

Risk Monitor



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Why an Annual Business Insurance Review is Crucial to Your Evolving Business

Most new business owners are concerned that everything is favorable for the success and safety of their business, which includes obtaining the protection of business insurance. However, longevity and success can cause complacency.

Let's say you started your business 10 years ago with just a small space and computer desk. Today, you have an office full of employees and equipment. Do you still have the same insurance policies from 10 years ago? If so, you might not realize how under-insured you've become.

Errors happen and circumstances change, even when policies were initially obtained with care and caution.

Business owners need to ensure they're annually reviewing their business insurance programs. Errors happen and circumstances change, even when policies were initially obtained with care and caution. Without yearly examinations, substantial expense and risk can ensue.

It's common for small businesses to start out with basic insurances, such as commercial property and general liability policies. However, as they evolve, most find they need other types of insurance, such as:

- Excess liability or umbrella—covers claims exceeding your standard policy's limits.
- Workers' compensation—once your business reaches a certain number of employees, this type of insurance will actually be required in most states to provide payments for an employee's lost wages and medical expenses fol-

lowing a workplace injury.

- Professional liability—covers your service-provided mistakes and usually your attorney fees.
- Auto, hired and non-owned—protects your business should an employee cause a vehicle accident in their personal or rented vehicle.
- Commercial auto—coverage not under personal auto policies, such as to your business and for employees unloading and loading.
- Employment practices liability—coverage for HR issues, such as those related to termination, harassment, and discrimination laws.
- Directors and officers liability—financial protection for directors and officers should they be sued for wrongful acts stemming from performance of their duties.
- Employee benefits liability—covers liability issues from an omission or error in the administration of an employee's benefits that results in the employee incurring a cost, such as a terminated employer losing benefits after not being providing with COBRA information.

Depending on your business, many of these insurances may be essential to adequately protect yourself. An annual insurance review is an ideal time to discuss these insurances, as well as your need for them, with your agent. Ensure the following elements are considered as you begin the review:

- Revenue—more business is good, but it also means a greater potential for liability. Have annual sales changed?

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Welcome to the Elliot Whittier Insurance Newsletter!

It is with great satisfaction that we bring this newsletter to you. In this issue and in coming months, we will discuss pertinent risk management topics which may affect your organization. We sincerely hope that you will find this newsletter informative and please do not hesitate to contact us should you have any questions or needs.



Our Employees Provide Service on their Own Time Too

We've said it before, here at Elliot Whittier, we're proud to employ highly engaged individuals.

More than just insurance professionals, we are committed to service outside of the office as well. Here's where some of our staffers have been seen lately:



Chris Millerick/Marketing & Sales at the National Epilepsy Walk in Washington, DC in March 2011. Chris is on the right and her daughters Briana and Alexandra are pictured with her.



Erica Citro/Supervisor of Personal Lines, Winthrop at the Project Bread Walk for Hunger in May 2011. Erica is on the right and her friend Savie Vath is pictured with her.



Kristin Quinn/ CSR, Co-Chaired the East Boston Relay for Life in June 2011. Kristin is down in front with her co-chair, Tiffany Lacascia

We believe that by contributing to the world around us through volunteerism and financial contributions, we enrich both ourselves and our Elliot Whittier Team, which is reflected in the value we bring to our clients.

Appointment with Narragansett Bay Insurance puts Elliot Whittier in Prime Position

New Options for the Coastal Homeowner

Elliot Whittier is pleased to announce it's appointment to sell homeowner's insurance products by Narragansett Bay Insurance Company. Narragansett Bay Insurance Company (Narragansett Bay) is a leading specialty underwriter of homeowners insurance products and services in states along the Eastern seaboard. The company currently provides homeowners coverage in Massachusetts, New Jersey, New York and Rhode Island – with plans to add additional states.

"We are thrilled to be adding Narragansett Bay to our carrier portfolio. We now have more options than ever as we go to market for our prospective and existing customers' home insurance. This is particularly good news for qualified coastal properties that customarily have limited or perhaps only one place to look at for their home insurance," said CEO Steve Roy.

Narragansett Bay has been assigned (and reaffirmed) a Financial Stability Rating® (FSR) of "A, Exceptional" by Demotech, Inc., a nationally recognized financial analysis and actuarial consulting firm.





Don't Let Vendor Liabilities Become a Liability for You

Most companies will need to undergo some remodeling, repairs, or possibly even an expansion at some point or another. Such work is most often outsourced to a vendor.

Before you hire a vendor to do work at your facility, you want to protect the financial security of your business and make sure that their liabilities don't suddenly become a liability for you. For example, you'd likely feel bad for all involved if a contract worker suffered an injury working on your project. However, you might not realize that you too could be involved. If that injured contractor wasn't insured, then it could involve an expensive lawsuit against your business. It's such scenarios that often prompt business owners to question how they can best protect themselves when hiring a vendor.

You may get lower bids by vendors not licensed and insured, but an unexpected injury later could result in insurmountable legal costs that would far surpass any savings. It can't be emphasized enough just how important it is to only hire reputable, licensed, and insured companies.

How Do I Know If My Vendor Is Licensed?

Finding out if a contractor is licensed isn't very difficult, as any licensed contractor must display their state licensing number on all marketing and advertising materials, such as phone book, billboard, and newspaper ads; the company logo on their building sign or company vehicles; and even the materials they pass out to the public.

How Do I Know If My Vendor Is Insured?

Finding out if a contractor is insured isn't quite as simple as looking at their ads, but it's a vetting step that you certainly don't

want to skip. Never work with a vendor that doesn't have commercial general liability insurance and workers' compensation. At a minimum, the commercial general liability insurance policy will cover advertising injuries, personal injuries, bodily injuries, and property damages.

If your contractor doesn't voluntarily offer to show you a certificate of insurance as proof that they're covered by a commercial general liability policy, then you should ask for it. Don't accept that they'll bring it by after they're hired and don't forget to check that the expiration and effective dates will be congruent with the dates of the project.

What Else Can I Do To Protect My Business?

Additionally, you might consider taking the following steps:

- Make a list of approved vendors that are both licensed and have shown proof of insurance.
- Ask that the contractor's insurance agent to mail you their certificate of insurance.
- Ask that your company be added to the contractor's general liability policy as an additional insured until the project is completed.
- Consider only hiring a contractor that has insurance limits equal to your own.
- Ask the contractor to sign a written legal contract indemnifying your company from a liability claim.
- Never work with a contractor that will need to use your tools or equipment to complete the job. Don't even lend such items to the contractor. If your equipment or tools are defective and cause a contractor to be injured, it could result in a lawsuit.

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- Property—have you added equipment, computers, and such that would create a need to increase your commercial property policy's limits?
 - Location—your business owner's or general liability policy could be impacted if you've added, closed, or moved locations.
 - Travel—a hired and non-owned auto policy may be needed if your employees are frequently driving rented vehicles.
 - Employees—have you had an increase in your workforce, turnover rate, or use of contractors? Consider employment practices liability insurance for high turnover rates. Workers' compensation insurance may be a new requirement if you've added to your workforce.
 - Services—are you offering additional services? For certain types of work, you may need additional endorsements to your general liability policy.
 - Customers—are you serving new clients or industries? This may cause problems with your professional liability policy if you're servicing high concentrations of high-risk clients/industries.
- The above answers will be different for every business and usually won't remain the same over the business's life, and that's why insurance isn't a one-size-fits-all, unchangeable product. Take advantage of these attributes and annually review your business for exposures and insurance needs. Insurance may not cover everything, but it can certainly mitigate your risks. Start your annual business insurance review today by setting up a meeting with your insurance agent to discuss the above issues and how they relate to your current insurance needs.

Free eReminders, Right In Your Inbox!

One of our trusted car insurance carriers, **Plymouth Rock Assurance**, is offering free eReminders to all Massachusetts drivers.

Sign up and ask them to remind you of these important events!

They will send you an email to remind you:

- When your license renewal is due
- When your registration expires
- When your car inspection expires

Plymouth Rock will automatically send you email reminders about 30 days before expiration if you sign up for this service.

What are you waiting for? Sign up for eReminders here: <https://mylesereminders.prac.com/> today! It's free!

Also, sign up for other email reminders that will help save you time and protect you and your family;

Sign up for email recall alerts for your car here: <http://www-di.nhtsa.dot.gov/subscriptions/index.com>

Register your car seat to receive car seat recalls here: <http://www.safercar.gov/Child+Safety>

You don't have to be insured with Plymouth Rock to enjoy this free service! This is just their way of making the lives of Massachusetts drivers a little easier. We hope you enjoy it!

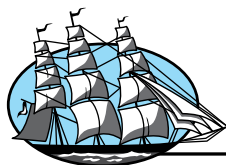
Dr. Gene DiStasio Scholarship Awarded

Elliot Whittier is pleased to announce the 2011 recipient of the Dr. Gene DiStasio award to Miss Ariane Seymour. Miss Seymour is the Salutatorian of the Winthrop High School Class of 2011, and intends to study at Ithaca College.

Elliot Whittier has adopted this scholarship fund to assure that a grant of \$500 may be awarded annually to a graduating Senior from Winthrop High School in perpetuity. The scholarship was established in 1998, from proceeds of the Oceanside Big

Band & Jazz Fest, in loving memory of jazz trombonist and Winthrop Orthodontist, Dr. Gene DiStasio.

Dr. Gene encouraged Paul Roy, a principal at Elliot Whittier to produce the first free outdoor concert at Hannaford Park in Winthrop in 1994. Gene played trombone for the Kenny Hadley Big Band that year. He died in 1995.



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