



Small Business
Legal Clinic
Lewis & Clark Law School

SBLC@LCLARK.EDU

503-768-6940

[HTTPS://LAW.LCLARK.EDU/CENTERS/SMA
LL_BUSINESS_LEGAL_CLINIC/](https://law.lclark.edu/centers/small_business_legal_clinic/)

Wildfire and Disaster Planning for Small Businesses: *Insurance*

Shanna Knight

STAFF ATTORNEY

Disclaimer : Presentation is for informational purposes only. Consult an attorney for legal advice on business insurance.

Importance of Insurance

- Protects against unexpected costs: accidents, natural disasters, and lawsuits
- Might be required by law or contract
 - For example, most landlords require general liability insurance
- Disasters like wildfire can destroy your property, but can also bring your business to a halt, and could also leave you liable to customers or others for their property
- Insurance for your small business can help you replace equipment and supplies, cover your expenses while business is stopped, and cover damages to other people's property

Kinds of Insurance to consider for Wildfires and other Disasters

Commercial Property Insurance

- Can protect against fire, smoke, storms, vandalism
- Generally for businesses with lots of property, inventory, etc.

Home -Based Business Insurance

- This is usually a rider, or addition to your homeowner's or renter's insurance to cover a small amount of property and injuries associated with a business

Business Interruption Insurance

- While business is stopped

General Liability Insurance

- Can protect against property damage, but also would cover the costs of any customer property that was damaged or destroyed. This insurance also covers injuries and other lawsuits.
- Good practice for most businesses and often required in contracts

Business Owner's Policy

- A way to package insurance that's most popular for small businesses, including property
- Good for most businesses and may save money

What to Watch For

Deductible

- What you have to pay before insurance kicks in
- A higher deductible usually means a cheaper policy, but beware
- Make sure this is something you can pay if you lost everything in a fire

Exclusions

- What isn't covered? If a firefighter puts out the fire, will your insurance cover that water damage?

Payments

- How will they be made? (advances, actual cash value, replacement costs?)

Limits

- How much will your insurance pay out?
- Is it enough to cover everything?

Read your policy and keep it updated

- Work with a licensed insurance agent
- Make sure you know what's covered and what isn't - declarations page
- Figure out your risks and how much you need to cover
- Your risks may change from year to year – are you growing?

Getting the Most out of Your Insurance

Inventory

- Walk through your small business and film your property. Take note of products, equipment, and supplies you would need to replace
- Keep pictures up-to-date
- Don't forget storage spaces
- Write down: descriptions, make, model, serial numbers

Records

- Keep them up-to-date
- Don't forget costs to protect your business like repairs, operating out of a temporary location

Talk to your Agent

- How long to get insurance paid out?
- Can you get an advance?
- What helps speed this process along?
- What documents/proof do they need?

****Strongest time to negotiate is before signing up or at renewal, but definitely BEFORE a wildfire or other natural disaster**

Filing a claim

- If your business is in danger from something like a wildfire, be in touch with your insurance agent – make sure they know where to reach you
- Photograph damage
- File immediately
 - Date, type, and location of loss
 - Before/After
 - Injuries
 - Official Reports
- Getting Help:
 - Insurance Agent
 - Attorney
 - Oregon Division of Financial Regulation: <https://dfr.oregon.gov/preparenow/Pages/index.aspx>
- Don't cleanup yet!

Other Considerations and Resources

What's NOT Replaceable

- Insurance won't cover everything
- Safety deposit boxes, gun safes, museum agreements for cultural property

Emergency Planning

- Assess your risk, create a plan, practice
- Emergency Planning Toolkit:
 - <https://www.sba.gov/business-guide/manage-your-business/prepare-emergencies>

Assistance

- FEMA
 - If a disaster has been declared, then years
 - Usually for individuals and communities, but may help for home-based business
 - Coordinate with insurance (FEMA help may reduce insurance payout)
- Grants
- Emergency Loans

Other Resources

- <https://wildfire.oregon.gov/> updates, tools, and resources
- <http://www.oregon4biz.com/Coronavirus-Information/> Small Business Navigator
- <https://oregonsbdc.org/natural-disasters/business-planning-for-natural-disasters>