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**CORCORAN & HAVLIN
INSURANCE GROUP**

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RISK ADVISOR

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Let's Get Back to Business

The COVID-19 pandemic greatly changed how most people conduct businesses. Office employees have been working from home, restaurants have become pick-up or delivery only, and retailers have moved their sales online. With the continued rollout of vaccines across the country, more and more states are continuing to change their guidelines and reopening phases. As you prepare to reopen, or to restore your business to regular operations, you want to be sure that you have a safety & business plan that will help you to adapt & succeed in the new normal.

The pandemic has effected businesses of all sizes, so you're not alone if you're in uncharted territory from an operational standpoint.



The shutdown of businesses may have occurred quickly, but the reopening of them will be at a more gradual pace. 95% of the United States have been under some kind of lockdown since mid-March 2020 in order to prevent the spread of the virus. While essential businesses like grocery stores, gas stations, and

pharmacies have remained open (and mostly fully operational), other businesses will need to ease back into things when the time comes. In the meantime, there are things your business can start preparing for now, to be sure that your employees can remain healthy & safe when they return to the office.

Stagger the Return of Employees

Don't have all of your employees return to the workplace at once. Begin by slowing allowing employees to return with alternating shifts and workdays. This will reduce the number of employees on-site at any given time and lessens the chance of spreading the disease. Alternatively, you may choose to remain to have some of your employees working from home, or other remote location.



Monitor Employee's Health

Businesses should develop a clearly-defined plan to monitor the ongoing health of their employees. To help keep your worker safe, their temperatures should be screened regularly. If any of your employees become ill, make sure that you have a plan in place to isolate them immediately. It's also a good idea initially, to continue the practices of providing & wearing facemasks or other protective gear to stop the potential spread of the virus.

More Cleaning!

All surfaces in the workplace should be disinfected & thoroughly cleaned on a regular basis. Commonly touched items, such as doorknobs, light switches, phones, keyboards, etc. should



be wiped down multiple times throughout the day. Even when COVID is behind us, this is still a practice to keep in mind. Deep-cleaning should also be utilized throughout the year. This ensures that floors and other common areas remain cleaned & sanitized.

Limit Gatherings

Currently, most common areas within workplaces have been closed. These include areas like conference rooms or cafeterias. Some have reopened, with a smaller capacity limit, or with the distancing of tables or chairs. When these areas are allowed to reopen, allow your employees to enter them gradually. Even when given the go ahead by the state, it will still be safer *not* to cram all employees in the conference room to attend a meeting. If employees are able to attend virtually, this will be encouraged for the first few months of reopening.

Weathering the Season

The summer brings warm weather, sunshine and longer days, but with these pleasantries can come severe weather events which can wreak havoc on your commercial properties. Storm/severe weather season typically starts around the beginning of June and can extend through late November. It's important during this season to monitor weather forecasts regularly, and pay close attention if a storm is predicted. Stay informed by your local media & news outlets.



Being proactive with your summer preparedness is vital to reducing the amount of loss your business may suffer. High winds & heavy rains can seriously damage or destroy your building, equipment and vehicles. Follow these tips to protect your business this summer:

Before the storm

- Review your insurance policies with your Corcoran & Havlin agent. They can go over your policies to be sure that you have coverages and deductibles that are reasonable for your needs.
- Compile a detailed written inventory of your building and belongings. Back this inventory up with video or photographic evidence. This compilation should be stored off-premises in a safety deposit box. This will be a big help to you if you need to file a claim at a later date.

During the storm:

- Develop an emergency plan for how your business will respond to emergency weather alerts. Make sure all employees understand the procedures.
- When in a building during threatening weather, go to the basement or an interior hall. Be sure to stay away from windows.
- Keep basic supplies (like water, food, flashlights, etc.) on hand.

After the storm:

- If your property sustains damage, call your insurance agent as soon as you can.
- Closely inspect property and vehicles for damage. Be sure to write down and photograph any damage or losses.
- Be sure everything is considered when it comes to your claim. Be sure to supply written estimates for repairs and damages.

Policies that Keep your Business Protected



Business Income Insurance

Helps to replace lost revenues, & covers continuing expenses, such as payroll, allowing you to keep your business going.

Business Property Insurance

Helps with protecting your physical assets, including the building, equipment and furniture.



Flood Insurance

This coverage is not generally included in Commercial Property or Businessowners policies, so losses caused by them are not covered.

Earthquake Insurance

Also not included in most Commercial Property or Businessowners policies. This past year we've seen a few events that have resulted in property damage.



Commercial Trailer Safety

Let's talk trailer safety. Insurance for commercial trailers varies by state. Most states require you to register & license any commercial trailers that your company may use on state roads – and in order to legally register your commercial trailers, you may need to have insurance. All states require you to have commercial vehicle insurance for your business vehicles, which covers your company's liability if you or drivers in your company cause an accident with your commercial vehicle. You may be able to extend your commercial vehicle coverage to your trailers, but it's likely that you won't have full coverage for these trailers without purchasing a separate policy.

Whether or not insurance is required, it's a good idea to purchase property coverage (whether or not it's required by law) to cover the costs of your trailer's repair or replacement following an accident. It's especially important to have coverage if the trailer has significant value, or if you owe money on it. Without a separate policy, you may be stuck paying for repairs (or replacements) out of pocket. A separate policy, for your trailers can cover this gap and can also provide coverage for a number of additional risks like fire, theft, or vandalism. In some instances, the cost of replacing the trailer can be higher than the cost of replacing the towing vehicle, making trailer insurance extremely important for business owners.

If you use trailers for your business, contact us to make sure you're properly covered. Let your C&H insurance agent know about your trailer, how your drivers use it, and any potential risks that they may encounter.

Driving Tips - Towing includes the collaboration of a number of components: the driver, the tow vehicle and the trailer. Each of these contributes to the overall towing experience & safety of the operation. The driver is responsible for selecting the right tow vehicle and trailer for the load, hitching the unit, loading, steering, speed, and braking. Each of these workings effect towing. Safe driving is a critical piece of trailer safety – Be sure your drivers are focused and limit their distractions while on the road.

Loading - The most common reason for losing control of a trailer is improper loading. Weight distribution and securement of cargo are major elements of proper loading. Improperly secured cargo can redistribute weight, which can cause the trailer to sway or add stress to the trailer and/or towing vehicle. This increases the likelihood of losing cargo on the road, which creates a danger not only for you, but for other drivers. Before loading anything onto a trailer, you should be familiar with the type you're working with. If you're unfamiliar with the model, be sure to read the owner's manual.

Trailer Maintenance - When it comes to the longevity of your trailer, regular trailer maintenance is critical. Maintenance also lets you be sure that you are able to tow to your destination safely. Before towing anything, make sure the trailer and its many components are in safe working order. Be aware if you notice any



worn or broken trailer parts as these can cause loss of control, which may result in injury. To ensure safe and reliable operation, have your trailer inspected, maintained and serviced regularly.

COMMON TYPES OF TRAILERS

- Travel trailer
- Utility trailers
- Food truck trailer
- Flatbed trailer
- Semi-trailer
- Auto hauler
- Concessions trailer
- Refrigerated trailer
 - Tank trailer
- Logging trailer
- Lowboy trailer
- Horse trailer
- Livestock trailer
- Dump trailer

TRAILER
SAFETY
WEEK
IS JUNE
6-12

Insurance Market Trends

2020 was a year unlike any other. The COVID-19 pandemic, and the resulting economic fallout drastically shifted employee & consumer needs, habits, and expectations. The insurance industry was no exception to this, but luckily, it is a trade that is able to withstand whatever a global pandemic may throw at it. However, even though most of those in the industry were able to adapt quickly, insurers are still likely going to be facing lingering obstacles in the year ahead.

Soft Market vs. Hard Market:

The insurance industry is a very cyclical one. A soft market consists of lower premiums, broader coverage, availability of higher limits & greater underwriting flexibility. A hard market, conversely, involves higher premiums, lower limits, more conservative underwriting, and less carriers writing certain coverages and/or specific industries. The last few years have seen a hardening of the industry, and today we're in the thick of it. Insurance experts predict this hard market will continue well into 2021, having been greatly impaired by COVID-19, among other issues. Insurers will most likely be introducing new coverage limits, as well as adding terms & conditions to policies to make sure that they don't get too too hard by potential further waves of COVID-19.

What Impacts the Market?

While COVID-19 has significantly contributed to this hard market, there are several other factors also involved. A large role comes from the frequency & severity of natural disasters, which includes events such as hurricanes, fires & tornadoes. 2020 saw an above average year for natural catastrophe losses for the U.S. Property/Casualty insurance industry. The numbers are already showing that these losses are the largest since 2017's third quarter. This past year, Hurricane Laura represented the largest individual loss event, with estimated losses between \$11 and \$15 billion. In addition to hurricanes, losses from the West Coast wildfires are estimated to run anywhere between \$4 and \$8 billion, and the Beirut port explosion is estimated to cost insurers \$3 billion. There are also insurable losses relating to the rioting in the United

States in amounts upwards of \$775 million. These losses all cause an increase of Commercial Property rates, some of which are estimated to increase greatly throughout 2021.

Social Inflation has also caused premiums to rise & limits to decrease. This shift has been seen mostly in liability coverages. Broadly speaking, social inflation is the impact that societal & legal factors have on insurance claims.

In recent years, new attitudes have resulted in more people bringing litigation against companies (and winning), and jurors have become biased toward plaintiffs (often ruling in the name of social justice). Business Auto rates are also projected to continue rising at a rate between 8% and 15%. This increase is due mostly to increased medical costs, as well as the climbing expense of vehicle repairs. Events resulting from auto accidents, wildfires, opioid & active shooter claims all contribute to excess/umbrella liability losses. Cyber liability rates are also on the rise due to the occurrence & brutality of ransomware attacks & incidents.

While all of these factors have greatly contributed to the current hard market, the COVID-19 pandemic has definitely aggravated & extended its current state. Businesses' financial plans were totally thrown off this past year, causing not only a major decrease in payrolls & revenue, but also causing many businesses to shut down. This leads to economic uncertainty & concerns of long term survival for businesses. Growing costs of legal defenses also come into play here, circling back to the aforementioned social inflation.

So, What's Next?

The hard market conditions impact the entire industry, and keep in mind that certain risks will be hit harder than others. The trend of this hard market will continue well into 2021, and unfortunately, there's no telling as to where it might end. As we continue to forge ahead, Corcoran & Havlin will be sure to keep you prepared for what's ahead in the industry.



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Vacant Commercial Buildings - Owner Beware!

By John Browne
Producer



The economic effects of COVID-19 coupled with government stay-at-home orders have presented commercial real estate owners with unique insurance exposures. Even before the pandemic, tenants would come and go, which led to buildings becoming vacant or unoccupied, sometimes for months at a time. That is why building owners should be aware of vacancy provisions within their commercial insurance policies.

The Issue:

Most commercial insurance policies define vacant as a building that is **less than** 31% occupied by a tenant or building owner for customary operations, for at least 60 days prior to a loss. If the building is vacant when a loss occurs, there would be **no** coverage for vandalism, glass breakage, water damage or theft with a standard policy. In losses that are caused by fire or wind damage, the claim payable would be reduced by 15% (this means if \$10,000 of damage occurs, the policy would only pay \$8,500 for the claim).

The Solution:

Immediately notify your insurance agent when vacancies in your building start to approach 70%. Your agent can then either:

1. Notify the insurance company to negotiate better vacancy terms on your behalf;
2. Add a Vacancy Permit endorsement to the policy; or
3. Offer a separate Vacant Policy quote

Whether your property will be vacant for a few days or several months, remember that these properties face increased risks when it comes to potential damage. If your business has been shut down, your tenants can't return to work, or leases are not renewed, we strongly recommend that you reach out to your Corcoran & Havlin agent to discuss insurance solutions.



Vacant vs. Unoccupied

Vacant: Completely empty of people **and** possessions

Unoccupied: Possessions still remain on the property.

Agency News



Corcoran & Havlin is excited to announce the hiring of new Commercial Lines Account Manager, **Marybeth Montella**, who joined us in April. She began her insurance career ten years ago, working with AON. She also has experience as a renewal underwriter in the excess markets, which allowed her to gain knowledge in the insurance risk management field. Most of her career, she has dealt with clients ranging from the middle to large markets. She brings experience in both the primary market and the excess market. Marybeth grew up on the North Shore then made the leap to the other side of Boston, where she currently resides. In her free time, you can find her on a run or enjoying the outdoors.

This past spring, we launched a **Facebook** page, exclusively for our Lougee office in Duxbury. This enables us to post content specifically geared toward our South Shore clients. If you've recently visited or worked with any of our Lougee agents, be sure to leave us a review! Facebook.com/LougeeInsurance



**facebook
UPDATE**

Under my Umbrella

No one wants to pay for liability claims out of pocket. But if your claims cost more than your coverage limits, this could happen to you. The solution? **Commercial umbrella insurance.** Umbrella insurance gives you an extra layer of coverage to help pay for costs that exceed certain liability policy limits. These costs can include legal fees, medical bills, damage to other people's property & judgements/settlements. It's important to note that commercial umbrella insurance does not extend the limits of commercial property insurance. You would need to cover this difference out of pocket, if your limits were exceeded on your property policy.



Classically, the more interactions that a business has, in-person, with clients & customers, the greater the business's liability risk. There is a greater risk of bodily injury if people are able to visit your business. If someone is injured on your property, medical & lawsuit expenses can quickly add up, exceeding your policy limits. These risks drastically increase if you have employees that utilize dangerous equipment or heavy machinery. Employees that work offsite can also greatly increase the liability risk of your business. Things like accidentally breaking windows, putting holes in walls or damaging cars can result in costly claims.

The cost of commercial umbrella policies vary, depending on several factors. The most common of these being the amount of underlying coverages, the type of business you operate, and the size of the business. Certain industries are more prone to certain risks, which can also increase costs (ex. A construction company's umbrella policy would cost more than that of a retail store).

If you have questions on your current liability limits, are concerned claims could exceed these limits, or would like a quote for an umbrella policy, contact your agent today.

