



# CNB BUSINESS<sup>®</sup> BROADCAST

NEWSLETTER FOR BUSINESS CLIENTS OF CANANDAIGUA NATIONAL BANK & TRUST

## Why Insure Your Business?

Your business represents a substantial investment of your ideas, time, and money. Because your business faces a variety of risks and perils (e.g., property damage, theft, personal injury claims, and natural disasters), you'll want to protect your investment. You can do this with various types of business insurance. Here are some reasons to insure your business.

**To protect against risks and perils to property.** Property and casualty insurance protects against the loss, damage, or theft of physical assets such as buildings, equipment, and business personal property. The loss or damage of business assets could result in an interruption of the business process and maybe even a complete shutdown. The right combination of insurance coverage can mean the difference between a temporary shutdown while you repair or replace the losses and the permanent closure of your business.

Without insurance coverage, you could be out of business and possibly even personally responsible for any outstanding loans, leases, or contracts in the event of building damage. However, if you carried property and casualty insurance on the building, your business could recover the cost of repairing or rebuilding the facility. Insurance coverage on the business's equipment would also provide funds to repair or replace damaged machinery. And business interruption insurance coverage would reimburse the costs of operating from a temporary location.

**To protect against liability claims.** Through contact with the public and through personal injuries suffered on your business premises, your company could face liability claims and lawsuits. For example, retail outlets can be found liable if a customer is injured on the premises, and manufacturing firms can be found liable if a product is defective and injures someone. Service businesses can be found liable for providing improper care or advice.

Liability insurance can provide the funds to settle liability claims, sparing your business (or your own bank account) the expense. Liability coverage may also include legal representation in the event of a lawsuit.

**Because businesses are not included in homeowners coverage.** Businesses are specifically excluded from coverage under a homeowners policy. If you're involved in a business activity in your home, your homeowners policy will not cover you for liability or medical payments due other persons, even if the damage or injury occurred in your home. This means that your policy will not reimburse you for medical care required by a client who falls off his chair in your home office when you tell him how much tax he owes.

Other structures located on your premises that are used for business purposes are also excluded under your homeowners policy. For example, if you sell furniture and crafts out of your barn, and your barn burns to the ground, your homeowners policy won't cover the cost of rebuilding the barn or merchandise replacement

because it was used by your business. Unless you have extremely large cash reserves to cover potential losses, you probably can't afford to leave yourself unprotected.

**Because coverage may be required by law.** There may be a legal reason for your business to carry insurance. All U.S. states and the District of Columbia have workers' compensation laws designed to protect employed individuals who get sick, injured, or killed on the job. Each state has its own workers' compensation system and requirements. Depending on the size of your business, the industry in which it operates, and the state where your business operates, you may be required to carry workers' compensation insurance. Depending on the state, coverage is available through a state fund or private insurer. Make sure that you consult a qualified advisor who is experienced with the workers' compensation rules for NYS.

Some states require disability insurance coverage for employees. In addition, some states require professional liability insurance (malpractice insurance) as a condition of licensing in the state. Check the rules of your state and consult an insurance advisor.

Failure to carry legally required coverage may be punishable by fines, civil penalties, criminal penalties, exclusion from public contracts, and cease and desist orders. NYS has specific rules and penalties.

**Because coverage may be required under the terms of your contracts.** If you rent or lease your business facility, the contract with your landlord probably requires that your business carry its own insurance on the premises. The building owner's insurance will generally cover certain repairs to the facility, but it won't repair or replace your business's property, nor will it provide liability coverage to you or your business. Your business will need its own insurance for such protection.

If you or your business borrowed money to finance buildings, equipment, or operations, the loan agreement probably includes an insurance requirement. Equipment lease contracts also contain a provision requiring the lessee (you) to carry insurance against damages to the leased property.

Check all rental, lease, and loan agreements carefully, and make sure that your business is properly insured under the terms of the agreements.

**If you have questions, please contact  
CNB Insurance Agency at (585) 394-4260.**

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## Small Business Lending in 2021 and Beyond

In support of our local businesses during the pandemic, CNB successfully helped 6,864 small businesses in our communities obtain over \$526 million in funding through the SBA Paycheck Protection Program (PPP). Working in the community and for our community has positioned CNB well to be nimble and make quick decisions that benefit our clients not just before, but most importantly, throughout the pandemic. Our Relationship Managers provided personalized service, working with each client to understand how the pandemic has affected them and their goals for the future. The opportunity to help in a time of need is one way in which we demonstrate our commitment to the customers and communities we serve.

While looking at a business's historical performance will always be key, we have learned that how they handled, and continue to handle, the current pandemic plays a key role in planning for the future. We work individually with clients to find solutions that work best for them long-term, rather than a one-size-fits-all approach. While a deferment may have worked well for one business, it may have not been in the best interest of another. Relationship Managers evaluate factors such as approaching rate adjustments and immediate relief needs to determine if a deferment is the best long-term solution.

This material provided by Michael O'Donnell and James Schrader.

Our lending decisions are made locally, and because of that, the ultimate winners are our customers. It is a proven formula that has benefited people and businesses of all sizes in our communities for nearly 135 years. No matter how simple or complex the need, our team remains focused on delivering exceptional customer service and attention to detail. We are proud to help your business see the long-term picture, providing you with options, and most importantly, peace of mind.

Visit [CNBank.com/Financing](http://CNBank.com/Financing) or call (585) 419-0670 to speak with a Relationship Manager to discuss your current or future lending needs.

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## Introducing the CNB Financial Wellness Show Podcast



Hear from Canandaigua National Bank & Trust's financial professionals as they discuss strategies for improving your financial wellness. Subscribe to our podcast on Apple Podcasts\* or Google Podcasts or listen online at [CNBank.com/CNBPodcasts](http://CNBank.com/CNBPodcasts).

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### Virtual Seminar – Protecting Yourself from Identity Theft

Join us for a complimentary, virtual seminar on how to protect your identity and what steps to take if you think you have been a victim of identity theft.

Tuesday, October 26<sup>th</sup>, 5-6pm  
Thursday, October 28<sup>th</sup>, 12-1pm



For more information and to RSVP,  
visit [CNBank.com/EducationalEvents](http://CNBank.com/EducationalEvents).

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For more information, visit [CNBank.com/Commercial](http://CNBank.com/Commercial), one of our Community Bank Offices, or call us at (585) 394-4260.