

Getting UP to business: Read 'em and leak



UP helps home and business owners and the two sectors have a lot in common when it comes to insurance. Both pay quite a bit of money for the insurance protection they count on as a financial safety net. And though some businesses are experienced in nuances of policy legalese and claim negotiations – most are just as dependent on insurers, agents and brokers to deliver on sales promises as individuals are.

Insurance for water damage is a perfect example. Extreme weather due to climate change and aging pipe and sewer infrastructures are causing businesses and homes to be more frequently damaged by water. We have covered this topic in [previous tips of the month](#). Water damage claims are among the top reasons that people and businesses file claims today. And both are being hurt by the current insurance industry trend of advertising broad protection [but delivering drastically reduced coverage for that peril](#).

Call to action: Most businesses and homeowners don't have the time or skills to follow court cases and insurance trade publications to keep track of the way many insurers are tweaking policy wording to avoid paying for water damage. They rely on insurance professionals to advise and protect them. [But that is not working for many people](#), and regulators should stop approving unfair policy language related to

water damage. Until that happens with regularity and in every state – we recommend the following:

- Contact your broker or agent and remind them you want good coverage for water damage. If he/she makes a recommendation, take it seriously. There is a big difference between water damage coverage in a Hartford policy versus a Chubb policy – for example, and it is more and more common for people to buy extra sewer/drain backup insurance.
- If your property is damaged by water, **read your policy carefully and read it again** before you make any statements to your insurer about the cause of the damage. If you need help understanding the wording, consult an experienced lawyer or use our Ask an Expert forum.

P.S. for our business policyholder friends on Cyber Liability insurance:

A survey by the Secret Service and Verizon found that 72% of data breaches involved small or midsized businesses. Since case law is split on whether property or general liability policies cover the losses resulting from a data breach, consider buying a specific cyber liability policy.

In order to select the right cyber liability policy for your business, consider the following:

1. Does your business have potential third party liability because it maintains information of third parties?
2. Does your business provide apps or programs that could be compromised and infect other operating systems?
3. What does your state law require in terms of disclosing data breaches?

There are subtle differences between competing [cyber liability policies](#) that may make one policy far more suitable for your business than another.