



What extra coverage should I be aware of?

Special policies can cover the risks unique to your business.

Business Interruption

This form of insurance provides you with the funds required to protect your business financial position if your operations are interrupted by an insured loss such as a fire. Features and costs will vary considerably depending on whether you insure for named perils, a specific timeframe, specific costs or just a portion of the income you lose. This form of insurance is highly customizable and can include coverage for extra business expenses, rental income lost, gross earnings lost, payroll and professional fees.

Consequential Loss

A consequential loss is not caused directly by damage to property but is a consequence of other damage. For example a cold storage facility might experience significant inventory losses if an on-site transformer station failure cuts out electricity supply or a fire damages the refrigerators. A greenhouse operation or a winery might require constant temperature and humidity to be maintained and would insure against the consequences of an extreme change in those factors.

Equipment Breakdown

Many named perils and broad commercial property insurance policies will exclude coverage of breakdown or damage to highly sensitive or specialized equipment including high-pressure boilers, control systems and computers, diagnostic equipment and more. Special machinery policies can be obtained to cover equipment for sudden and accidental breakdown, which is advisable if loss of use is a significant risk for your business.

Errors and Omissions and Director's and Officer's Liability

It is common practice to protect company directors and senior managers from personal liability for actions that are the responsibility of the company they direct. While insurance does not remove their fiduciary duty, it does provide some financial protection from legal liability for a claim made against them for an alleged or wrongful act. A wrongful act is any error, misstatement, misleading statement, act omission, breach of duty or neglect allegedly committed or attempted.

Errors and omissions insurance is usually used in professional services firms such as law, accounting and consulting to protect professional staff from the impact of errors and omissions in their work.

Specialized Coverages

There are as many forms of specialized coverage as there are risks to your business. A broker can help you assess the probability of experiencing a loss and determine whether or not you should purchase specialized coverage. Talk to your broker to see if there are risks unique to your business that require extra protection. For example:

- **Crime** – designed to protect against loss of money or securities, including theft overnight or on the way to the bank. This also includes employee dishonesty.
- **Electronic Data Processing Systems** – protects your computer and its data.
- **Sewer Back-up** – covers loss or damage caused by the backing up of sewers, sumps, septic tanks or drains.
- **By-law Coverage** – covers additional expenditures resulting from by-laws regulating construction when reinstating a building after a loss.

