

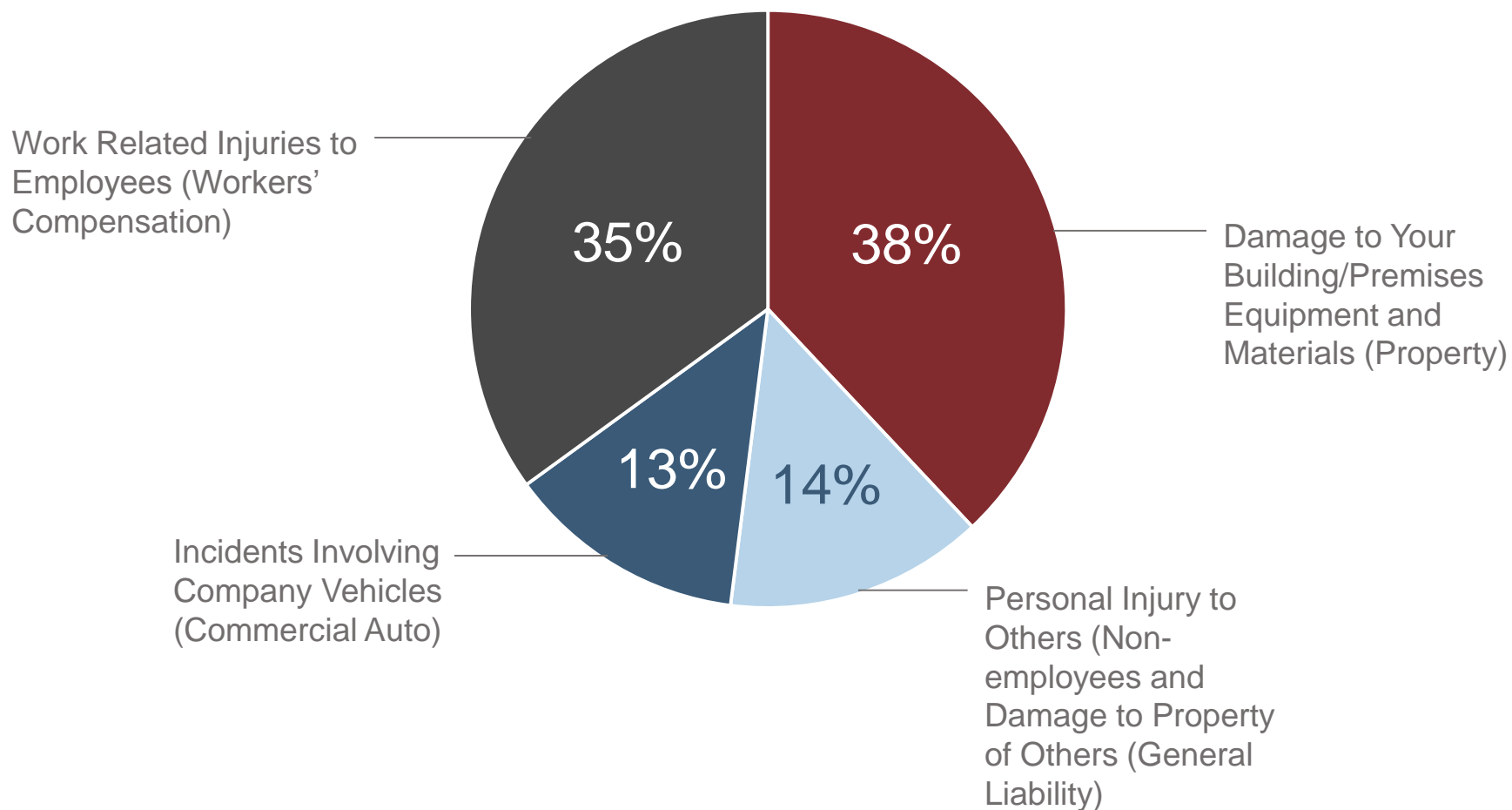
SMALL COMMERCIAL INSURANCE



Agenda

1. **The Basics:** General Liability, Property, BOP (Business Owners' Policy) Workers' Compensation, Commercial Auto
2. **Other Important Coverage You Might Not Be Aware Of:** Data Breach, Business Income, Employment Practices Liability, Professional Liability
3. **Emerging Trends:** Insurance Distribution, Online Purchasing, Climate Change and Catastrophic Events
4. **Where You Can Go To Learn More**
5. **Q&A**

The Basics



The Basics - Business Owners' Policy

GENERAL LIABILITY

Covers your business in the event your business is responsible for causing harm to a person and/or damage to property. It also helps cover the cost of your defense



PROPERTY

Protects the property your business owns, leases or rents, including things like buildings, equipment, inventory, furniture and fixtures. It provides coverage for damaged computers and media and loss of accounts receivable records



BOP

Important things to consider...

- Know your exposures:
 - Customer slip and falls
 - Product Liability
 - Theft
 - Fire
- Businesses are different; your policy should be tailored to your specific needs
- Not all BOP's are created equal
- What does your homeowner's policy cover?

The Basics - Workers' Compensation

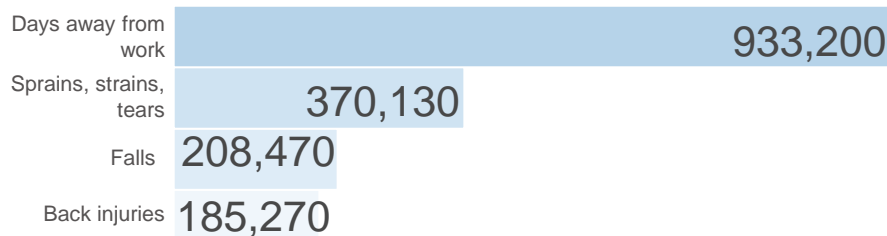
WORKERS' COMPENSATION

Workers' comp provides benefits to your employees for work-related injuries or illnesses. This includes medical care, wages from lost work time, rehab, disability benefits and survivor or death benefit. Workers' compensation insurance is required by law in almost every state. Each state's rules and requirements vary significantly.

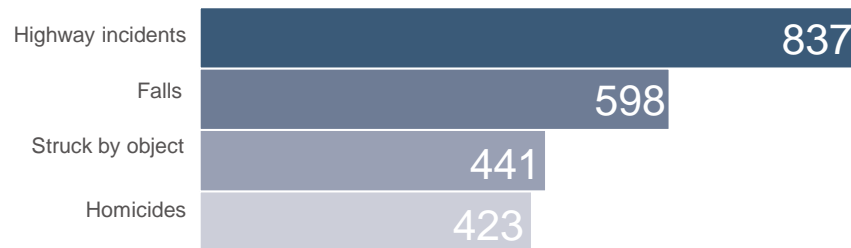
Important things to consider...

- Know your exposures
- Know your risks
 - Employee lawsuits
 - Loss of earnings / Lost time
 - State fines
- Pay-as-you-go Worker's Compensation
- Safety Programs
- Return To Work Programs
- Experience Mods

Nonfatal Injuries and Illnesses, 2010



Fatal Injuries, 2010



The Basics - Commercial Auto

COMMERCIAL AUTO

Covers the business owner for autos they own, as well as personal, non-owned, or hired autos used in the business

Important things to consider...

- Business Auto policy vs. Personal Auto policy

TAKE THIS FIVE-QUESTION DRIVING TEST

If you answer 'yes' to any of them, you may need business auto coverage.

Do you have vehicles that are registered in your business name?	YES	NO
Do your employees drive the vehicles registered in your business name?	YES	NO
Do your employees drive their own vehicles as a function of the day to day business operations?	YES	NO
Does your business own a larger truck with a gross vehicle weight greater than 10 tons?	YES	NO
Do you have permanently attached equipment on your business vehicle used for the day to day business operations?	YES	NO

- Know your risks – financial loss to the business from:
 - Lawsuits for at-fault accidents / injury to others / property damage
 - Damage to vehicles

IMPORTANT COVERAGE YOU MIGHT NOT BE AWARE OF



Important Coverage You Might Not Be Aware of – Business Income

What is it?

Business Income Insurance covers lost income when a business is forced to close due to direct physical loss or damage to its premises resulting from a covered cause of loss.

- Business Income coverage is intended to “make the business whole” and return it to the fiscal position it would have been in had no loss occurred
- Generally pays for continuing expenses like:
 - Rent
 - Utilities
 - Mortgage payments




Important Coverage You Might Not Be Aware of – Business Income

Why you need it?

This optional coverage can help protect your:

- **Fiscal Position**
 - Meant to put the customer in the same fiscal position they would be in if no loss had occurred
- **Business Existence**
 - Helps protect the existence of the business itself
- **Employees**
 - Allows business owners to continue payroll



Loss of business income is a **PRIMARY** reason most businesses do not reopen after a serious loss

43%*
of businesses that experience a serious loss
NEVER REOPEN

*Source: http://www.iamagazine/NewsViews/2011/June_30/Forms-Substance.aspx
Continuing expense coverage can be included for up to 12 months

Important Coverage You Might Not Be Aware of – Business Income

What are your coverage options?

Off-Premise Utility services

Provides business income coverage if an interruption in services due to physical loss or damage to power, water or communication services causing the business to shut down

Dependent Properties Coverage

If a business' income is curtailed due to the physical loss or damage to a dependent property, such as an anchor store or major supplier, customer, or manufacturer

Electronic Vandalism

Covers the loss of business income resulting from the loss or damage to property due to network and data attacks

Extended Business Income

Provides coverage after a business has resumed, but not regained, the level of income that existed prior to the loss

Important Coverage You Might Not Be Aware of – Data Breach

What is a Data Breach?

A data breach is the loss, theft, accidental release or accidental publication of Personally Identifiable Information – whether stored electronically or in paper files.

- It can occur in simple ways, such as employee oversight, unauthorized access, or lost electronic devices
- Personally Identifiable Information includes:
 - Social security numbers
 - Bank account numbers
 - Credit or debit card numbers
 - Driver's license numbers
 - Patient history and medications



1 in 3
data breaches
investigated in 2012
were from organizations
with < 100 employees*

*Source: Percentages are approximations based on the Verizon 20B Data Breach Investigations Report

Important Coverage You Might Not Be Aware of – Data Breach

Why do you need data breach coverage?

This optional coverage can help protect your:

- **Fiscal Position**
 - Help defray costs associated with notifying impacted parties, potential fines or penalties, costs with civil litigation brought on by an impacted party
- **Time**
 - Help navigate and comply with 51 different laws governing 50 jurisdictions
- **Reputation**
 - Help minimize loss of trust and damaged reputation in your industry



\$188
average cost
per breached
record*

*Source: 2013 Cost of a Data Breach Study, United States, Ponemon Institute LLC, Report Date: May 2013

Important Coverage You Might Not Be Aware of – Data Breach

What can be included in this optional coverage?

Response Expenses Coverage

Coverage to help you pay for expenses associated with responding to a breach like proper notification of impacted individuals

Defense Expenses Coverage

Coverage to help pay for defense costs and any awards, settlements or judgments you're legally obligated to pay resulting from a data breach incident

Proactive Breach Services

Access to proactive breach services through companies like Identity Theft 911 to help reduce the likelihood of a data breach

Breach Response Services

Access to breach response services to help you contain a breach if one occurs, including development of a customized breach response plan

Important Coverage You Might Not Be Aware of – EPLI

What is it?

If a small business experiences any actual or alleged acts of wrongdoing related to employment practices – such as wrongful termination, harassment or a violation of the Family and Medical Leave Act (FMLA).

- Employee-related charges have risen and occur more frequently than you might think
 - 6 out of 10 employers have faced an employment lawsuit in the past 5 years*
 - In 2012, almost 100,000 discrimination charges were filed resulting in \$365 million in damages**

*Impact of Retaliation Claims on Small Businesses, The Miami Herald, Sun, 07 08 12
<http://www.miamiherald.com/2012/07/08/2885220/impact-of-retaliation-claims-on.html>

**<http://www.eeoc.gov/eeoc/statistics/enforcement/all.cfm>

Important Coverage You Might Not Be Aware of – EPLI

Why you need it?

This optional coverage can help protect your:

- **Fiscal Position**
 - An employment practices lawsuit is expensive if you lose, but it's *also expensive if you win*
- **Time**
 - Extremely time-consuming to understand and navigate the complexities of civil litigations
- **Reputation**
 - Loss of employee trust after an allegation occurs, even if the employer was not at fault



Important Coverage You Might Not Be Aware of – EPLI

What can be included in this optional coverage?

Increased EPLI Limit

The opportunity to increase your base EPL coverage limit from \$10,000 up to \$1,000,000 by endorsement¹

Hartford Help Line

Access to a help line where you can talk directly to a lawyer for legal guidance

Proprietary Website Access

Access to a proprietary website with training on employment practices, sample forms, model practices & handbooks, relevant articles & trends

Important Coverage You Might Not Be Aware of – Professional Liability

What is it?

Protects the business owner if they are sued by a customer due to professional negligence, error, omission, or inaccurate advice



Important things to consider...

- “Must-have” coverage for professional service providers such as Consultants, Accountants, Beauticians, Printers, Florists, Graphic Designers, Tax Preparers, and Advertising Agencies
- Claims are expensive – Average \$30k per claim
- Available as a separate policy or endorsement to BOP



EMERGING TRENDS



Emerging Trends – Distribution

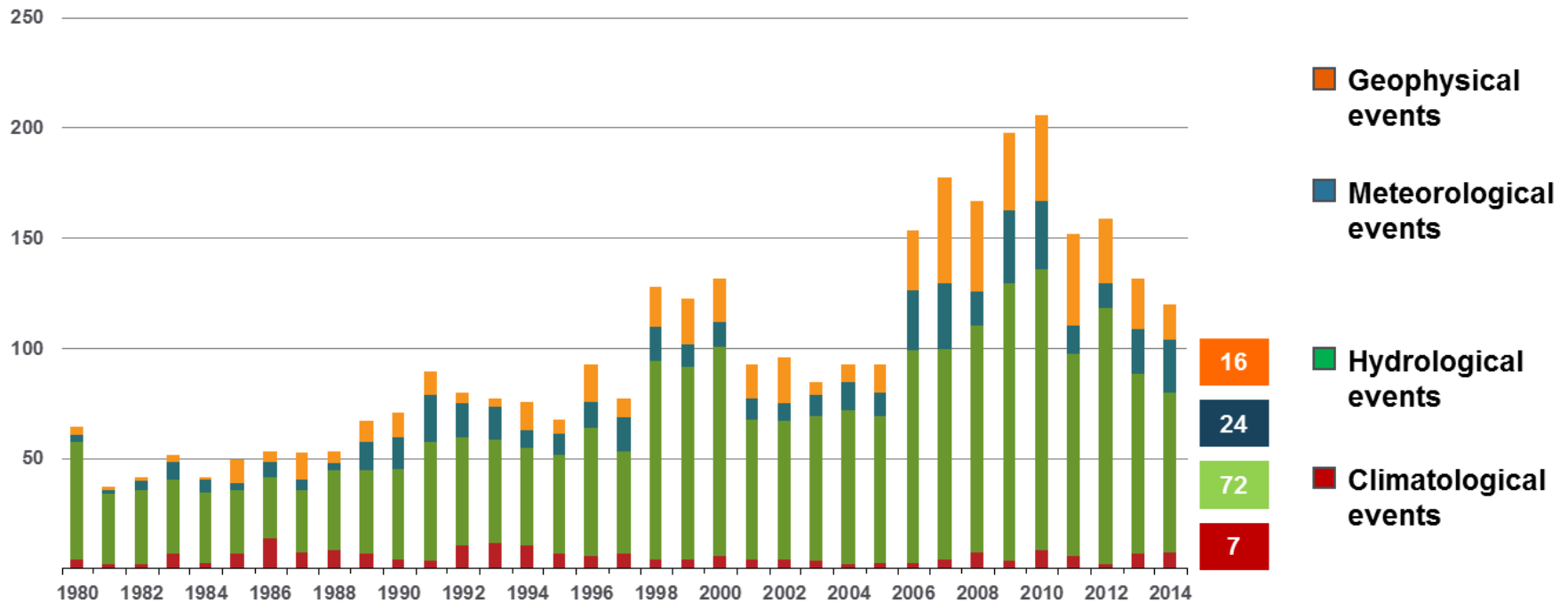
- Large Brokers Acquiring Smaller Agents
- Carrier “Direct”
- Online Aggregators & Multi-carrier rating
- Non-Traditional Distributors
 - Payroll companies
 - Personal Lines carriers
 - Banking / Accounting
 - Associations
- Big Data – Google, Telematics

Emerging Trends – Online Purchasing

- Increasing interest by business owners
- Improving technology and customer experience
- Benefits Some Shoppers' Preferences
 - Convenience
 - Speed / Quick Indications
- Risks and Challenges Remain
 - Thorough Consultation
 - Trusted Advisor
 - Difficult to Compare Options
 - Limited Options

Emerging Trends – Catastrophes / Climate Change

Number of Catastrophic Events in the US, 1980-2014



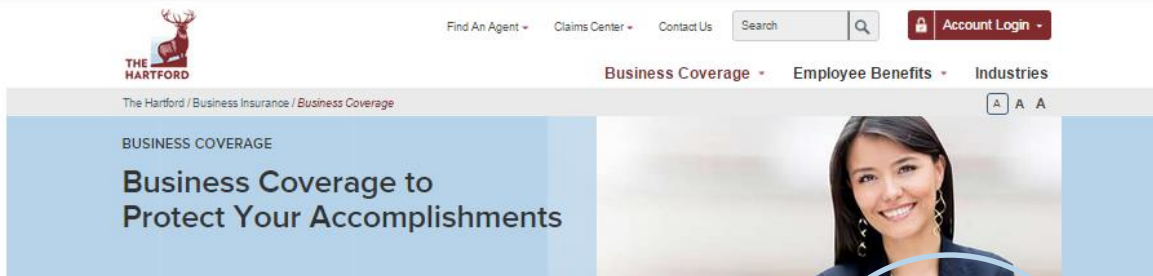
Source: Geo Risks Research, NatCatSERVICE

WHERE YOU CAN GO TO LEARN MORE



The Hartford Business Coverage Website

thehartford.com/business-coverage/



The Hartford's business insurance coverage offerings can help protect your business from the unexpected – so you can continue to thrive.

Share: [f](#) [in](#) [t](#) [s](#) [m](#)

Business Owner's Policy (BOP)

The Hartford's Business Owner's Policy (BOP) combines two of the most critical business insurance coverages - business property insurance and general liability protection – into one convenient policy.

Commercial Auto Insurance

The Hartford's commercial auto insurance provides coverage for you, your employees and the vehicles you own, lease, rent or borrow.

Commercial Flood Insurance

We offer commercial flood insurance through the National Flood Insurance Program that can shelter your business from hurricanes, rain, snow melts, and even flooding due to drainage caused by new developments.

Commercial Property Insurance

Business property insurance from The Hartford can help protect the property your business owns and leases, including things like medical equipment, inventory, furniture and fixtures.

Commercial Umbrella Insurance

The Hartford's commercial umbrella policy can increase your liability protection when a lawsuit maxes out the limits of your current coverage.

Data Breach Insurance

Data breach coverage from The Hartford can help you comply with regulatory requirements, provide guidance on how to prevent and handle a data breach and cover response and liability expenses to quickly restore confidence in your practice or business.

General Liability Insurance

The Hartford's general liability insurance provides your business with the financial protection that can help keep your assets from becoming vulnerable in the event of a lawsuit.

Global Insurance

The Hartford's International Choice is a package of coverage designed specifically for businesses and organizations that are engaged in international commerce without having permanent employees or physical plants overseas.

Looking for Coverage?

The Hartford makes it easy to get a quote online or through an agent.

1. Business Zip code

Enter Zip code

2. Number of Employees

Please select

3. Get Started

Current Customer?

Business Insurance Customers
Pay a bill, file a claim, request a certificate of insurance and more.

Visit the Online Business Service Center

Insurance 101

Check out our eGuides for answers to your questions about coverage, claims, costs and more.

Workers' Comp eGuide

Business Owner's Policy (BOP) eGuide

Commercial Auto eGuide

• Contact an agent / Get a Quote

• Link into deeper descriptions of insurance coverage

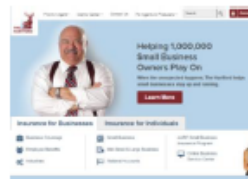
• Link to online learning guides

Other Useful Materials

Educational Materials Available On USB

- The Hartford Company Overview
- Small Commercial Overview
- Small Commercial Coverages Overview
- Small Commercial Business Owners Policy (BOP)
- Small Commercial (BOP) Business Income
- Small Commercial (BOP) Data Breach
- Small Commercial (BOP) Professional Liability
- Small Commercial Workers' Compensation
- Small Commercial Auto: Business vs. Personal

Other Resources Available Online



The Hartford.com – Learn about our products and services.
<http://www.thehartford.com/>



Educational Videos – Our animated short videos explain coverage in plain English.
<http://www.thehartford.com/sites/thehartford/files/sc-animated-videos.pdf>



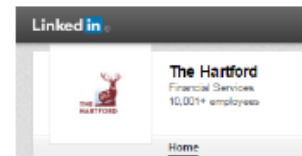
Small Biz Ahead – A digital magazine with big ideas, advice and insights to help you grow your small business.
<http://sba.thehartford.com/>



Business Owners Playbook – Resources to help you run your business more effectively.
<http://www.thehartford.com/business-playbook/>



Interactive Coverage Checklist: Help determine if you have too little, too much, or just the right amount of coverage for your business.
http://www.thehartford.com/dm/weather/checkup/_coverages.html



Social – Follow us today!
<https://www.linkedin.com/company/the-hartford>
<https://www.facebook.com/smallbizahead>
<https://twitter.com/smallbizahead>

Protecting the livelihoods of over 1,000,000 small business owners.
Visit <http://www.thehartford.com/smallbusiness>



Q&A



THANK YOU

