

## Educate Workers About Comp Fraud

**I**nsurance fraud is a billion-dollar business that costs policyholders across the board in increased premiums.

Workers claiming injuries are often spotted participating in physical activities or working other jobs while receiving temporary or permanent benefits from an employer. In many cases, claimants intentionally deceive their benefit providers. In other cases, claimants might not realize or just simply forget to inform the appropriate sources before participating in certain physical activities or in other forms of employment.

In any case, claimants who are discovered participating in activities contrary to their injury status while collecting benefits can suffer consequences, including discontinuation of benefits, fines and even jail time.

Part of the solution to fraud lies in educating the workforce on requirements for maintaining workers comp benefits, as well as on



penalties for falsifying claims information. Make it part of your practice to inform all claimants of requirements and penalties, and follow up with workers comp beneficiaries to ensure they are in compliance. •

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### Management Liability Policy

**C**hoices abound for commercial insurance products: directors and officers liability, employment practices liability, crime, kidnap and ransom, Internet liability—the product list goes on. The sheer volume of choices can be overwhelming.

In response to the vast selection, several providers have begun packaging coverage together in a single policy called a “Management Liability Policy.” Management liability policies are designed to offer package arrangements of important coverages while simplifying the buying process. While most management liability policies include at a minimum D&O and EPLI coverage, many of these policies allow owners to pick and choose among numerous valuable coverage options. Depending on the provider, there may be a variety of deductibles and limits from which to choose, further personalizing coverage to your business needs and budget.

Call us if you would like to discuss your options. •

## Planning Your Way to Another State



Employers considering conducting operations in other states should add two very important considerations to their decision making: (1) a current workers compensation policy review, and (2) a visit to [www.dol.gov](http://www.dol.gov), the Web site of the U.S. Department of Labor, which contains workers compensation laws and issues from departments in all 50 states.

Workers compensation laws and the benefits payable by law vary by state. The issue is not regional. It is possible the state sharing a border with yours may have significant differences in workers comp. Review your current policy to determine in which circumstances coverage will extend to injuries incurred in other states.

Whether it's an adjustment to your current policy or an additional policy in another state, our agents can help you find the coverage you need for that expansion. Give us a call to help you plan and execute the insurance aspects of your interstate activities. ●

## Vacancies Can Limit Your Coverage

If you are the lessor of a commercial property containing multiple tenants, take note of the vacancy provision in your commercial property policy. Most property policies limit or exclude coverage for buildings considered "vacant" by the policy and might require an endorsement to amend that. Vacant, as defined by the policy, means 31% or less of the building is occupied. A building under construction is not usually considered vacant.

This provision is of particular concern for owners of properties containing multiple tenants, one of which makes up a majority of the building—for example, a 12-unit strip mall in which a grocery store leases five of the 12 units.

In this situation, the loss of that largest tenant could trigger the vacancy provision, which can drastically limit or exclude coverage, change deductibles and cause the underwriter to non-renew or cancel your policy.

To see if your commercial property policy can be endorsed to cover such an occupancy gap, call our service team today. ●



## Insuring Against E-Commerce Losses

While the tastes of individual service providers may vary, as a whole there is virtually no type of business that is not, well, virtual. Almost every type of industry has a product or service available through electronic purchase (also known as "e-commerce"). If you take orders or accept payment via e-commerce, you have special insurance needs.

Failure of an electronic system (Web host, server, etc.) has many costs: diagnosis and repair of the system, restoring lost information, and missed business,

for example. Electronic downtime may cause a substantial loss of income.

Traditional business income policies do not usually include coverage for e-commerce losses, meaning your costs will come out of your bottom line. To secure this valuable coverage, an endorsement or separate policy will likely be required.

For more information on insuring your business against e-commerce losses, review your current business income coverage or call our service team today. ●



## Burning Rubber and Your Business

It's time to review who's driving your company's vehicles. While you may have checked the driving records of employees prior to giving them the keys to your business autos, time passes and accidents happen. Someone convicted of aggressive or reckless driving might not be a good person to put behind the wheel of your vehicles. Take a look at this real-life example to see the risk you could be exposed to.

An employee driving a business auto at a good clip runs the stop sign coming out of the business' parking lot and rams into a passing

car. The impact drives that car into oncoming traffic, and a head-on collision with a third vehicle ensues. Both of the victims sustain injuries,

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with one requiring extended hospitalization and lost time at work. Both cars are totaled, and the business auto has extensive damage.

The employee suffers only minor injuries, but the business owner finds out from the police that the operator's driving privileges had been suspended two months earlier for drunk driving.

No coverage. Big liability.

Nothing beats a regular review of driving records for those operating your company's autos. Contact the motor vehicles department to determine how to get reports on violations and suspensions, and make sure to let your insurance company know about any changes you make to your business' driver rolls. ●

## When Demand Exceeds Supplies

Are there times in your business when demand exceeds supplies—times when a certain job or task requires more than what your normal operations and equipment can handle?

It is not uncommon for businesses to promise above and beyond their normal capacity to solidify an account or secure a large contract. For example, consider a local printing operation that does a majority of its business providing copy and fax services to the general public. A law firm seeks the printer's services, but in addition to standard copying services, the law firm requires the printer prepare full-color presentations for its attorneys. In order to secure the contract, the printer must lease a large machine with the capacity to print volumes of copies in brilliant color as well as to bind texts.

Such equipment can be too expensive for a smaller business to purchase outright. However, failure to provide the service will result in a great business opportunity going elsewhere.

In order to meet this new demand, you may have to take measures such as renting or leasing equipment. Lease agreements and rental contracts often contain clauses requiring you to carry adequate insurance on the equipment while under contract. Depending on the

contract, type of equipment and use, such coverage may not be automatic under your current commercial property policy.

For more information on covering those extra supplies needed for that extra demand, call our service team today. ●





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## Prevent Business Auto Theft

More than 1.1 million vehicles were stolen in the U.S. in 2006, and only 59% were recovered, according to the National Insurance Crime Bureau. In order to assist vehicle owners in preventing auto theft, the NICB created its "four layers of protection."

1. Common Sense: The cheapest form of defense is simply to employ the anti-theft devices that are standard on all vehicles: locks. Lock your car and take your keys with you.
2. Warning Device: Install a visible or audible warning device to deter thieves.
3. Immobilizing Device: "Kill" switches, fuel cut-offs and smart keys are among the devices which are extremely effective. Generally speaking, if your car won't start, it won't get stolen.
4. Tracking Device: If your vehicle is stolen, these systems help law enforcement track and recover it quickly. Some systems will even inform you if your vehicle has been moved without your knowledge. ●

For more information about your personal insurance needs, call us or fill out this form and fax it in today!  
 Fax: (781) 837-3756  
 Phone: (781) 834-6578

**Thank you for your referrals.**  
 If you're pleased with us, spread the word! We'll be happy to give the same great service to all of your friends and business associates.

**Please call me about:**

- Insuring improvements and betterments
- Business interruption coverage
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