

Your BUSINESS

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As an employer, what you need to know about same-gender marriage

As of July 24, 2011, the Marriage Equality Act allows same-gender couples to be married in New York and to have, with certain exceptions, the same legal protections available to opposite-gender couples married in New York. If they haven't, New York employers should immediately take the following steps to ensure their employee benefit plans, programs and policies (collectively, "benefit plans") will comply with the legislation:

- Review the requirements imposed by the legislation to determine how they will affect your existing benefit plans;
- Determine what, if any, changes must be made to your plans;
- Begin implementation of necessary changes by preparing any necessary amendments to the affected benefit plans, by coordinating with applicable insurers or third-party administrators by obtaining any necessary approval from the board of directors or board of trustees, and by preparing a summary of material modification(s) or revised summary plan description(s);

- Continue implementation by revising all other materials describing employee benefits (benefit summaries, benefit web pages, benefit forms, employee handbooks, etc.); and
- Review any domestic partner policy and any other employer policy that might be affected by the legislation (including an analysis of whether any changes are needed to help address potential discrimination claims, such as those that might be brought by opposite-gender domestic partners in certain circumstances).

The law provides that no government treatment or legal status, effect, right, benefit, privilege, protection or responsibility relating to marriage in New York state will differ based on the parties to the marriage being or having been of the same gender rather than a different one.

In 2008, the New York State Insurance Department issued a circular letter and an opinion directing that same-gender spouses legally married outside of

New York state must be treated the same as opposite-gender spouses for purposes of insured health, group long-term disability, group short-term disability, and group term life insurance plans that are subject to the requirements of the New York Insurance Law (collectively, "insured plans").

Now, same-gender spouses who are married in New York state have the same rights under insured plans that were provided in 2008 to those married outside of New York state. Employers with insured plans, therefore, should review the language in their plan documents, summary plan descriptions and insurance policies to see whether the definition of spouse will need any revision to include same-gender spouses who are married in New York state.



Business Owners Package coverage

Like any other commercial venture, small businesses need insurance—property coverage, liability protection and more. But, have you considered a Business Owner's Package? Instead of purchasing separate property and liability policies, small businesses can combine them into one policy for a potential bargain. A Business Owners Policy, or BOP, can be a good way to get basic coverage, particularly for new businesses.

BOPs offer property insurance and general liability coverage, with many of the same options (named perils/all-risk, etc.) as individual policies. BOPs will include business-interruption insurance as well, to cover lost income and extra expenses resulting from damage to your business property. In addition, coverage could include the breakdown of equipment and crime coverages, such as employee dishonesty, forgery and loss of money and securities.

Mind the gaps

BOPs are a great way to get a broad base of coverage quickly and easily, but they're not necessarily everything you need. For example, they do not include professional liability insurance for claims of errors, omissions or negligence in your business. You'll also need separate policies for other types of coverage, such as automobile insurance and workers' compensation.

Give us a call to discuss whether a BOP is right for your business and to plan for risks specific to your particular business.

Do you hire bad drivers?

Every time you request a quote on your fleet insurance, the insurance company will request the name, date of birth, and drivers license number for each of your drivers. Why?

This information forms the insurance carrier's picture of your overall fleet operation. If you have bad drivers, then your fleet will not be considered a good insurance risk. And, this can mean higher premiums.

The expense of bad drivers may present itself in many ways. Your accident rate might be higher than average; your operating costs might be higher than average; and you might suffer higher-than-average vehicle downtime. This is costly for both the insurance company and for you.

The definition of a bad driver varies, depending on the standpoint of the employer or of the insurance company. The employer's idea of a bad driver may

be one who does not deliver loads on a timely basis, does not take care of the vehicle, or has no respect for authority. It views a bad driver differently. The insurance company is concerned with who has accidents and why. Its definition of a bad driver is one who has a history of speeding tickets and/or accidents, who is inexperienced, or who drives aggressively.

The following ideas may help to avoid the risk of hiring a bad driver:

1. Always run a motor vehicle report on job applicants.
2. Require applicants to complete a written application asking about accidents and tickets.
3. Take a test drive with the applicant.

If you hire your drivers carefully, you may save money on your insurance premiums.





Is your business in danger?

The U.S. Senate, the International Monetary Fund, Lockheed Martin Corp., Citigroup Inc., Google Inc., and Sony Corp: These are a few of the many entities that have been victims of hacking or data breaches.

You don't have to be big to get hacked. Hackers now target small businesses because their computers and phones tend to be used for both business and personal matters, and because small businesses do not have the IT staff to constantly monitor and protect their operations. But since these are not publicly traded companies, you do not tend to hear of the breaches.

Rest assured, they do happen and are happening now. It is becoming more and more necessary for small businesses to invest in cyber-liability coverage for a

variety of reasons; not the least of which is the degree of sensitive information that they collect and hold. Smaller companies tend to operate on tighter margins. When a data breach occurs, one of the requirements for you, the business owner,

“... necessary for small businesses to invest in cyber-liability coverage for a variety of reasons...”

is to monitor clients' credit for possible fraud. Recent studies have determined that the average annual notification and monitoring charge for each client whose

information has been breached is approximately \$225 per year.

If your business was breached and data from 10,000 customers or clients was “stolen,” you could be on the hook for \$2.25 million in fines. Do you have reserves to absorb that? Let's not forget the loss of trust of your clients, many of whom would probably move their business away.

Cyber-liability coverage is becoming more and more accessible—and, more importantly, affordable. It's not time to sit on the sidelines and assume it will never happen to your business. Being reactive always costs more in the end than being proactive.

Call us for information on a cyber-liability policy for your business.



Be prepared for a catastrophe



As the recent hurricanes and flooding throughout the Northeast demonstrated, catastrophes can occur with little or no warning and can take a major toll on local businesses. Firms may be destroyed or forced to close due to damage to their property and/or surrounding area, hitting them with huge financial losses.

Insurance plays a major role in the recovery of a business after a disaster. Remember that you likely will recover from a disaster more quickly when you plan in advance by purchasing the right insurance and maintaining a strong recovery plan.

Beyond a plan and appropriate insurance coverage, there are steps you should take to safeguard yourself post-disaster:

- Seek out established, local contractors and adjusters with good references.
- Always get multiple bids; the lowest bid is not necessarily the best.
- Make sure your applicants are licensed.

- Be wary of people from outside the area, or those who are offering their services door-to-door.
- Never pay in cash; a paper trail will protect you.
- Pay only a fraction of the bill up front, with the rest to be paid upon successful completion of the job.
- Negotiate a legitimate, written contract—with no blanks that could be filled in later—and have all parties sign it.

Being the victim of a natural disaster is a trying ordeal. Don't compound your troubles by letting your guard down during recovery. And, call our office before you're faced with a possible catastrophe. We can help you determine what type of coverage will best suit your business needs.

News from our agency

Do you know why an independent insurance agent is better?

We always are available to offer you personal, one-on-one help with all of your insurance needs. Whether you need fleet insurance or business-interruption insurance, you'll have the added benefit of working with people who understand your business, its community and its unique needs. We will assist you every step of the way.

Who knows you best?

We do! We take the time to get to know our customers. Your insurance coverage has been crafted with your complete financial picture, your claims history, and your business circumstances in mind. Don't put all you've worked hard to build at risk. Make sure you protect your business with the proper insurance coverage.

Your satisfaction is our number-one priority. Call us for any of your insurance needs.

