

RISKY BUSINESS

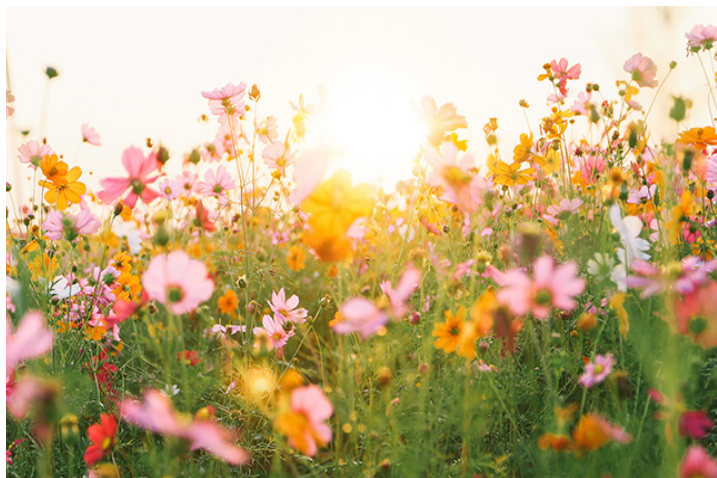
Insurance Info & Risk Management Tips

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APRIL SHOWERS BRINGS MAY FLOWERS



While the heavy rains may bring beautiful spring flowers, they can also bring a lot of excess rain flow into communities and create havoc for homeowners and business owners alike. Most insurance policies will have some type of exclusion for flooding unless it is specifically included in the policy. In specifically zoned flood areas, it is often required to carry an additional flood insurance policy or amendment of coverage that would include flooding.

A good resource to check if your home or business location is currently listed in a flood zone is through:

www.fema.gov/flood-map

The number of businesses that carry flood insurance in southern California is relatively low at approximately 8%. Most of these businesses are located in/on designated flood zones that were created over 10 years ago. One of the problems is that as the climate is changing, the new flood zone maps may be antiquated and not show the reality of the risk so you may want to spend a little time doing some research on your own area, if only as a precautionary assessment.

Another problem with excess rainfall in areas that are not used to that much rain at once is subsidence (land movement) or slippage of property. We have seen this play out in San Diego, Los Angeles, and Ventura counties in the last few years. Many insurance policies will exclude subsidence. And, if the property has been remodeled, the Contractor's insurance may exclude

subsidence/earth movement as well. A licensed Soils Engineer may be needed to check the stability of the ground and they would carry insurance coverage for that.

And even if we can get through spring without a damaging flood or subsidence issue, all of the rain will provide growth to the brush areas and indigenous plants which could cause a fire hazard in the late summer or fall when the heat and winds pickup. It seems like a 'perfect storm' for any number of catastrophes and homeowners and business owners need to be aware and do their own due diligence.

A few risk management suggestions are:

- Look over your insurance policies and check for flood exclusions and land- movement/subsidence exclusions.
- Cut brush/chaparral back from your home or business early so it does not become unmanageable. Fire suppression experts recommend a minimum break of 5 feet from the building and even less if the building is older or in rural areas away from fire hydrants.
- Before doing any remodel or TI work, try and upgrade to materials that have some fire suppression built into them and double check your contractors warranty and insurance policy and ask to be named additional insured on their policy for completed operations.
- Look around the out-facing windows and doors for any water seepage, cracks, leaks, mold, dry rot or deteriorating caulking and have it replaced.
- Check storm drains and rain gutters around the property to make sure they are clear of debris - pre and post storm activity.
- Excess rainfall can bring various critters into the home or business so check for any termite damage.

Talk with your insurance broker about your risks and worries and ways to alleviate any gaps in coverage.

Spring can be a beautiful time of year, so I hope you enjoy it and as always, stay safe and diligent!

Please reach out to me at:

www.hlinwood-insurance.com with any business insurance or risk management questions.