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New Jersey

Flood insurance: staying high and dry

Unfortunately, too many business owners find out too late that their business insurance policy does not cover flooding. As your professional insurance agent, we want to remind you that the time to purchase flood insurance is before a flood happens. Whether you own or rent, flood damage to your business and property usually is not covered under your business insurance policy.

A flood is one of the most costly natural disasters you and your business can endure. If one hits, your location may need to be rebuilt, your equipment may need to be replaced and your records may be lost entirely. However, you can insure your business against floods and ensure that you have the funds to rebuild with a specialized flood-insurance policy.

We urge you to consider purchasing flood insurance before it's too late. According to the Federal Emergency Management Agency, between 1994 and 2003 New Jersey residents filed more than 19,000 flood insurance claims and received more than \$238 million in flood insurance payments.

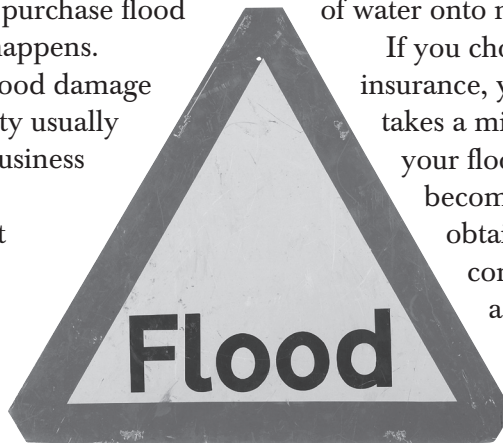
Flood insurance is available through many different insurance companies; but the federal government, through the National Flood Insurance Program, alone bears the risk. According to the NFIP, a flood is a temporary overflow of inland or tidal waters onto normally dry land, or run-off water from

rain, etc. Floods also include mudflows onto dry land, and water-caused erosion or collapse of land along a lake, pond, river or stream, which then results in the temporary overflow of water onto normally dry land.

If you choose to purchase flood insurance, you should know that it takes a minimum of 30 days for your flood-insurance policy to become effective, unless you are obtaining flood insurance in connection with purchasing a building or refinancing a mortgage. Purchase your flood insurance before you need its protection. Also, depending on the type and location of the building being

insured, you may have to complete certain flood insurance-specific forms.

Please give our agency a call. We will help you determine the coverage you need to protect your business from the devastation flooding can cause. ■



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New law means more reason for EPLI

On Jan. 29, 2009, The Lilly Ledbetter Fair Pay Act of 2009 was signed into law. This act loosens limitations on when workers can sue their employers if they feel they have become victims of pay discrimination (because of gender, race, disability, etc.).

Each paycheck could be a problem. Under the new act, a worker has 180 days after each paycheck (not just from the date of the first paycheck where the employee believes the pay discrimination occurred) to file a lawsuit against his or her employer. And, a worker now can sue an employer for up to two years in back pay.

To protect against such lawsuits, employers should keep detailed documentation on pay decisions and retain comprehensive employment records regarding an employee's performance.

In the event of a lawsuit, you've got your documentation, but what about insurance coverage to protect you and your business? Give our agency a call, we'll be more than happy to review your business policies to make sure you have the coverage you need. For instance, have you considered employment practices liability insurance?

EPLI offers protection against the crippling costs of discrimination, wrongful-termination and sexual-harassment suits. It provides defense for the company and the employees named as defendants in a lawsuit. It may include a wide range of monetary damages, including loss of wages and benefits. Most policies cover the cost of investigating, defending and settling claims.

Still have questions? Call us. We're here to help. ■

Avoiding EEOC attention—your responsibilities as an employer

The oft-repeated tales of Equal Employment Opportunity Commission investigations and sanctions can make even the most conscientious employers apprehensive. But, understanding the commission, its role and your legal responsibilities can put that fear into perspective.

The course of a typical EEOC complaint

Generally, an employee who suspects he or she has been the subject of an unlawful discriminatory action files a complaint with the EEOC. The EEOC will investigate to determine if there is reasonable cause to believe discrimination occurred. However, a pending investigation may be forestalled by successful mediation. At any point during the investigative process, the parties may settle, which ceases the investigation and ends the EEOC's involvement.

If the investigation follows its course, a range of outcomes are possible, including: a determination that no discrimination occurred; or a finding that discrimination occurred and an invitation for the parties to resolve the complaint informally through a process known

as "conciliation." Not so scary, right? However, an employer who fails to resolve the complaint through voluntary mediation, settlement or conciliation can expect to deal with increasingly involved actions by the EEOC, including litigation on behalf of the charging party.

What can you do?

By familiarizing yourself with lawful and unlawful employment practices and acting accordingly, you reduce your chances of being found to have engaged in discriminatory practices drastically. While we can't analyze specific workplace practices, the broad prohibitions contained in law offer general guidance. It is illegal to discriminate in any aspect of employment, including:

- hiring and firing;
- compensation, assignment or classification of employees;
- transfer, promotion, layoff or recall;
- job advertisements;
- recruitment;
- testing;
- use of company facilities;
- training and apprenticeship programs;

- fringe benefits;
- pay, retirement plans and disability leave; or
- other terms and conditions of employment.

Under these laws, discriminatory practices also include:

- harassment on the basis of race, color, religion, sex, national origin, disability or age;
- retaliation against an individual for filing a charge of discrimination, participating in an investigation or opposing discriminatory practices;
- employment decisions based on stereotypes or assumptions about the abilities, traits or performance of individuals of a certain sex, race, age, religion or ethnic group or individuals with disabilities; and
- denying employment opportunities to a person because of marriage to, or association

with, an individual of a particular race, religion, national origin or an individual with a disability. Title VII also prohibits discrimination because of participation in schools or places of worship associated with a particular racial, ethnic or religious group.

Despite your best efforts to eliminate any discriminatory practices from the workplace and strictly comply with the law, a complaint still may be made, exposing you to legal and financial uncertainty. Luckily, employment practices liability insurance provides coverage for these situations. EPLI policies are widely available and can cover nearly any scenario.

If you want to protect your business from employment practices-related liability, give us a call today. (Also, see our page 2 article on a recent law and EPLI.) ■

Secure your wireless network

Some people say freedom is the open road. But, if you want to talk about real freedom, let's talk about wireless connectivity. Let's talk about a business network without the staggering upfront costs. Let's talk about information where you need it, not tied to individual workstations. Let's talk about an incremental cost of adding new users so low that it's practically free.

Unfortunately, malicious hackers can take advantage of unsecured or loosely secured networks for sundry malicious ends. Your information is at risk—the worst kind of sabotage is possible. Your network resources could even become tools in an unscrupulous spammer's larger plans.

But don't let these dangers steer you away from wireless nirvana. These days, many carriers offer policies to protect against damages from a failure of computer security (i.e., a wrongful release of private information, lost data, lost income, etc.). If your network contains sensitive information, you'll want to consider such coverage seriously. Even if your data is innocuous, you should consider such a policy; they are affordable and a hacker doesn't need much to make mischief. You can give us a call anytime to discuss your particular network and situation. We'll get you the coverage you need.

Regardless of any coverage, you can take some easy risk-management steps right now to lock down your wireless network.

- *Change default settings.* All routers come with standard usernames, passwords and other settings predetermined by the manufacturer—and hackers know them all. Once you install your new router, change these settings.
- *Use built-in security measures.* Usually, you'll have the choice between two standards: wireless encryption protocol and WiFi protected access. WEP is an older, more breachable security standard. WPA, on the other hand, is newer and much stronger. Whichever encryption you have, use it.
- *Get a firewall.* Firewalls are designed to prevent unauthorized access to private networks connected to the Internet. They come in two types: software that is installed on each computer in the network, or a single hardware device that protects your entire network.

Wireless freedom isn't free. But, it doesn't have to cost a fortune. Between these simple tips and an appropriate network security policy, wireless freedom can be yours for you and your business to enjoy. ■

Temporary COBRA subsidy provisions of the stimulus plan

H.R. 1, The American Recovery and Reinvestment Act, was signed into law Feb. 17, 2009. Among many other provisions, it provides a temporary subsidy for COBRA continuation benefits to certain laid-off workers. The federal Department of Labor has posted guidance to employers and workers on its Web site www.dol.gov/ebsa/compliance_assistance.html. Here's what we know about the act to date.

What employers are subject?

Nearly all employers providing group health plans, private and governmental included, that are subject to federal COBRA rules and small employers that are subject to any of the "mini-COBRA" laws currently in effect in more than 40 states.

Who is eligible?

Workers who become eligible for COBRA benefits between Sept. 1, 2008, and Dec. 31, 2009, may be eligible. However, an "assistance-eligible individual" is limited to qualified beneficiaries who become eligible for COBRA continuation coverage during this time period due to involuntary termination. Workers who become eligible through other types of qualifying events (reduction in hours, divorce, voluntary resignation, etc.) are not eligible for the subsidy.

How much is the subsidy?

The subsidy is equal to 65 percent of the monthly COBRA premium. (If the employer already subsidizes

the premium, the subsidy will apply only to that which the AEI actually is required to pay.)

How will the subsidy be paid?

The subsidy will pay 65 percent of the worker's monthly COBRA bill directly to the employer as a payroll tax credit, once the worker has paid 35 percent of the bill. After receiving the AEI's reduced payments, employers may offset their periodic payroll-tax deposits by the remaining subsidy amounts. To claim the subsidy reimbursement, employers will submit reports to the Internal Revenue Service. The IRS will set the time and form of these reports.

How long does the subsidy last?

AEIs may receive subsidy payments for a maximum of nine months, effective as of the period of coverage that begins on or after the date of enactment.

What can employers do right away?

Contact COBRA administrators to determine who will be carrying out compliance activities. Contact payroll or Human Resource departments to identify AEIs (so far, there is no definition of "involuntary termination"). Identify AEIs terminated on or after Sept. 1, 2008, who currently do not have COBRA coverage (for purposes of offering the extended election period). ■

News from our agency

Protecting your business isn't as easy as it used to be

Whether you are running a multinational corporation or a small business, let's face it: Today's business world is more complicated than ever before. This is why it's vital to have the right business insurance, and the right insurance agency. At our agency, we've made protecting your business our business. By growing and adapting to the ever-changing environment, we will help you control the risks inherent to owning a business. We can visit your company, assess your business or corporate requirements and provide cost-effective solutions to meet all your business insurance needs.

Call us today for a consultation. Controlling risk may have become more difficult, but choosing the right insurance agency is still very simple. ■

