

## Who are you going to call?

Believe it or not, some policyholders do not see eye-to-eye with their insurance companies when it comes to applying rates and rules to their workers' compensation policies. The dispute may arise over assigned classifications; the remuneration included in the premium base; the method of determining return premium; the treatment of subcontractors; experience rating calculations or many other controversial issues.

We want you to know that we are here to help you with these problems. Also, we want you to know that the New Jersey Compensation Rating and Inspection Bureau is available to assist you when we can't resolve the problem for you. While the NJCRIB always has provided such assistance, there now is a formal process for appealing an insurer's application of rules or the determinations made by the NJCRIB.

**Step 1.** Submit the details of your dispute, including the premium calculations when relevant, in writing to the appropriate NJCRIB director. An informal conference may be scheduled to resolve the matter.

**Step 2.** If the informal conference is unsuccessful, further appeal may be made to the NJCRIB executive director.

**Step 3.** Further appeal may be made to the Governing Committee of the NJCRIB. The Governing Committee consists of 10 members, three of whom represent the business community, insurance producers and labor.

**Step 4.** A final appeal may be made to the commissioner of banking and insurance.

Before you can begin the appeals process, you will need to make certain that a) all undisputed premium has been paid; b) the appeal under step three is made prior to the effective date of cancellation of coverage; and c) the appeal under three is made prior to collection or other legal proceedings by the insurance company.

We hope you never have a problem we can't mediate for you, but it's nice to know you have options. Please let us know whenever something doesn't seem right about the insurance company's administration of your policy. ■



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## Commercial umbrella insurance—because accidents happen

While no one wants accidents to happen, they do—and people sue. Umbrella liability insurance protects you when accidents happen and your existing liability insurance policies cannot cover all expenses. Standard-business liability coverage will take care of you in most situations, but when serious situations arise, umbrella-liability insurance will help ensure that your business is protected. Here are a few scenarios to consider:

- your company holiday party gets out of hand, resulting in various injuries and damages;
- your building has a carbon monoxide leak that results in injuries and/or deaths; or
- your business fails to render the appropriate professional services.

Keep in mind that your umbrella liability insurance is not a replacement for standard liability coverage. Generally, an umbrella liability insurance policy is written to pick up where standard liability coverage ends. This means that before submitting a claim on an umbrella liability policy, a claim should be submitted to the standard liability provider. Any outstanding balance that is not covered by

the standard policy then can be submitted to the umbrella provider for consideration.

For example, if your current policy covers you for \$1 million and you are sued successfully for \$1.5 million, your business umbrella coverage can pay the outstanding \$500,000—which is a lot less painful than having it come out of your business profits.

### **Umbrella liability insurance coverage tailored to your business needs**

How much commercial umbrella insurance coverage does your business need? A variety of factors goes into determining the answer, including the type of business you own and how much coverage you already have. Call our agency for a business umbrella quote customized to suit your business needs. ■



## Is your employee-benefits package on the chopping block?

Wait! Even though everyone is looking to save some money these days, now is not the time to go without coverages for your business or your employees.

A good benefits package can help protect your investment in the employees you've spent resources to train, removing a key incentive to look elsewhere for employment; attract new blood to your business; and new employees will bring with them the latest knowledge in technology and fresh opinions on how to accomplish your business' goals.

Do you offer group health and long-term care insurance packages to your employees? Group health insurance usually is provided by

an employer to off-set the costs of health-care insurance, while long-term care coverage pays for services to help individuals who are unable to perform certain activities of daily living without assistance, or require supervision due to a cognitive impairment.

Both are valuable insurance coverages to offer employees and there are ways you can reduce their impact on your business' budget.

Consider reducing your group health insurance coverage options and providing other supplemental coverages to cover the gaps. Supplemental insurance for hospital indemnity plans or supplemental cancer insurance plans generally are affordable.

For both group health and long-term care insurance coverages, consider plans that offer higher deductibles. Or, look into the option of setting up health savings accounts. Also, if possible, ask for your employees' input. There may be coverages they are willing to forgo in order to have the insurance protections they need.

But, one of the best things you can do to help reduce costs for your employee-benefits insurance

packages is call us. We can review your insurance policies, and make sure you have the appropriate coverages without any gaps at the best price for your business. We also can investigate discounts based on the number of policies you have.

You have insurance coverages to protect your business and building, don't forget to cover your employees too. We can help. ■

## Information protection

Think about your business' assets for a moment: your building and grounds, your company vehicles, your staff ... Did you include your data? Business records and client information are critical to any business' success.

Two threats exist to your data: damage/destruction and theft. Each is worthy of its own article. But let's focus on preventing and insuring the risk of data damage or destruction.

### Back that data up

Prevention is, and always will be, the best defense. Should you suffer data loss, your insurance carrier can help cover your expenses. But, what you really need is your data back. Proper, company-wide back-up procedures can prevent catastrophic data loss in the first place.

1. Back up all computers to a central server nightly. Most hard drives have an average life expectancy of three years. How old are your computers? Should one of those drives be damaged, backing up nightly will prevent the loss of more than a day's worth of data.

2. Back up your server to an off-site back-up service. While several online services will host your back-up data and update it automatically over the Internet, you don't need to be that sophisticated. Your back up can be as



simple as an external hard drive with a duplicate of your server's data that you or your IT staff brings home every night. Should a fire, flood or other disaster destroy your building and the computers, your data has a chance of preservation, ready to restore once you're up and running again.

### Cover your data

Certainly, prevention is excellent medicine; but you should protect yourself financially against the potential loss of your company's data. In fact, you may already be covered.

Property insurance covers business property in the event of physical loss or damage. These

days our data is more likely to be stored as strategically arranged electrons than as files in a cabinet. Can something so ephemeral really be considered property?

Some carriers have terms in their standard property policies broad enough to provide limited coverage for data (typically listed under "electronic data" coverage). More often, businesses will need a policy that insures data, papers, records, money and securities kept at your place of business—usually called an Electronic Data Processing Policy. Please call or stop by our office; we'll be glad to sit down and review your protection. We'll make sure your business has the coverage it needs. ■

## Pollution exclusions

In purchasing a commercial general-liability policy, you probably reviewed the terms and conditions of coverage and your responsibilities to ensure the continuous protection of the policy. You have a good idea of what types of events or losses are covered by the policy—bodily injury, property damage, etc. caused by your business’ operations. You know that such a policy also would cover personal injury or advertising injury. This coverage, often seen as the starting point of defense for businesses, provides coverage for a wide variety of losses that can befall your business. However, the standard CGL form contains language that specifically excludes liability that, at first glance, may seem to fall under the above-listed coverages. It’s called the pollution exclusion.

What is this exclusion, and how does it work? First, the pollution exclusion does not exclude pollution generally. Rather, it excludes coverage for bodily injury or property damage arising out of the release of a pollutant. The operative language states: “there is no coverage, subject to... exceptions ..., for any injury or damage arising out of a pollutant. The term pollution is not defined anywhere in the exclusion. However, the term pollutant is defined, and includes nearly every type of irritant or contaminant, whether solid, liquid, gas, or heat. The definition names fumes, acids, alkalis, smoke, vapor, soot, chemicals and waste as representative examples, but is not limited to them.

Many substances informally considered pollutants have been found by courts to fall under the exclusion: ammonia, asbestos, benzene, carbon dioxide, carbon monoxide, chemical fumes, DDT, PCBs, TCE, gasoline, heating oil, insecticide and lead paint. Even dust, foundry sand, manure, salt water, sewage and skunk spray; which typically are not considered pollutants by the lay person have been deemed as such by courts.

The pollution exclusion removes an insurer’s obligation to provide coverage related to any loss, cost or expense arising out of requests, demands or orders that any insured ... “clean up, remove, contain, treat, detoxify ... or in any way respond to ... pollutants.” The language also excludes coverage claims or suits “by a governmental authority for damages because of testing for, monitoring, cleaning up, removing ... or in any way responding to ... the effects of pollutants.”

A number of specific exceptions to the application of this exclusion exist. For example, under a typically-cited “hostile fire” exception, property damage caused by heat and soot released by an unintended fire in an unintended location would indeed be excepted from the exclusion that is covered.

This is a profoundly complex coverage, one that may present many traps for the unwary. Even if your business might seem to be insulated from pollution-related claims, the expansive definition of “pollutant,” and the ease with which a business can accidentally run afoul of this language, should inspire a responsible owner or manager to contact their independent agent and make sure that they have adequate coverage. ■

## News from our agency

### How do we measure success?

We know there’s a lot of competition for your business. At our agency, we measure our success by the number of clients who remain with us year after year, and the recommendation made to friends, family and colleagues. And, we appreciate our relationship.

If you value our relationship and service, we’d appreciate it if you’d spread the word. We are committed to establishing the same mutual trust and reliable service with each new client. We are the kind of people you can depend on and trust to be of service to you and your business.

Your referral is the best way to let us know we’re doing a good job. ■

