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## WHO'S GOING TO HELP YOU HELP THE HELP?

That would be us—your professional, independent insurance agency. If you hire anyone to provide services inside or outside your home, we need to know the details to assist in protecting you and your help. There are preparations to be made should these domestic employees get hurt while under your employ. Under certain circumstances, New Jersey law imposes obligations on a homeowner to provide benefits to injured domestic employees.

A homeowner must insure its obligations under the workers' compensation law to provide benefits to injured domestic employees when they are employed by the homeowner on a regular, periodic or recurring basis. Domestic employees can include chauffeurs, nannies, home-health aides, au pairs, nurses, babysitters, maids, cooks, housekeepers, laundresses, seamstresses, butlers, companions and gardeners.

If your domestic employee is eligible for workers' compensation benefits and you are



not insured, you will have to pay for the benefits out of your pocket. Remember, you don't necessarily have to be negligent in causing an employee's injury to trigger the no-fault obligation to pay workers'

compensation benefits. Fortunately, if you have a homeowners, tenants or unit-owners policy, this coverage automatically is provided in that policy. The premium you are charged to cover this obligation is based upon the number of workers you employ and the number of hours they work each week.

According to law, your domestic employee is barred from suing you for damages resulting from injury when that employee is eligible and insured for workers' compensation benefits. While you have no obligation to provide workers' compensation benefits for an employee who is not working on a regular, periodic or recurring basis, that employee then retains the legal right to sue you for his or her damages. Fortunately, this exposure also is covered automatically by your homeowners, tenants or unit-owners policy. You may, however, want to obtain an excess or umbrella policy to secure the desired limit of protection.

Our agency wants to help you help your help, but we need you to help us help you help your help by giving us all the details. That way, we can help you meet your obligations and help you help your help.

## HOMEOWNERS AND RENTERS SHOULD CONSIDER FLOOD INSURANCE

If your car floats away in a flood, its loss probably will be covered by your personal auto insurance. But, if your home is damaged in a flood, it won't be covered by your homeowners or renters insurance. A separate policy is required, and generally available only through the federal government's National Flood Insurance Program. This is a painful fact learned by thousands each time a hurricane makes it way up the coast, or a thaw comes suddenly after a snow storm.

You might assume the only people who need flood insurance are those living in flood zones, or in areas affected by tropical storms or hurricanes—but that's not true. Flooding can be a danger even for homeowners living outside flood-prone areas. In fact, about 25 percent of all NFIP claims are made by people in low-to moderate-risk areas.

Our agency can help you obtain flood insurance as long as you reside in a locality that participates in the NFIP. Separate coverages apply to buildings and contents. Coverage up to \$250,000 is available for residential buildings, and up to \$100,000 for contents. Coverage for farm buildings and other nonresidential buildings, as well as separate coverage for its contents, is available in limits of up to \$500,000. Property owners and renters are eligible for this coverage.

Don't assume you will be eligible for disaster assistance if

you're flooded. That's only available if the U.S. president declares the region a federal disaster area, which often isn't the case. Furthermore, it's not free money. Typically, assistance is in the form of a loan, on which you will pay principal and interest. Why pay interest on a loan when with a flood policy you only have to pay the insurance premium?

By following a few tips you can help prepare for a flood. Listen for storm warnings and follow evacuation procedures. If a severe storm is predicted, board up windows, shut off utilities and store outside items inside to prevent damage. Keep an emergency kit handy containing food and water, a portable can opener, clothing, blankets, flashlights, extra batteries, first-aid supplies, any prescription medicines needed and a battery-operated radio—in case you are left without electricity.

Don't wait for the rising river or the hurricane just offshore to realize flood insurance is appropriate for your insurance. Contact our agency to get the coverage you need to protect yourself from the devastation flooding can cause.

**Note:** *With very few exceptions, such as a lender requiring coverage on a brand new house, you must wait 30 days before coverage becomes effective.*



## THERE IS A DIFFERENCE

Some people think it doesn't really matter where they buy their insurance. But this misconception could be costing them money, service and protection. Insurance is an important safety net for your family, your home, your car or your business. Don't treat the purchase lightly!

Many people don't realize there are three sources for insurance:

1. Captive agents, who sell the insurance of only a single company;
2. Telephone representatives, who can offer you the insurance of one company, and only on the telephone; and
3. Professional independent insurance agents, like us, who represent several insurance companies, can research each of these firms to find you the best combination of price, coverage and service.

As your professional independent insurance agent;

- we are licensed professionals with strong customer and community ties;
- we give you excellent service and competitive prices because we can access the insurance coverage from more than one company;
- we are not bound to any one company, so you don't need to change agencies as your insurance and service needs change;
- we work with you as you determine your needs, and are available to assist you if you have a claim;
- we look after your pocketbook by finding the best combination of price, coverage and service;
- we offer one-stop shopping for a full range of products—home, renters, auto, business, life and health, disability and long-term care; and
- we treat you like a person, not just another number.

Many times, direct writers don't compare coverages to coverages. To lower the cost, they may lower or eliminate completely coverages you may need. Customer satisfaction is the key to our livelihood. Serving you as your professional independent insurance agent is our most important concern.

**Remember: There is a difference in where you buy your protection.**



## THE CORNERSTONE OF YOUR FINANCIAL FUTURE

Did you know the high costs of long-term care can drain your retirement funds even before they've been used as intended? We realized long ago that Social Security was not the answer to our retirement dreams, and now it is time for those walking the line of retirement to realize that long-term care insurance is the best way to protect retirement funds against the increasingly high cost of long-term care.

With years of high-earnings potential and well-managed assets, baby boomers have long looked forward to their golden years, and toward leaving some of their assets to their children and grandchildren. Most investors approaching retirement have taken great care to make sure assets have been set aside in funds or trusts, but with laws and regulations regarding these decisions changing constantly, only the most informed will be certain to protect 100 percent of their assets.

With Americans living longer than ever, the bottom line is that insuring your long-term care may be the only way to realize your financial retirement goals. And, certainly you should consider long-term care insurance if your assets and income are such that you feel you will not be able to qualify for Medicaid—as is the case with so many financially responsible baby boomers.

If you want to make sure your plans for retirement are not derailed before they start, investing in long-term care insurance may be the best move you can make. Be sure to talk to us if you have any questions regarding long-term care coverage.

# D&O INSURANCE FOR VOLUNTEERS

In 1997, with the passage of the Federal Volunteer Protection Act, the footing of volunteer officers and directors for nonprofit organizations became a bit less tenuous. Despite the added support offered by the Act, there remain enough potential sinkholes—both for volunteers and the nonprofits themselves—that officers and directors would be wise to watch their steps and secure some extra protection, in the form of directors and officers liability insurance.

The VPA generally provides that “no volunteer of a nonprofit organization … shall be liable for harm caused by an act or omission of the volunteer on behalf of the organization or entity.” This assuming, of course, the volunteer satisfies a whole litany of prerequisites. The picture is further complicated by assorted state volunteer protection statutes. While most states have enacted some form of protection for individuals working as volunteers, the scope and details of such statutes vary widely from state to state.

You might think, whatever the details, two levels of protection are better than one—and of course, you’d be right. But the interaction between state and federal legislation is complicated, and officers and directors still can fall through the cracks. Even if its volunteers are on solid ground, the nonprofit itself can be held liable. That’s why

insurance agents and risk managers frequently recommend the purchase of a D&O liability policy. Also, members of the board of any nonprofit organization should consider a personal umbrella policy.

Broadly speaking, D&O insurance provides coverage for loss stemming from claims against insured persons for wrongful acts. Policies usually define loss as judgments, settlements and reasonable and necessary legal defense fees and costs. Insured persons can include directors and officers, employees, trustees or volunteers. Some D&O policies provide coverage for wrongful acts of the organization itself. A wrongful act typically is defined as any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, act or omission.

Of course, the brief overview provided above is in no way all inclusive. Work closely with us, your professional, independent insurance agency, to ensure your organization has the precise coverage it needs to cover fully its unique risk exposures. Stop in or call us today.



## SPECIAL EVENT INSURANCE: WEDDING

Getting married can be an expensive proposition. If you are planning a wedding, think about wedding insurance. Also, check your homeowners policy to see if the wedding gifts are covered.

A type of special event insurance, wedding insurance coverage is designed to provide financial protection if you must cancel or postpone a wedding because of death or serious injury in your immediate family; if either the bride or groom is called to military duty; or a natural disaster (hurricane, earthquake or other insured disaster) occurs on your special day.

Depending on the policy or level of protection, you may be covered for the following:

- reimbursement of nonrefundable deposits due to circumstances beyond your control;

- damage to the wedding dress or other special wedding attire;
- theft of wedding gifts; and
- expenses incurred to reassemble the wedding party to retake photographs because of damaged or destroyed film or videotape.

To see if wedding insurance is right for you, give our agency a call. We can help make sure you have once less thing to worry about on your big day.

