

Grinspec Insurance Agency, Inc.

908-464-3300 Voice

908-665-9626 Fax

www.grinspec.com

nestel@grinspec.com

BUSINESS INSURANCE QUESTIONNAIRE

For your protection, we recommend an annual review of all of your business operations. **This questionnaire will take approximately 20 minutes to complete** and helps you organize your review. Although this questionnaire is broad in scope, it is not intended to uncover all of the potential gaps in your coverage. Please take time to answer the questions and return the questionnaire in the enclosed envelope or call our office for immediate attention.

Business Name: _____

Mailing Address: _____ City: _____

State: _____ Zip: _____ Business _____

Phone: _____

Completed By: _____ Title: _____ Date: _____

Yes	No		
		Operations:	
		1.	Have you changed or do you plan to change your operations in any way? <i>Changes in your operations may not be insured by your present program.</i>
		2.	Have you purchased or do you plan to purchase another business? <i>New entities need to be listed on your policy to be insured.</i>
		3.	Are all corporate entities listed as named insured? <i>No coverage exists for separate entities including subsidiaries and joint ventures unless listed as named insured.</i>
		Property:	
		4.	Do you carry sufficient property insurance to replace your real and personal property in the event of an insured loss? <i>Failure to maintain adequate insurance limits which satisfy the coinsurance clause will reduce a loss settlement by the percentage derived from the coinsurance formula.</i>
		5.	Have you acquired or do you plan to acquire any real property? <i>New buildings receive very little or no coverage in a property policy.</i>
		6.	Have you made improvements to leased/rental property? Are you required to insure property you rent or lease? <i>These items should be included in your property insurance schedule to be properly insured.</i>
		7.	Do you own property at more than one location? <i>You may be eligible for a blanket property insurance limit providing a single limit of insurance for all named locations. Property located away from scheduled locations will not be properly insured unless separate coverage is purchased (see Marine section of this Questionnaire). Your goods in a Public Warehouse are generally not insured by the Public Warehouse and need to be scheduled on your property policy.</i>
		8.	Do you have property of others in your care, custody or control? <i>Items in your care, custody or control which you do not own need to be insured separately to be covered. Items in your care, custody or control include items you are repairing or processing. Warehouse operations need to obtain special coverage to cover the warehouseman's legal liability if customer's goods are damaged.</i>

		9.	Are you interested in earthquake or flood insurance? <i>Not covered by a standard property policy.</i>
		10.	Are you interested in Business Interruption coverage (insures loss of profit plus certain continuing expenses after a covered loss)? <i>Standard Business Interruption coverage provides protection from certain direct losses occurring at your site. You can purchase coverage to protect you from indirect losses such as off premises "power outage", loss of utility services and loss due to "shut down" of a supplier.</i>
		11.	Are you interested in Extra Expense coverage? <i>You can purchase coverage to reimburse your extra cost of doing business after a covered loss. Eligible Extra Expense items can include cost of mailings to customers or rental of a temporary location.</i>
		12.	Do you have a substantial investment in computers and other electrical equipment? <i>Electrical arcing and power surges are not covered unless Equipment Breakdown coverage is purchased.</i>
		13.	Does your building meet current building code requirements? <i>After an insured loss, a standard property policy will not cover the increased cost of construction due to a change in building codes. You can purchase this coverage for an additional premium.</i>
		14.	Do you have exposure to loss for items receiving limited coverage? Most insurance policies provide very limited (\$1,000 or less) coverage for: <ul style="list-style-type: none"> • Valuable Papers/Data & Media coverage - recreating paper files, documents, accounts receivable records, computer records or other business items of similar nature. • Jewelry, Precious metals, Furs and Art Work • Signs & Glass • Patterns, Dies and Molds • Antennas, Fences and other Outdoor Equipment <i>Separate coverage can be purchased to match your insurance program to your property. You should maintain an "off site" back-up of your computer data and programs. Doing so will protect the back-up media in the event your insured location suffers damage.</i>
		15.	Would you like to insure your inventory for its selling price - "retail" value? <i>Many policies insure you for the replacement cost of your product. Some policies provide insurance protection for replacement cost minus a deduction for depreciation.</i>
		16.	Do you install products at a client's site? <i>You need to purchase an installation floater to insure your product at a client's sight for losses which occur before title passes to the client.</i>
		17.	Are you planning to install a burglar alarm, fire suppression sprinkler system or other fire suppression system? <i>You will receive a premium credit if you install loss prevention systems. You can void your insurance coverage should you receive an alarm or protective device premium credit and fail to keep the system in working order including paying the maintenance fees of the protective system(s).</i>

		Liability:
	18.	Would you like a quote for Employee Benefits Liability (EBL) to help protect you from claims brought against you by employees for improper administration of employee benefits programs? <i>A general liability policy does not include EBL coverage unless purchased separately.</i>
	19.	Would you like a quote for product recall liability? <i>A general liability policy does not provide coverage for the cost of a product recall.</i>
	20.	Have you been asked to assume the liability of others through a contract, name another party as an "additional insured" or sign an indemnity or "hold harmless" agreement? <i>Many times the insurer must pre-approve these transactions for coverage to be effective. Indemnity clauses bind you to more responsibility than your insurance policy will cover and can result in an uninsured loss.</i>
	21.	Do you have any operations out of the country? <i>Coverage is generally limited to the United States, its territories and possessions, Canada and Puerto Rico. A separate international policy is needed to protect you outside the coverage territory.</i>
	22.	A General Liability policy contains an exclusion for property damage to property you own rent or occupy. Would you like a quotation to have this exclusion modified? <i>Example: A forklift damaging the structure you rent is not covered unless addressed properly.</i>
	23	Do you serve liquor for a fee, even a nominal fee, or serve liquor requiring a permit? <i>Serving liquor for a fee or serving liquor when a permit is required is not covered under General Liability Policy. A separate liquor policy is needed. When liquor liability insurance is purchased, coverage is generally limited to the listed locations, not off premises events, unless specifically allowed by the policy.</i>
	24.	Do you obtain Certificates of Insurance from all independent contractors doing work on your behalf? <i>Obtaining certificates of insurance from your sub-contractor will ultimately help you save money after your year-end audit is conducted. If you do not obtain certificates of insurance, you will be responsible for insuring independent contractors who do not insure themselves and in some circumstances, you can void your own coverage if you fail to obtain Certificates of Insurance from you sub-contractors.</i>
	**	<i>You should demand additional insured status from any contractor doing work on your behalf. Doing so will require your sub-contractor's insurer to defend you if the sub-contractor causes a negligence claim to be brought against you. Additionally, requiring your sub contractor to sign an indemnity agreement provides an added layer of protection against claims due to the sub-contractor's negligent acts. Please consult with your attorney for proper indemnity wording.</i>
		Crime, Fiduciary and Fidelity:
	25.	Do you keep money and securities valued at more than \$1,000? <i>Little or no coverage money and securities coverage exists on a standard policy. Additional insurance needs to be purchased should your exposure to loss exceed \$1,000.</i>
	26.	Would you like a quotation for Employee Fidelity (theft) coverage and or forgery protection? <i>Little or no coverage exists for employee theft or any forgery unless purchased separately.</i>
	27.	Do you carry an ERISA bond for at least 10% of your 401k (or other retirement plan assets)? <i>The IRS requires a pension bond, speak to your accountant for details.</i>
	28.	Are you interested in a Fiduciary Liability Policy? <i>If you have a pension (40K, 403B etc...), profit sharing plan or any other fiduciary exposure you need to purchase separate coverage to protect yourself from claims alleging breach of your fiduciary duties.</i>

		Automobile Garage Operations:	
		29.	Are all vehicles listed on the policy owned or leased to the named insured? <i>Vehicles owned or leased to individuals (including the business owners') or entities other than the named insured are not covered under a commercial auto policy.</i>
		30.	Do you repair or take possession of vehicles of others? <i>Garagekeepers coverage is needed to properly insure physical damage of customers' cars or any car in your care custody or control. You also need liability protection when driving these vehicles.</i>
		31.	Are you a trucker, hauling goods of others? <i>A separate questionnaire needs to be completed for "common carrier" truckers whose exposures are beyond the scope of this questionnaire.</i>
		32.	Are there any people who drive company insured vehicles who do not own a personally insured vehicle? <i>Additional coverage should be purchased to protect individuals who do not have their own personal auto policy who will be otherwise uncovered for many personal auto exposures.</i>
		33.	Do you plan to acquire additional vehicles in the next 12 months that may differ from the type you already own? <i>Vehicles of a different type may require a different auto policy.</i>
		34.	Do you own or rent any trailers? <i>Trailers with load capacity exceeding certain weight limits must be listed as a vehicle on the policy to be insured.</i>
		35.	Do you rent vehicles? <i>If yes, you need hired auto liability coverage to protect you from liability claims. Hired physical damage coverage is needed to protect you from comprehensive and collision claims. Otherwise you need purchase physical damage coverage and liability coverage from the rental car company.</i>
		36.	Do employees use their own vehicles while working for you? <i>Non-owned auto liability is needed to protect you from auto liability claims arising from auto accidents involving your employees who are on company business.</i>
		37.	Do you carry passengers for a fee? <i>Coverage is void if you carry passengers for a fee unless you have a "Livery" policy.</i>
		**	<i>Please note: You should have a written safety and maintenance program for your vehicles requiring daily, weekly, and monthly inspections. Auto policies do not cover property being carried.</i>
		Marine:	
		38.	Do you ship any goods by land, sea or air? <i>Standard property policies provide little or no transit coverage. A separate policy is needed to insure goods leaving your premises. Careful attention must be paid to shipping terms to insure your goods until title passes to another party.</i>
		39.	Are you responsible for insuring incoming goods? <i>Standard property policies provide little or no transit coverage. You should check the shipping terms of each shipment to determine when you are responsible for goods being shipped to you. A separate policy is needed.</i>
		40.	Do you have any property that leaves your premises? <i>Standard property policies provide little coverage for goods not located at the insured location. A separate policy is needed.</i>
		**	<i>The Bill of Lading or Transit Document or Warehouse Receipt should dictate your exposure to loss.</i>

		Workers Compensation:	
		41.	Does your present Workers Compensation Policy "Part 1" list all states in which you have operations? <i>If not, a claim could be denied in that unlisted state.</i>
		42.	Do you have operations in the following states: Wyoming, Ohio, Washington, North Dakota, West Virginia, & Alaska. <i>These states are considered "monopolistic" states. Workers Compensation coverage must be purchased through the monopolistic state's pool.</i>
		43.	Do you obtain certificates of insurance from independent contractors? <i>Obtaining certificates of insurance from contractors may ultimately save you money after your year end audit is conducted. If you do not obtain certificates of insurance, you may be responsible for insuring independent contractors who do not insure themselves.</i>
		44.	Do your employees perform work on boats, barges (over water) or on airplanes? <i>Standard Workers Compensation policies do not cover this exposure. Rather, a separate policy is needed.</i>
		45.	Do you track overtime & severance pay separately from "regular" wages? <i>If tracked separately, certain portions of these wages are not subject to Workers Compensation premium?</i>
		46.	Are you interested in any type of safety-incentive program for your employees?
		47.	Are you interested in a Workers Compensation program which rewards you for sharing some additional risk? <i>This option is generally only available if premium exceeds \$100,000.</i>
		48.	Are all employees trained thoroughly before you allow them to do any type of hazardous work required by your operations and are all employees required to read your safety procedures before starting to work?
		49.	Are you interested in a managed care Workers Compensation program to help reduce costs?
		**	<i>Please note: State law requires all corporations to carry Workers Compensation insurance. All other entities including sole proprietors must carry Workers Compensation insurance if they employ anyone. Under Workers Compensation Law, Independent contractors are considered employees if they do not carry their own workers compensation policy. Family members are considered employees if working for the business. <u>New Jersey law changed recently allowing individuals and partners to obtain workers compensation for themselves, whereas in the past this could not be done. Owners of an LLC are treated in the same manner as partners.</u></i>
		Personnel:	
		50.	Do you use a written application and are all applicants' references checked before hiring?
		51.	Do you maintain updated job descriptions for all employees?
		52.	Are employees given performance reviews at least annually?
		53.	Are all personnel records documented regularly?
		54.	Are all employee benefits provided for every level of permanent employment on a uniform basis?
		55.	Do you have a policy covering sexual harassment?
		56.	Are you interested in Employment Practices Insurance Coverage to help protect you from claims alleging wrongful termination, sexual harassment and certain other employment related claims?
		**	<i>Please note: All employment claims such as improper discharge, sex discrimination and other discriminations are excluded from General Liability coverage.</i>

		Boiler and Machinery/Equipment Breakdown Coverage:
	57.	Are you interested in Equipment Breakdown Coverage? <i>A standard property policy does not provide this coverage. Business interruption and property claims due to equipment breakdown can be insured as well. Electrical Arching and power surge can be covered by an Equipment Breakdown policy.</i>
	58.	Do you have a pressurized heating or air conditioning system (e.g. a boiler)? <i>You need a separate boiler and machinery policy to cover damage caused by the explosion of a pressure vessel.</i>
		E-Commerce Exposures:
	59.	Do you have a Web Site or are you involved in internet E-Commerce? <i>Standard insurance policies do not contemplate many of exposures resulting from your Web Site or E-Commerce. Examples of some exposures which may not be insured are: Hacking, Denial of Service, Web Site downtime.</i>
	60.	Would you like a insurance quotation for your Web Site and internet E-Commerce exposures? <i>Your risk of loss include loss of earnings to your customers, identity theft, libel, theft of intellectual property, and other exposures resulting from information obtained from your company.</i>
		Professional & Other Coverages:
	61.	Are you interested in purchasing Directors & Officers (D&O) liability coverage to help protect against certain claims brought against these decision makers? <i>D&O claims are not covered under a General Liability Policy. Both private and public firms have an exposure to D&O claims.</i>
	62.	Do you have a professional liability exposure? <i>A General Liability policy excludes coverage for professional acts. Professional acts include your consulting advice or work product. You need to purchase a professional liability policy to cover your professional exposure. Doctors, Nurses, Lawyers, CPAs, Architects, Computer Programmers, Consultants and almost all professions requiring a license and certain other fields have a professional exposure.</i>
	63.	Are you interested in kidnap and ransom insurance coverage? <i>Kidnap and ransom insurance can also include protection for threats to property such as launching a computer virus. Kidnap and ransom insurers generally provide crisis management services in the event of a Kidnapping.</i>
	64.	Are you interested in Travel Accident insurance for domestic or overseas travel? <i>Travel Accident insurance can cover the cost to expatriate an employee in the event of injury while out of the country.</i>
	65.	Are you interested in Pollution Liability Coverage? <i>General Liability policies, in almost all cases, have a total Pollution Exclusion. Insurance Coverage can be purchased to protect you from pollution "clean-up" on your property and pollution liability to third parties.</i>
	66.	Are you interested in providing voluntary benefits to your employees such as life, disability or long term care?
	67.	Would you like to have your present Business Succession Plan reviewed to determine if it is properly structured, and to help minimize estate taxes and transfer costs?
	68.	Are you interested in a 401k or other profit sharing plan, or would you like to review your current plan? <i>Many plans place an undue burden on the administrator who often has many other duties to perform.</i>
	69.	Do you have an IRS Section 125 POP (Premium Only Plan) plan enabling your employees to make their employee benefits contributions on a pre-tax basis?
	70.	Are you interested in an IRS Section 125 FSA (Flexible Spending Account) enabling you employees to pay certain approved medical and child care expenses on a pre-tax basis?
	71.	Grinspec's affiliate is a full service Employee benefits broker/consultant offering group Health, Life, Disability, Dental, Long Term Care, Employee Assistance Programs and other employer and employee paid programs. Are you interested in meeting with a Grinspec of NJ, Inc. representative?

What do you consider your greatest exposure to loss?

Visit our Web-Site www.grinspec.com
E-Mail Lee Nestel nestel@grinspec.com