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Auto Safety

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8 Winter Driving Tips for Commercial and Personal Vehicle Drivers

Driving safely in winter weather can be challenging for even the most experienced driver.

Whether your firm employs commercial vehicle drivers or most of the driving at your firm involves employees driving personal passenger vehicles, the following tips selected from the Federal Motor Carrier Safety Administration website will help drivers avoid dangerous situations, especially in winter. These tips apply to commercial and private passenger vehicle drivers alike. All drivers should also keep in mind that their safety depends on how safely others drive, especially commercial vehicle operators. So, drive defensively.

TIP #1: Always Wear Your Safety Belt

Whether driving short distances or long trips, you — and your passengers — should always wear



This Just In...

COVID Business Interruption Update: A win for producers of the Tina Turner Musical and a loss for 2000+ small businesses.

The Tina Turner Musical producers purchased an event insurance policy from Chubb Insurance Company that had a communicable disease exclusion. It excluded losses from communicable diseases that were “of such a systemic nature as to lead to quarantine or travel advisory orders by a national or international body or agency.”

However, since the show’s losses “stemmed from Executive Orders issued by the New York State Governor and New York City Mayor banning performances and gatherings in theaters, the exclusion did not apply,” said the New York state appeals court. “Plaintiff’s claim for consequential damages is adequately pleaded.”

A class action of more than 2,000 businesses sued Erie Insurance in October for business interruption coverage because of closures due to COVID. Their suit said that since their businesses had all risk policies, there should be “cover-

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a safety belt. In case of a sudden stop or crash, a safety belt will keep you secured to the seat, helping prevent injury or death that may occur from being thrown from seat into the steering wheel, dash, or windshield.

TIP #2: Reduce Your Driving Speed in Adverse Road and/or Weather Conditions

Adjust your speed to safely match weather conditions, road conditions, visibility, and traffic. Excessive driving speed is a major cause of fatal crashes, with higher speeds causing more severe crashes. The Fatality Analysis Reporting System (FARS) recently reported that 25 percent of speeding-related large-truck fatalities occurred during adverse weather conditions.

TIP #3: Enter a Curve Slowly

Speed limits posted on curve warning signs are intended for passenger vehicles, not large trucks. Large trucks should reduce their speed even further. Studies have shown that large trucks entering a curve, even at the posted speed limit, have lost control and rolled over due to their high center of gravity. 40 percent of speeding-related fatalities occur on curves.

TIP #4: Reduce Your Speed Before Entering an Exit/Entrance Ramp

Approach an exit/entrance ramp at a safe speed. Truck rollovers are more likely to occur on exit/entrance ramps when the driver misjudges the sharpness of the ramp curve and enters the curve at an excessive speed.

The posted speed limit on an exit/entrance ramp generally shows the safe speed for a passenger vehicle; the safe speed for a large truck is usually significantly lower than the posted speed.

Even though ramps and interchanges make

up less than 5 percent of all highway miles, 20 to 30 percent of all large-truck crashes occur on or near ramps.

TIP #5: Do Not Suddenly Change Your Direction of Travel

If you miss a turn or an exit, pass the turn and find a safe way to change direction. Do not take shortcuts. Trying to suddenly correct a missed turn or exit may result in an illegal or unsafe maneuver which may threaten your safety and the safety of the vehicles around you.

TIP #6: Signal Your Intentions

Use turn signals well in advance to indicate your intent to change lanes, then next visually scan for adjacent traffic and road hazards, and then execute a safe lane change. A recent study reported that there are approximately 630,000 lane-change crashes annually (including both large trucks and passenger vehicles).

TIP #7: Maintain a Safe Following Distance

Large trucks need additional space between vehicles to allow for safe braking and unexpected actions. In crashes, large trucks most often hit the vehicle in front of them.

If you are driving a truck less than 40 mph, you should leave at least one second for every 10 feet of vehicle length. For a typical tractor-trailer, this results in 4 seconds between you and the leading vehicle. For speeds over 40 mph, you should leave one additional second.

If you're driving a car, one strategy is to follow the 2 second rule, which is half the distance commercial trucks use. As a practical matter, if you're driving a car at 55mph, you could reach a full stop in about 200 feet, potentially less. That equates to the length of about 14 sedans or

This Just In

age for all risks of direct physical loss or damages unless the risk is explicitly excluded or limited." Thus, "When the mandated shutdown rules made it unlawful for plaintiffs to fully access, use and operate their businesses at the covered property, (it) constitutes a loss to the covered property under the policy."

However, Erie responded "that the mandated shutdown rules did not cause direct physical loss of or damage to property because they did not physically alter plaintiff's properties, nor did they render those properties useless or uninhabitable."

Chief U.S. District Judge Mark Hornak agreed with Erie: "It is self-evident that the COVID-19 pandemic has had detrimental consequences to people all over the world," the judge wrote. "However, it can also be accurate that the Erie policies...do not provide coverage for the additional consequences that plaintiffs assert."

a dozen full-sized SUVs. When driving in heavy traffic or metropolitan areas, your vehicle should maintain at least one full car's distance from the vehicle in front of it.

TIP #8: Be Aware of Your "No-Zone"

As a commercial truck driver, be vigilant in watching for vehicles in the "No-Zone." Drivers around you may not be aware of the size of your truck's blind spots, some of which can be large enough that a passenger vehicle can virtually disappear from your view! Passenger vehicle drivers should heed this caution and not disappear into the "no-zone." One-third of all crashes between large trucks and cars takes place in the "No-Zone."

(We'll provide more tips in a future issue.)

Source: CMV Driving Tips - Unfamiliar Roadways, <https://tinyurl.com/2nqnf5uc> ■

What Does “Proximate Cause” Mean in Insurance?

How does it apply in a case involving the ransomware payment from a cryptocurrency account?



Proximate cause, which refers to the closest/first cause of an accident, is a basic principle of insurance. Although there are several classic examples of how proximate cause works, a case involving cryptocurrency was recently decided based on the principle of proximate cause.

First, let's look at a couple of classic examples of proximate cause. The first concerns fire insurance.

Fire Insurance

It's often necessary to identify the proximate cause if the loss can be attributed to more than

one cause. Let's assume there's a warehouse fire that occurred shortly after an earthquake. Investigators determine that the reason for the fire was the damage caused by shocks from the earthquake to the electrical meter on the premises. Most property insurance policies specifically exclude the peril of earthquake, and since it's the proximate cause of the fire, there would be no coverage for the fire under the warehouse's property policy.

Accident Insurance

Another classic example of proximate cause involves accident insurance. Let's say a man who owns a simple accident policy is walking down the street and gets hit by a car. Of course, the man's injuries were caused by the car that hit him. But was the car the proximate cause? What if it turned out that the man had suffered a heart attack just before the car drove by and the man fell into the road and was then struck by the car? His heart attack would be the proximate cause of his loss. Depending on how limited his accident insurance policy was written his claim may be denied.

Cryptocurrency

Now let's look at the cryptocurrency case.

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A federal district court in Portland, Oregon, has ruled that Yoshida Foods International, a beverages and sauces manufacturer, is entitled to reimbursement for the ransom its president paid from his own cryptocurrency account.

The package policy purchased by Yoshida from Chubb Corporation included fraud coverage as a crime coverage feature. After a hacker demanded a ransom payment in exchange for decryption keys needed to restore Yoshida's data files, Junki Yoshida, the company's president, paid the hacker \$107,074.30 from his personal cryptocurrency funds. The company reimbursed him.

Chubb denied coverage for the fraud claim, arguing that the only loss sustained by Yoshida Foods was the reimbursement payment it made to Mr. Yoshida, who was not personally insured under the policy. There was no direct loss to the policyholder, Yoshida Foods, said Chubb.

Yoshida brought suit against Chubb to cover the claim and the court ruled against Chubb.

"Both the ransom payment made by Mr. Yoshida and the reimbursement of that amount by Plaintiff was proximately caused by the hacker's computer violation directed against Plaintiff's computer system," the ruling said.

"There was no intervening occurrence between the ransomware attacks, the ransom payment, and the reimbursement to Mr. Yoshida, which were all part of an unbroken sequence of events. Plaintiffs' reimbursement of the \$107,074.20 was a foreseeable result of the attack."

It didn't matter, said the court, whether the ransom was paid directly by the company or by its president, the act committed by the hacker fit the definition of a loss under the policy. The president's role as intermediary was "irrelevant." ■

Why You Need Equipment Breakdown Coverage

Equipment Breakdown insurance was formerly called Boiler & Machinery insurance. But they changed the name because these policies now cover so much more than boilers and machinery.

Insurers introduced boiler and machinery coverage in the mid-1800s to cover valuable steam-powered machinery from explosion or breakdown, and to cover the equipment's owner from liability for resulting property damage or bodily injury.

Today, few businesses use steam-powered machinery for business operations, but some still use steam-powered equipment for generating heat or power. Many states require these boilers to be inspected annually. If your boilers fall into this category, you may find equipment breakdown coverage a bargain, as coverage includes an inspection by the insurer along with protection from loss due to property damage or bodily injury. This is actually the component of your insurance premium because the mechanical breakdown inspections are quite thorough and will typically reveal any problems that exist, which once corrected, means that you are unlikely to experience a loss during the policy period.

To prevent business shutdowns or slow-

downs, an organization might want to cover other kinds of valuable equipment from mechanical breakdown, too. In addition to boilers, today's equipment breakdown insurance can cover these types of equipment:

- 1 Equipment designed to operate under internal pressure or vacuum
- 2 Equipment designed to generate, transmit or use energy, including HVAC systems
- 3 Communications equipment and computers
- 4 Equipment owned by a utility and used to provide service to an insured's location.

Don't think you need this coverage? Consider the following examples of claims from Hartford Steam Boiler, an insurer that specializes in boiler and machinery insurance and equipment breakdown insurance:

- 1 Owners of an office building had to spend nearly \$1.6 million to restore



power to tenants — including an accounting firm on tax-season deadlines—after electrical arcing destroyed three electrical panels, leaving the building without power.

- 2** A medical clinic had to discard more than \$21,000 worth of drugs when they froze after a controller on its refrigerator malfunctioned.
- 3** A printer spent more than \$136,000 to repair a high-speed press after a bolt came loose and jammed the cylinder and gears.

Sometimes equipment breakdown coverage is provided under a stand-alone policy; however, you usually also coverage as part of a Business

Owner's Policy (BOP).

Equipment breakdown policies are designed to cover your equipment from mechanical failure only, so they typically exclude damage from earth movement, flood, nuclear hazard, windstorm or hail. They also exclude “causes of loss” typically covered by other property policies, such as aircraft, vehicles, freezing, lightning and vandalism. Many other exclusions apply; however, you can modify many of these by adding an endorsement to your policy.

For more information on equipment breakdown coverage, please contact us. ■

What Do Equipment Breakdown Policies Cover?

The typical equipment breakdown insurance policy includes the following coverages:

- 1 Damage to “covered property” at the location named in the policy.
- 2 Expediting expenses to cover the costs needed to get insured equipment operational as fast as possible, such as expedited shipping and making temporary repairs.
- 3 Business income and extra expense. Similar to coverage you should have under your property or business owners policy, many equipment breakdown policies will cover income lost due to the slowdown or stoppage caused by breakdown of the insured equipment. Extra expense coverage reimburses the insured for extra charges you incur to keep your business running while the equipment is not functioning, such as outsourcing or renting equipment. If your policy only lists extra expense coverage, it does not cover lost business income.
- 4 Utility interruption, which extends the policy’s business income coverage to losses or spoilage caused by interruption of any utility service to the insured’s premises, rather than just losses or spoilage caused by a breakdown of equipment at the insured premises.
- 5 Newly acquired premises, or premises unnamed in the policy, for the number of days shown in the policy’s declaration page. The coverage only applies if equipment at the new location is of the same type cov-



ered by the policy.

- 6 Errors and omissions, which covers the insured for unintentional errors or omissions in describing or naming the insured property or location, and errors that cause cancellation of a covered premises.
- 7 Contingent business income and extra expense, which apply business income and extra expense coverage to breakdowns of equipment at a named “contingent location” not owned or operated by the insured. It can also include coverages to meet special needs, such as spoilage coverage, “brand and label” coverage, hazardous substance cleanup, and more. ■

Insurance Buyers' News



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