

Bank Standard Lines Insurance In 3-Minutes

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Fee-Only, Unbiased Insurance
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Standard Lines Insurance

Property, Auto,
General Liability,
Workers' Compensation,
Umbrella Liability

Hi I'm Scott Simmonds... I'm an insurance consultant. I don't sell insurance and never accept fees or commissions from the insurance agents or insurance companies I work with for my clients. Let's talk about bank insurance.

This video covers the standard lines of coverage, one of the four sections of bank insurance. The other sections are the financial institution fraud bond, management liability insurance, and lender asset protection insurance. See the separate videos on these areas of bank insurance.

The standard lines are insurance policies almost every business in America buys. More than half of the mistakes I find in bank insurance are in this single coverage section. Coverages are missing or they are improperly designed.

Property Insurance

This is coverage on your buildings, contents, and computers. It's also coverage for extra expenses - the expenses you incur keeping your bank location open after a fire windstorm or other catastrophe. \$250,000 of coverage is my minimum extra expense coverage for any bank location — your main locations should have at least \$500,000.

Coinsurance Is A BIG PROBLEM!

Write this down...

You should not have coinsurance any place in your property insurance. Ask your agent if you have a coinsurance penalty. If he says yes - ask why. There is almost never a good reason to have coinsurance in a bank property insurance policy. In my world, coinsurance is a sign of poorly designed insurance.

Auto Insurance

Few bankers consider the hazards that are included in auto insurance. A loan officer driving his personal vehicle to a chamber of commerce meeting can result in a catastrophic loss. Do not skimp on your bank's auto insurance.

General Liability Insurance

The GL policy provides coverage for bodily injury and property damage - the most common claim is a trip and fall. Your foreclosed properties should be included here too - so you get the extra protection of your umbrella.

Workers' Compensation Insurance

Workers' comp is the place for employee injury coverage. Every state is a bit different.

Umbrella liability

Umbrella or excess liability insurance gives extra coverage over the bank's auto liability, general liability, and employer's liability coverage. A \$5 million umbrella means \$6 million of coverage — \$5m on the umbrella and \$1m on the underlying policy.

Umbrella Liability Limits

Every bank should have \$5m in umbrella liability limits. If you are over \$300m in assets, I think you should have \$10m in umbrella coverage.

Bank Insurance Consulting

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Most banks start their work with me in an unbiased review of their insurance. Simple and straightforward. You send me your policies, and I report the issues and concerns. We then work through the mitigation of the issues. Unbiased insurance help and advice for banks.

I'm glad to talk about your bank and your insurance. Call or email me.

