



Commonly Overlooked Commercial Property Risks in Spring and Summer

Warmer months often bring increased business activity as well as seasonal risks that can lead to costly property damage and operational disruptions. Many exposures, such as severe weather and heavier foot traffic, are easy to overlook. By understanding these risks and taking proactive steps, organizations can reduce losses and avoid coverage gaps.

Spring Property Risks

Spring's mix of melting snow and increased rainfall can create excess moisture around commercial properties. Without proper maintenance, this can quickly escalate into larger issues.

Key exposures include:

- Roof leaks, clogged gutters and drainage failures
- Foundation cracks and poor site grading
- Flooding and water intrusion
- Mold and mildew following untreated water damage

Severe convective storms, such as thunderstorms, hail and tornadoes, also peak during this season, increasing the likelihood of structural damage, power outages and business interruptions. Many standard property policies exclude flood damage and losses tied to poor maintenance, leaving businesses vulnerable to out-of-pocket costs.

Summer Property Risks

While spring storms often continue into summer, additional seasonal factors can create new challenges. Common summer risks include:

- Wind and flood damage from ongoing storms and hurricanes
- HVAC system strain or failure during extreme heat

- Warping or deterioration of roofing and siding
- Increased wear and tear from higher customer traffic
- Greater exposure to theft or vandalism in busy environments

Heat waves can be especially damaging if HVAC systems and building exteriors are not routinely inspected. At the same time, industries like retail and hospitality may see more frequent property damage due to heavier use of facilities.

Mitigation Strategies

Proactive planning and maintenance are key to reducing seasonal property risks. Consider the following actions:

- **Maintain routine inspections.** Evaluate roofing, drainage systems, HVAC equipment and structural components regularly.
- **Address water management.** Keep gutters clear, repair leaks promptly and improve drainage around the property.
- **Prepare for severe weather.** Reinforce vulnerable areas, secure outdoor items and update emergency response plans.
- **Manage high-traffic areas.** Inspect flooring, stairways and entry points to reduce wear and liability risks.
- **Review insurance coverage.** Evaluate policies for potential gaps, including flood and equipment breakdown coverage.

Your Risk Transfer Resource

Contact the insurance professionals at Fairview Insurance Agency for more information about developing loss control programs tailored to your unique needs and purchasing appropriate coverage.

6 Common Coverage Gaps in Commercial Insurance Programs

Even well-structured insurance programs can leave businesses exposed. Coverage gaps often come from assumptions about what standard policies include—and many only come to light after a loss. Identifying these blind spots in advance is essential to avoiding unexpected financial strain and ensuring adequate protection.

1. Equipment Breakdown Exposures

Commercial property insurance typically covers damage from external events like fire or severe weather but not internal failures. Mechanical or electrical breakdowns can halt operations, damage inventory and lead to lost income.

Consider the following:

- Equipment breakdown insurance for repairs and replacements
- Coverage for spoiled goods and business interruption tied to equipment failure

2. Contingent Business Interruption Risks

Standard business interruption coverage applies only when a company's own property is damaged, leaving disruptions caused by suppliers or key partners uninsured. Contingent business interruption coverage can help offset lost income and ongoing expenses from these events.

3. Employment Practices Liability Concerns

General liability policies typically exclude employment-related claims. Lawsuits alleging discrimination, harassment or wrongful termination can be costly—even if unfounded. Employment practices liability insurance can help cover legal defense costs, settlements and damages.

4. Silent Cyber Exposures

Traditional policies were not designed to address modern cyber risks. As insurers clarify exclusions, businesses may find they lack coverage for cyber incidents they assumed were included.

Key risk areas include:

- Data breaches and ransomware attacks
- First- and third-party expenses tied to cyber events

Standalone cyber insurance can help fill these gaps.

5. Hired and Non-owned Auto Risks

Commercial auto policies generally apply only to company-owned vehicles. Accidents involving rented vehicles or employees' personal cars used for business purposes may not be covered.

A key mitigation strategy is securing hired and non-owned auto coverage to address liability exposures in these scenarios.

6. Social Engineering Incidents

Cybercriminals increasingly rely on manipulation rather than system breaches. Fraudulent wire transfers, fake invoices and vendor impersonation schemes can lead to significant losses.


To better protect against these risks, businesses should consider the following coverage factors:

- Social engineering endorsements for crime or cyber policies
- Awareness that traditional policies may not cover voluntary transfers initiated by employees

Conclusion

Coverage gaps can exist even in comprehensive insurance programs, particularly as risks evolve and policies change. Reviewing coverage with a knowledgeable advisor regularly can help identify exposures and ensure protection aligns with operational realities.

Proactively identifying and addressing coverage gaps can help businesses avoid costly surprises and strengthen overall risk management. For more risk management guidance, contact us today.



Coverage gaps often remain undetected until a claim occurs, making it too late to remedy the problem and leaving businesses exposed to significant financial losses that could have been prevented with proper planning.