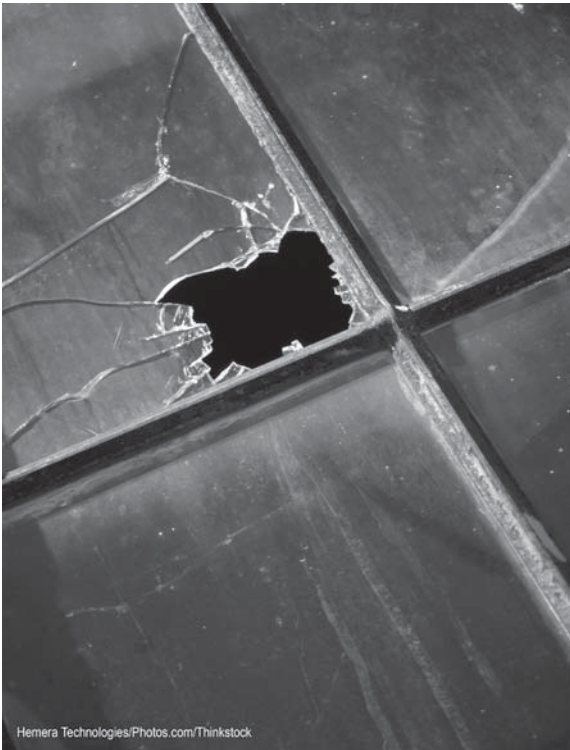




Building Ordinance Coverage



This endorsement provides coverage if the enforcement of any building, zoning or land use law results in added costs that are not covered as a direct loss.

The endorsement is separated into three distinct parts; sections A, B and C, which typically allows the policyholder to purchase one or all of these valuable coverages.

Section A applies to loss to the undamaged portion of the building. This endorsement covers the loss of value of the undamaged portion of a building caused by enforcement of ordinances or laws.

If a government agency requires the demolition of your entire building because the damage exceeds a certain percentage as detailed in their ordinances, this coverage would apply.

Without this endorsement, you would have no coverage for that part of the building that was not damaged because that part of the building had not suffered "direct damage."

Section B of this endorsement covers the cost of demolition of the undamaged portion of the building. Without this coverage, you could be on the hook for tens of thousands of dollars in demolition and disposal costs.

Section C provides payment for the increased cost of construction if the code enforcement requires improvements to construction that were not in the original building. This coverage will pay these increased costs whether construction is at the same location or another location, with some restrictions.

The building ordinance endorsement requires that you purchase coverage equal to 80 percent of the property's replacement cost value. This is an optional coverage. Call us with any questions.

U.S. Department of Transportation Bans Commercial Truck and Bus Drivers From Texting

In January 2010, the U.S. Department of Transportation (DOT) banned commercial truck and bus drivers from texting while driving. This move is the latest action of DOT's campaign to reduce the risks of distracted driving. A driver violating this ban could be liable for civil or criminal penalties, and fines up to \$2,750.



"We want to make it crystal clear to operators and their employers that texting while driving is the type of unsafe activity that these regulations are intended to prohibit," said Anne Ferro, administrator for the Federal Motor Carrier Safety Administration (FMCSA).

The FMCSA advises that their study showed drivers take their eyes off the road for an average of 4.6 seconds out of every six seconds while texting. This is equivalent of driving the length of a football field at 55 mph without looking at the road.

At the time this article was written, 19 states and the District of Columbia have passed laws banning texting for all drivers. California, Connecticut, New Jersey, New York, Oregon, Washington and the District of Columbia have banned the use of handheld devices of any kind while driving.

Examination of Books and Records

In your commercial property policy you will find a section titled "Policy Conditions." This section of the policy spells out requirements of the policyholder and the insurance company. It covers information about each party's right to cancel the policy, the insurer's right to inspect the property, and conditions about abandonment of the property. There are many more conditions though, and it is a good idea that you make yourself aware of these provisions.

One of the conditions is the insurance company's right to audit your books and records as they relate to your policy. Depending on your type of operation, you may already be experienced with the audit process. It is mostly painless and the information can usually be found in your accounting and employment records. The examination may take place during the policy period or any time within three years after the policy period ends, however, an audit usually takes place within a few months of your policy renewal.

The insurer will not just randomly go through your records. You will be given a list of requested information to facilitate the process. This process is usually pretty painless as long as you have current and accurate records.



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