

POINTS OF INTEREST

- Help us save some trees—Sign up on our website to receive the BDI Newsletter & monthly news briefs via email.

Office Hours

Monday to Thursday

8:30 am—5 pm

Fridays

8:30 am—2 pm

You can always send us an email or look for info on www.bretdixonins.com

Claim Humor

Actual statements from actual auto claims forms:

"The other car collided with mine without giving me warning of its intention."

"I collided with a stationary truck coming the other way."

"A pedestrian hit me and went under my car."

"The guy was all over the road. I had to swerve several times before I hit him."

"An invisible car came out of nowhere, struck my car and vanished."

"I told the police that I was not injured, but on removing my hat I found that I had a fractured skull."

"I pulled away from the side of the road, glanced at my mother in law and headed over the embankment."

BDI Quarterly Newsletter

BRET DIXON INSURANCE

WINTER 2008

Watch What You Put on the Web

We recently came across a website called www.mappyhour.com, a cool little site incorporating interactive maps and user reviews to help people plan their next night out. By clicking on one of the listed locations, you can see the name, address and phone number of an establishment, the hours of their happy hour (if applicable) and what drinks are available during happy hour (again, if applicable).

Free advertising like this is golden for those of you in the restaurant and tavern business. It's a ravenous business, with patrons always shopping for the coolest scene and the cheapest drinks. Generating return customers are essential, but you have to keep finding ways to get new patrons in your front door too.

Unfortunately, things aren't always what they're cracked up to be. Just as someone who's bored and goofing off on the internet at work could stumble across the site and plan a night out with some friends, someone you don't want popping in could also find information to use against you.

More and more insurance companies we deal with use the internet to scout for information on their policyholders. Based on whatever they may stumble across, they could cancel your insurance or endorse your policy to reflect something you might not have disclosed. One big thing they look for is entertainment such as live bands, midget or dwarf tossing, mud wrestling, and amateur boxing. These are all types of entertainment that can significantly alter the exposure, and ultimately, your premium. They also look for different hours of operation other than what you reported, and search for accidents or incidents where police had to be called.

Perhaps most alarming with this particular website, is that it focuses on promoting the Happy Hour times and specials. That may be great in a good handful of states, but having a Happy Hour is illegal in Illinois and Indiana (Missouri does not have legislation on this). In the eyes of the Illinois Liquor Control Commission and Indiana Alcohol & Tobacco Commission, you're essentially promoting binge drinking by having reduced prices on drinks within a certain window of time. Any drink specials you have, must be available from open to close and available to all patrons. If you were an ambitious ILCC or IATC inspector, and you came across a website advertising illegal activity, where would you be going for a surprise inspection?

Being an entrepreneur is tough enough. You don't need any \$500+ fines. Every once in awhile, if you don't already, you may want to sit down and Google your business' name just to see what's floating around out there in cyberspace about you, because you never know who's looking.

Illinois 2008 Dram Shop Limits Revised

Each January, the Illinois Comptroller's office adjusts the Dram statutory limits based on the change in the Consumer Price Index. This year, the CPI is up a little over 4%, and as a result, the Dram Shop limits have been adjusted as follows:

Bodily Injury, per person: \$58,599.59

Property Damage, per person: \$58,599.59

Loss of Society or Loss of Means of Support, per person: \$71,621.72

That means that if one of your patrons leaves your establishment and has some sort of accident or altercation with a 3rd Party, the most any one individual 3rd Party could attempt to sue your business for would be \$188,820.90. You can see limits for past years at www.bretdixonins.com/Commercial/Hospitality/IL_Dram_limits.htm

Niche Writers of the
Restaurant & Tavern Industry



Ordinance or Law Coverage

Ordinance or Law coverage is an endorsement that you would find as part of a Commercial Property policy. In the event of a property loss, your insurance carrier is going to adjust the claim and give you a settlement based on what type of valuation you carried, Replacement Cost, ACV or Functional RC. They'll only pay for the damage you incurred, up to your policy limit.

However, in the event of a partial loss, it's possible that the city or county building inspector could come in and require you to update certain parts of your building to get in compliance with current code. Typically, these are things that are "grandfathered" into law. Examples include handicap access ramps to doors, handicap-accessible bathrooms, water sprinkler systems, and upgrades to electrical wiring. Since these are improvements to your property and not things that were damaged in the loss they would not be covered.

This is where Ordinance & Law coverage would provide additional payment. There are three aspects to a claim where this coverage could come into play:

- 1.) Coverage for Loss to the Undamaged Portion of the Building—pays for the loss of value of an undamaged portion of the existing building which must be demolished and/or removed to conform with municipal ordinance, code, etc...
- 2.) Demolition Cost—pays for the cost of demolition of the undamaged portions of the building necessitated by the enforcement of building, zoning or land use ordinance or law.
- 3.) Increased Cost of Construction—pays for increased expenses incurred to replace the building with one conforming to building laws or ordinances, or to repair the damaged building so that it meets the specifications of current building laws or ordinances.

Many of the Property and Package policies we sell automatically include this coverage at a default limit, most often \$25,000. This amount can be raised to as much coverage as you think you may need. Review your policy to see if you have this coverage, or give us a call and we'll look it up for you.