



Auto-Owners

INSURANCE

LIFE • HOME • CAR • BUSINESS

**IN THIS
ISSUE...**

PERSONAL INSURANCE
ride-sharing and car-sharing

LIFE INSURANCE
business owner disability income

CLAIMS
preparing for the unexpected

INSURANCE
UPDATE

APRIL - JUNE 2018

Why do I have to pay for my insured subcontractors?

Audits for contractors can be challenging. One of the most common questions auditors hear is, "Why do I have to pay for my subcontractors if they carry their own insurance?"

When a contractor hires subcontractors, an additional exposure is created on the jobsite that can result in claims against the contractor. These may include subcontractor negligence or inadequate limits of insurance, which would leave the contractor liable.

There are also possible defense costs when the contractor is named along with the subcontractor in a lawsuit. The potential for liability exposure is also real, if the subcontractor lets his policy coverage lapse.

For general liability policies, the exposure basis for a subcontractor is "total cost." By definition, total cost includes all labor, materials and equipment furnished, used or delivered for use in the execution of the work.

continued on page 2

Drive for a Ride-Sharing Company? Car-Sharing? Better Check Your Insurance

Two peer-to-peer trends that are growing in popularity are ride-sharing and personal vehicle sharing, or car-sharing. Most people do not realize that their personal auto insurance policy may not cover them if they were to suffer a loss using either service.

Ride-sharing involves a transportation network company (TNC), such as Uber or Lyft, which provides prearranged transportation services for compensation. This is done by using a digital network (app) to connect passengers with drivers using their personal vehicles to transport people, goods, items or products for a fee. Individuals like to use a TNC as an alternative to taking a taxi or renting a vehicle, and those who drive for a TNC do so as a way to make extra income.



A personal vehicle sharing program, or car-sharing, provides individuals with the opportunity to list their personal vehicle(s) online for rent to others. This gives vehicle owners an opportunity to make some extra money with a vehicle that they may not often drive. It also serves as an alternative rental option rather than using a traditional auto rental agency.

If you lend your vehicle via a personal vehicle sharing program or drive for a transportation network company, please discuss this with our agency to ensure that you have the right coverage.



Subcontractors CONTINUED

Total cost also includes all fees, bonuses or commissions made, paid or due.

Properly insured subcontractors are assigned to the corresponding subcontractor work class code based on the type of work performed. If uninsured subcontractors are used, they will be classified to the payroll-based classification that best describes the type of work completed, as if they were employees of the contractor.

A best practice if you're a contractor would be to require certificates of insurance from your subcontractors prior to paying them for the services performed. This allows you to retain some leverage in obtaining the certificate of insurance from your subcontractor.

Please contact our agency if you have questions about your audit. Thank you for your business!

Disability Income for Business Owners

Running a business is no easy task, even in great health. Whether you're the owner of a small business or a large company, an injury or illness rendering you unable to work can be detrimental to your business.

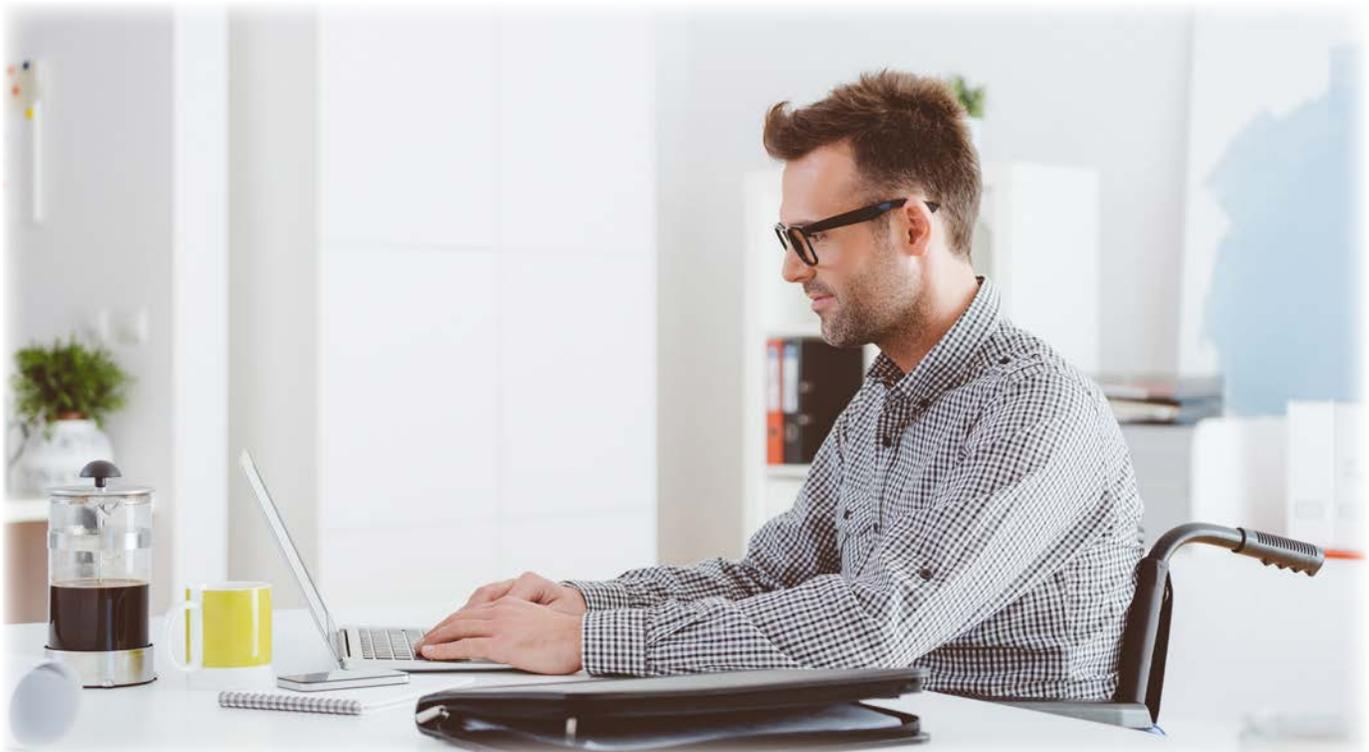
A disability income policy is the perfect way to protect your greatest asset: your ability to earn an income. But did you know it can also protect your business as well? May is Disability Awareness Month, so what better time to evaluate your disability income needs?

One way to protect yourself from an unexpected injury or illness resulting in a loss of income is with workers compensation; however, that coverage is applicable only to work-related injuries and illnesses. A disability income policy, similar to those sold by Auto-Owners, will generally provide worldwide, 24-hours-a-day coverage either on or off the job. With this broadened coverage, you will have peace of mind in knowing you're covered for a wider spectrum of disabilities.

So how does a disability income policy protect your business? One way is adding endorsements such as the Auto-Owners Business Overhead Expense rider. With riders such as this, coverage can be extended to fixed business expenses such as the mortgage interest or rent, utilities and employees' salaries. Other endorsements can extend a portion of your monthly benefit payout while you're in the process of returning to work. Endorsements such as these are essential to a business owner's individual disability income policy.

Purchasing a disability income policy is the best way to protect your income, and with additional endorsements designed specifically for business owners, you can protect yourself and your business with a single policy. Call our office to evaluate the disability income needs for you and your business!

Get the facts at www.disabilitycanhappen.org.



Preparing for the Unexpected



What would you do if your home was destroyed by a fire, or one of your water pipes burst while you were on vacation, or a burglar stole valuable items from your home?

You can't prepare for everything, but planning for the unexpected when dealing with property claims could make these situations easier to handle.

Below are some things to consider before a loss happens:

- Take photographs with a phone camera to document ownership of items.
- Walk room by room, making notes of items. Don't forget things like artwork, bedding and clothing.
- Prepare an inventory list of your property throughout your home.
- Make sure you record high-value items such as antiques, guns and jewelry.
- Don't forget storage sheds and your garage for contents you may have outside of the home.

If you suffer a loss, below is a checklist of things to do to make the claim go more efficiently:

- Notify your agent.
- Protect your property from further damage.
- Create an inventory of damaged or destroyed items.
- Keep your inventory cataloged by room. This way you'll be less likely to forget something.
- Fully describe each damaged item, including quantity, age, brand, model and serial number, if available.
- Submit completed inventory forms to your claim adjuster as soon as possible.
- Save all receipts for items you replaced and number each to correspond with your inventory.

Dealing with a loss can be emotional and time-consuming. It is our agency's goal to provide excellent claims service. By using these tips, you will be better prepared for the unexpected and know what to do if a loss occurs.

Auto-Owners
INSURANCE

LIFE • HOME • CAR • BUSINESS