

Business Journal

A publication from the Alaska USA family of financial service companies

Summer 2015

"FOR TOMORROW
BELONGS TO THE
PEOPLE WHO
PREPARE FOR
IT TODAY."

– African proverb



Keep your business on solid ground with earthquake insurance

When a big earthquake happens, like the recent tragedy in Nepal, it gets people thinking about earthquake preparedness. One way to be prepared is to have the proper insurance coverage for your home and your business. If it were possible that damage would happen to your place of business, wouldn't you want to have insurance to cover the repairs? Recent studies indicate that the risk of high magnitude earthquakes is on the rise, while the number of people who have earthquake insurance is trending downward.

According to the U.S. Geological Survey, Alaska and California are the top two states in the nation for number of quakes per year, with Hawaii, Nevada, and Washington rounding out the top five. Research shows that 81% of the world's largest earthquakes happen in the Circum-Pacific seismic belt, commonly known as the Ring of Fire, a circular zone which arcs along the western coasts of North and South America up to southern Alaska and through the Aleutian Islands to Japan and island groups of the Southwest Pacific. In March, scientists announced that the risk of California experiencing a magnitude 8 or larger earthquake in the next 30 years has risen from 4.7% to 7.0%.

A study from the Federal Emergency Management Agency (FEMA) in 2000 estimated that 84% of the nation's annual earthquake losses are expected to occur along the Pacific Coast, with losses expected in areas where urban development continues to grow. While the 6.0 magnitude earthquake that shook Napa Valley in August 2014 pushed people to question their current coverage, surveys from the Insurance Information Institute (I.I.I.) that same year found that only 7% of Americans have earthquake insurance, illustrating a drop from 10% in 2013 and 13% in 2012. On the Pacific Coast – where most of the country's earthquakes occur – only 10% of people have earthquake coverage, down from 22% in 2013.

Underestimating the risk and the cost of coverage are some of the reasons people shy away from, or even balk at, purchasing an earthquake policy. Earthquake insurance carries a deductible, ranging from 5% to 10% of the replacement value of the building. According to the I.I.I., insurers in states with a higher risk of quakes typically set minimum deductibles around 10%, and in most cases consumers can get higher deductibles to lower the cost of premiums.

Stay protected with earthquake insurance coverage

Earthquake insurance provides coverage for damage to buildings and equipment caused by shaking and cracking, as well as business interruption and debris removal.

For more information about earthquake insurance, contact Alaska USA Insurance Brokers at (907) 561-1250.

Are you prepared for an earthquake?

Everyone should consult their insurance agent to make sure they have the correct type and amount of coverage, but you can begin by asking yourself the following questions:

Can I pay the cost of rebuilding or repairing my place of business if it's damaged as the result of an earthquake?

Can I replace my equipment if it's damaged as the result of an earthquake?

Can I afford temporary business interruption if an earthquake causes structural damage to the property and makes it unusable?

AlaskaUSA®



Get it all for your business with equipment financing

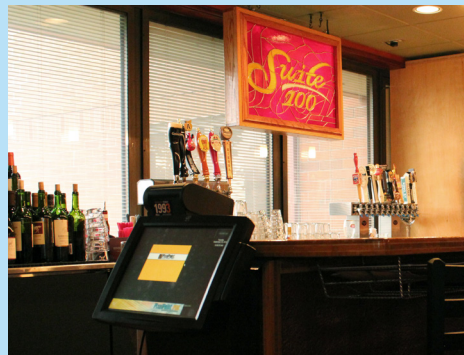
Sometimes the right equipment can be vital to the success of your business. Alaska USA has a long history of helping business owners gear up with the necessary resources by providing equipment financing options with competitive rates and flexible terms. Turn around times are kept to a minimum so you can start using your new equipment sooner. There are also no prepayment penalties, so you can make your regular monthly payments or pay in full without worry.

You may be wondering if your equipment financing needs are too big, or not big enough. Alaska USA finances items from small – like point-of-sale systems – to large – like MRI machines.

To learn more about equipment lending or other financial solutions for your business, call a member business development officer at (877) 646-6670 or visit alaskausa.org.



"We worked with Robert McNaughton in commercial lending. He helped establish our initial equipment loan, including all of our brew house setups and initial tanks. Since then, we've expanded the brewery three times, buying additional tanks, and finally our latest addition has been a canning line." – Dana Walukiewicz, co-owner of King Street Brewing Company



"If you don't have a point-of-sale system, you don't have a restaurant, and it's as simple as that. We worked with Dave Hamilton in commercial lending and bought this Pixel Point system. It's been seven and a half years and we're in the process of replacing it, but we've gotten our money out of it and then some." – Kelly Nichols, co-owner of Suite 100

UltraBRANCH[®] TIPS BUSINESS EDITION

Know your access types

There are several types of permission levels in UltraBranch Business Edition. It's important to know the details of each type when assigning account access to your employees.

Primary Contacts have the authority to use all features and establish or remove entitlements for company administrators and users. There can only be one primary contact, and it must be an authorized signer on the account.

Company Administrators have the authority to use all features and establish or remove entitlements for other administrators, users, and even the primary contact. Administrative rights should only be granted to key, trusted employees.

Users are granted limited permission to use certain features. They may not add or delete other users or change entitlements.

Approved Groups are a set of users given permission to approve other users' transactions.

When an employee with account access is leaving your company, it's important to immediately change their status to inactive. Undue exposure can also be avoided by inactivating any user or administrator who is on extended absence.

ACH dispute timeframes

Under National Automated Clearing House Association rules, business owners have 24 hours to dispute any suspicious debit transactions. If Alaska USA is not notified within that time, the transaction will be considered authorized. Minimize your risk by regularly verifying your transactions in UltraBranch Business Edition.

Business Checking Dividend Rates

Alaska USA pays monthly dividends on business checking account deposits over \$1,000, so there's no need to sweep your funds into other accounts!

Amount on deposit	Annual Percentage Yield		
	February	March	April
\$1,000 - \$9,999	0.05%	0.05%	0.05%
\$10,000 - \$49,999	0.05%	0.05%	0.05%
\$50,000 - \$99,999	0.10%	0.10%	0.10%
\$100,000 and over	0.15%	0.15%	0.15%

Please visit alaskausa.org or call (800) 525-9094 for current rates.

Find more Alaska USA business products at alaskausa.org or call today.

Business and commercial services • 646-6670 in Anchorage • 374-5452 in Fairbanks • (877) 646-6670
Commercial insurance • 561-1250 in Anchorage • 452-6891 in Fairbanks • (800) 478-1251