and never leave the stove unattended.
- Stay alert when cooking, particularly with oil. Know the warning signs of when a fire might start. Cooking oil smokes to give us a warning as it approaches its auto-ignition point of roughly 750 degrees. If you see smoke coming from your oil, shut off the heat and remove the pan from the stove immediately.
- Keep things that can catch fire away from heat.
- Practice your fire escape plan. Know two ways out.
- Keep children and pets away from the cooking area.
- Install and use cooking appliances as per directions.
- Have working smoke alarms.

Know what to do if you have a cooking fire

- Never grab a burning pan.
- Never use water on a grease fire. A little cup of water will send the flaming oil spraying through the kitchen, and possibly even you.
- In case of a grease fire, grab an oven mitt and a tight-fitting cover, slide the cover right over the side and turn the stove off. Leave it for 10 to 20 minutes. If there is no cover close by, use a cookie sheet.
- In case of an oven fire, immediately close the oven door and turn it off. If the fire doesn't go out right away, call the fire department. Have the oven inspected and repaired before you use it again.

A word about fire extinguishers

Keep a fire extinguisher in your kitchen. Get one that's labeled as safe to use on any kind of fire, and keep it within easy reach.

If a fire starts:

- Point the extinguisher toward the base of the fire.
- Holding it by the handle, press down on the lever on the fire extinguisher; just let go when you want to stop.
- Spray horizontally back and forth across the fire until it's extinguished, remembering to aim low.

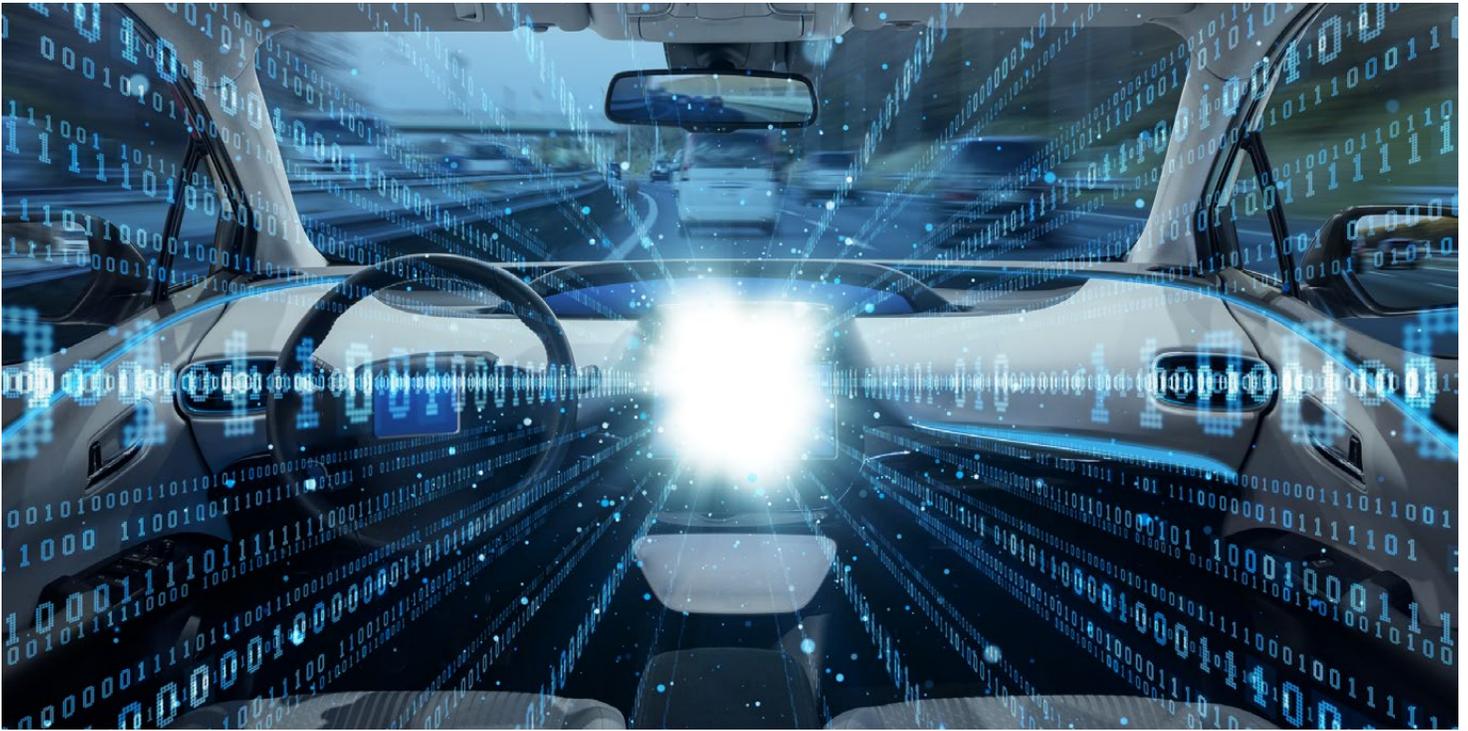
Tip: Baking soda is also an important ingredient in any kitchen, and not just for baking cookies. If a fire breaks out on an electric stovetop or if you don't have anything available to smother a grease fire, grab a box of baking soda and pour it generously on the flames. Baking soda will help to extinguish a small fire, but you may need several boxes of it. ❖

COOKING FIRES KILL

During the five-year period from 2015 through 2019, some 173,200 home fires started in U.S. kitchens, according to the National Fire Protection Association. Each year these fires:

- Caused 550 deaths
- Caused 5,020 injuries
- Resulted in \$479 million of direct property damage
- Accounted for 40% of home fire injuries and 15% of the direct property damage.

Your Car Is a Rich Target for Information Thieves



PICTURE A sedan driving on a highway. It has Bluetooth capability, allowing the driver to make and receive phone calls without taking her hands off the steering wheel.

The contacts stored on her smartphone are accessible from a menu displayable on the dashboard, allowing her to call a friend with one press of a button. Just as easily, she can choose songs stored on her phone or scan radio stations.

The car also has a GPS system that shows her location and where she is going. But all of these conveniences make information available to skilled cyber criminals.

A recent report by British price comparison company Uswitch showed that cyber attacks on vehicles in the United Kingdom that are connected to computer networks grew seven-fold between 2016 and 2019. The number of attacks rose by 99% just between 2018 and 2019. Experts expect those numbers to get worse.

While our driver might be uncomfortable with the idea of a stranger knowing what she's listening to, the problem is more serious than that. Multiple parts of a modern car are computer-controlled, including:

- The mechanism for locking and unlocking the vehicle
- Bluetooth technology
- Onboard diagnostic systems
- Steering and braking
- Engine and transmission
- Tire pressure monitoring
- Airbags

Hackers break into cars by exploiting security flaws in their software and those in smartphone apps that connect to them.

WHAT CAR HACKERS CAN DO

- Scan for the signal that a key fob uses to communicate with a car and use that signal to unlock it, thus enabling an easy theft.
- Take control of climate control systems, leading to drained batteries, a serious problem for electric vehicles.
- Take control of braking and acceleration.
- Turn the engine on and off.
- Identify the vehicle's location.
- Access contact information (names, phone numbers, e-mail addresses).

How to protect your car and data

There are some steps drivers can take to protect themselves:

- Limit the number of phone connections and personal data shared with the car.
- Regularly install app security patches.
- Download apps from reliable sources (Apple and Android stores)
- Monitor how a newly installed app affects the phone's battery life. Malicious apps running constantly in the background will weaken the battery.

Modern cars offer multiple conveniences that make traveling more pleasant, but those conveniences come with risks. Car owners must keep these risks in mind when they choose cars and apps for their smartphones. ❖

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Here's how it works:

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- It's really that simple!
- Rules and conditions are posted on our agency's website.
- Thank you for talking about The Insurancenter!

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