

Insurance Topics 2017

Boiler & Machinery / Equipment Breakdown Coverage

According to a Travelers claims analysis boiler loss is not the leading cause of boiler policy claims. The real loss leaders are electrical equipment breakdown, losses to air conditioning systems, cash registers, phone systems, and production machinery to name a few. The premiums typically range from \$150 (by endorsement) to \$1,500 (and may be a separate policy) based on the value of building and contents as well as the location and construction of buildings and if there's a boiler on premises. Call us for a formal quote.

Certificates & Blanket Additional Insured's

Please note if your policy includes a blanket additional insured endorsement...be aware that the Additional Insured status mentioned on certificates is **only activated** if there is a contract and the contract (executed prior to a loss) or purchase order requires additional insured status. Instructions in a certificate request are not considered by the courts to be a contract. If you do not have a contract then the parties listed on a certificate are **not** additional insureds protected by the policy with a blanket additional insured endorsement. If no contract exists please let us know so we can specifically endorse your policy to include additional insureds when needed (charges vary by carrier for these endorsements ranging from \$50 to \$1000 *each*).

- Named Insureds should also be aware that naming others as additional insureds on your policy(s) can exhaust the limits quickly. Also Named Insureds should be aware that affording coverage to an additional insured increases the potential for loss, and such claims and losses will be reflected in the named insured's future available coverage and premiums.

Additional Insureds should be aware that they may have less influence over their own defense if covered as an additional insured since they are not working with their own carrier.

Cyber Liability & Privacy Coverage

- With more customer and employee records being stored electronically, protecting your cyber liability exposure is now more critical than ever. Instances involving lost confidential information are not uncommon. If you'd like to calculate your cyber liability risk this site can be helpful: www.databreachcalculator.com. Amtech has the expertise to help you find insurance solutions for your digital and online liability risks. Many carriers are currently working on adding this coverage via an endorsement to existing policies and are just pending filing approval from NYS. We can also obtain an independent policy for Cyber Liability coverage now with premiums starting at low as \$1,500+ (premium requires underwriting of type of business, # of clients and # of records). **Please call us to discuss examples of claims that have occurred in this area as well as how to pursue a formal quote for this line of coverage.**

Care, Custody or Control (CCC)

An exclusion common to many liability insurance policies eliminates coverage with respect to damage to property in the insured's **care custody or control (CCC)**. Coverage for this exposure is available under, more specific forms of insurance such as motor truck cargo and garage keepers insurance or by carrier endorsement. The premium for CCC coverage can be as little as \$150 and increases based on limit and coverage form.

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Lead-Based Paint Professional (E&O) or Pollution

- Last year the United States Environmental Protection Agencies (EPA) **Lead-Based Paint Renovation, Repair and Painting Rule (40 CFR Part 745) became enforceable.** This federal law requires that anyone who receives “compensation” to disturb painted surfaces on any pre-1978 residential and child occupied facility must be an EPA certified lead safe renovation firm (5yr license) and must employ a Lead certified supervisor (5 yr certification). Your General Liability coverage DOES NOT contain lead-based paint professional (E&O) or pollution coverage’s. Please visit www.RRPTrainer.com where contractor training can be taken. For Sources and Guidance Documents: www.LEWCorp.com

Employees from other states working in New York:

Employers located out of New York State who have employees working within New York State must obtain a New York State workers’ compensation insurance policy. If this applies to your business please let us know so we can list NY in section **3A** of the information page of your workers compensation policy. (Effective September 9, 2007, New York coverage in Section 3c is no longer valid.) Employers located out of state who have employees working within New York State must also obtain a New York State Statutory disability benefits insurance policy if the employer has employees working in NYS for 30 or more days in a calendar year.

Disability Benefits Insurance Requirements

NYS statutory disability benefits (DB) insurance coverage is totally different from and is not included in NYS workers' compensation insurance coverage. Statutory NYS disability benefits insurance covers employees for off-the-job accident, injury or illness (with a maximum benefit of \$170 per week for 26 weeks if the statutory coverage is purchased). If you have one or more employees for 30 days in a calendar year (regardless of full time or part time), you are required to obtain NYS disability benefits insurance coverage. Such insurance must be effective no later than four weeks after the 30th day you have employees. However, if you have purchased a business whose employees had already been covered by the Disability Benefits Law, the effective date of coverage must be no later than the day you purchased the business.

Since most employees cannot live on just \$170 a week there is also **Enhanced Disability** with five benefit options for 26 weeks ranging from \$255 per week to a maximum of \$850 per week usually with a minor increase in the premium. For example if paid monthly a male DBL premium with state benefit minimums is \$30 a year compared to maximum benefit premium of \$149 a year. Employees can contribute to the payment of this premium of .60 cents per week through payroll deduction which also will reduce the taxable benefit. Please call us if you'd like to discuss this coverage further and get a formal quote. **Your employees will thank you for it!!!**

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Business Income Insurance:

Could your business overcome the possible problems created by a serious loss? You may be tempted to answer "yes" because you have property insurance. However, you may want to consider other aspects about this question. Surprisingly, many businesses like yours may face critical hurdles to continuing operations after a disaster. A loss to property can easily create substantial or even insurmountable financial difficulties. Further, even businesses that do manage to re-open can still struggle with huge, unanticipated sacrifices. Therefore, it may be important to consider buying business income insurance.

Business income insurance protects against indirect losses that firms suffer during shutdowns that sometimes follow a serious fire, windstorm or other calamity. Remember that, while a business is trying to make repairs, rebuild or find a temporary location, no income is coming through its doors. Under the business income policy, you may insure the entire amount of your business income loss and continue to pay employees while normal business operations are suspended. You may, for a reduced premium, cover your earnings but omit the cost of your payroll from the selected amount of coverage.

We want to make you aware of your need to protect your earnings, as they are certainly as important as your equipment and stock. Premiums have a wide range depending on limit, type of business, and building location/construction, but typically start at \$200+ ea year. We can customize business income protection for your particular needs, including rental value of your property. ***Give us a call to discuss how this coverage can help your business, for a worksheet to determine the value you need to insure for so we can provide you a formal quote and peace of mind.***

Employee Practices Liability Coverage

Protects the corporation, directors & officers and employees for claims resulting from wrongful termination, discrimination, sexual harassment, wrongful discipline and failure to employ or promote. Whether you are right or wrong in the eyes of the jury, the typical defense costs alone average \$100,000 - \$200,000 per case! We can obtain a policy for this coverage now with premiums starting at low as \$1,500+ (premium will depend on # of employees, type of business and prior incidents). **Call us to discuss obtaining a quote for this important coverage!**

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Electronic DATA LIABILITY CG0437 When ISO changed their CG0001 form during the 12/04 and newer versions they added two exclusions to the GL Exclusions P. Electronic Data and Q. Distribution of Material In Violation of Statutes.

The Electronic Data exclusion reads: **p. Electronic Data** Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data. As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

There is a buy back for this coverage with endorsement CG0437 usually with a sub limit of \$100,000 with a charge typically of 4-5% of the GL premium. **If you are interested in a formal quote to purchase the Electronic Data CG0437 buy back coverage, please contact our office.**

Reasons to purchase Flood Insurance-NOT INCLUDED ON PROPERTY POLICIES:

- Statistics show a property has a 26% chance of a flood versus 9% chance of a fire!
- You are in control. Flood insurance claims are paid even if a disaster is not declared by the President.
- Between 20 and 25 percent of all claims paid by the NFIP are outside of Special Flood Hazard Areas.
- There is no payback requirement.
- Flood insurance policies are continuous, and are not non-renewed or cancelled for repeat losses.
- Flood insurance reimburses you for all covered losses up to \$250,000 for homeowners and \$500,000 for businesses.
- Most policies start at as little as \$500 a year with many businesses paying under \$1500 per building (premium is determined by building value, construction type, and flood hazard zones).

Call us to discuss cost to purchase a flood policy today!

Fiduciary Liability

Because of the recent Supreme Court ruling in the *LaRue v. DeWolff* case, some of your clients may face an increase in liability if they act as plan administrators for 401(k) plans. The ruling allows an individual to sue plan administrators for breach of fiduciary duties with respect to the individual's account for the first time. Previously, the law only allowed plaintiffs to sue on behalf of an entire *plan*. Now, an *individual* account holder may sue 401(k) plan administrators for breach of fiduciary duties. We know fiduciary liability can be a confusing subject, so we have a [Fiduciary Liability Insurance Guide](#) available for you to review, just give us a call & we'll send it to you! We can obtain policy for this coverage with premiums starting at low as \$1,500+ (depending on type of business, revenues, and safety procedures in place). **Please call to so we can offer a formal quote.**

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Business Travel Coverage

- Protects employees while traveling on business.
- Pays a benefit in the event of a covered accident.
- Provides a Flexible Plan Design for employers to offer much needed accident protection to employees. Employers choose the time period and the extent of coverage and from a suite of coverages.
- Additional employee services at no additional cost including:
 - Travel Assistance, a 24-hour toll-free emergency line that offers medical, legal, and financial assistance while traveling, as well as pre-trip services.
 - Beneficiary Assist, offering grief, financial and legal counseling to help employees cope with loss.

Premium start at \$750+

(Premium determined by: # of employees, # of trips per year, method traveled, distance traveled).

Call us for examples of claims and a formal quote today!

Motor Vehicle Reports:

As you likely have heard the regulations surrounding the Fair Credit Reporting Act, The Driver Privacy Protection Act, and the Consumer Reporting Agency laws have all become more stringent. We, as an insurance agency, are only permitted to run motor vehicle reports for the purpose of underwriting insurance policies. No matter what form your employee signs we are not legally permitted to release their motor vehicle report to their employer. Therefore, when hiring new employees or doing annual motor vehicle checks of existing employees you should contact DMV directly to obtain the motor vehicle report. **Please remember to tell us when you're adding new drivers and supply their license number and date of birth.**

You can set up an account with them at <http://dmv.ny.gov/get-another-persons-records> or call 800-225-5368. You can also sign up with DMV for the Licensed Event Notification System so that you, the employer, are notified as activity on the employees license occurs and take action accordingly. The website for this is <http://dmv.ny.gov/dmv-records/license-event-notification-service-lens-accounts> .

In New Jersey go to http://www.state.nj.us/mvc/Licenses/driver_history_page.htm

In Ohio go to <https://www.dps.state.oh.us/netsys/netdb/ENGLISH/LKUPX.asp>

In Florida go to www.hsmv.state.fl.us

In VT is <http://dmv.vermont.gov/safety/violations/records>

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For monitoring drivers in a variety of states you can also use this site: <https://protect-us.mimecast.com/s/3RvJBzUqI5XTw?domain=dmv.ny.gov>

For states not please contact our office and we can provide you with your state's link.

Management Liability Insurance (MLI) Program

As companies and not-for-profit organizations begin to be under more and more scrutiny, it's important to ensure your company's and your executives' assets are protected. Management Liability Insurance (MLI) protects the company or organization and its executives from a variety of litigation scenarios. This new program includes three valuable coverages: Directors & Officers, Employment Practices Liability and Fiduciary Liability. Purchasing this comprehensive package of coverages, will make you feel confident that you are covered!

For more information please contact us with the following:

- Employee Count (part-time, full-time, etc.)
- Plan Assets
- Total Asset Size (for Private Companies)
- Total Revenue Size (for Not-For-Profit Organizations)
- Desired Limits

Contact us today and we can give you an indication of how this important coverage can benefit you!

**We offer a wide range of insurance products including:
Personal Lines Home, Auto, Boat, Umbrella, Motorcycle,
Flood and Life insurance.
Call us for a quote.**