

Your BUSINESS

Spring/Summer 2017 • New Jersey



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Personal or commercial auto insurance

Insurance for a private-passenger car operated by the principal of a limited liability company or a corporation can be accomplished with either a personal- or commercial-auto insurance policy. Generally, personal insurance is less expensive, but it may not be the right fit for your circumstances. Besides cost, you need to consider taxes, legal liability, insurance coverage, Motor Vehicle Commission regulations and how the car is to be titled.

If the car is titled and registered with the business, then a commercial policy is the prescribed choice in New Jersey, because the registration name and policyholder name must match. However, if the business leases the car to the principal, then the principal is

permitted to insure it on a personal-auto policy, as long as the owner and the principal are shown on the insurance identification card.

If the car is titled with the principal, then a personal policy is the preferred choice. The car could be insured on a commercial policy if the principal was permitted to be a named insured on the policy along with the business or if the principal leased the car to the business.

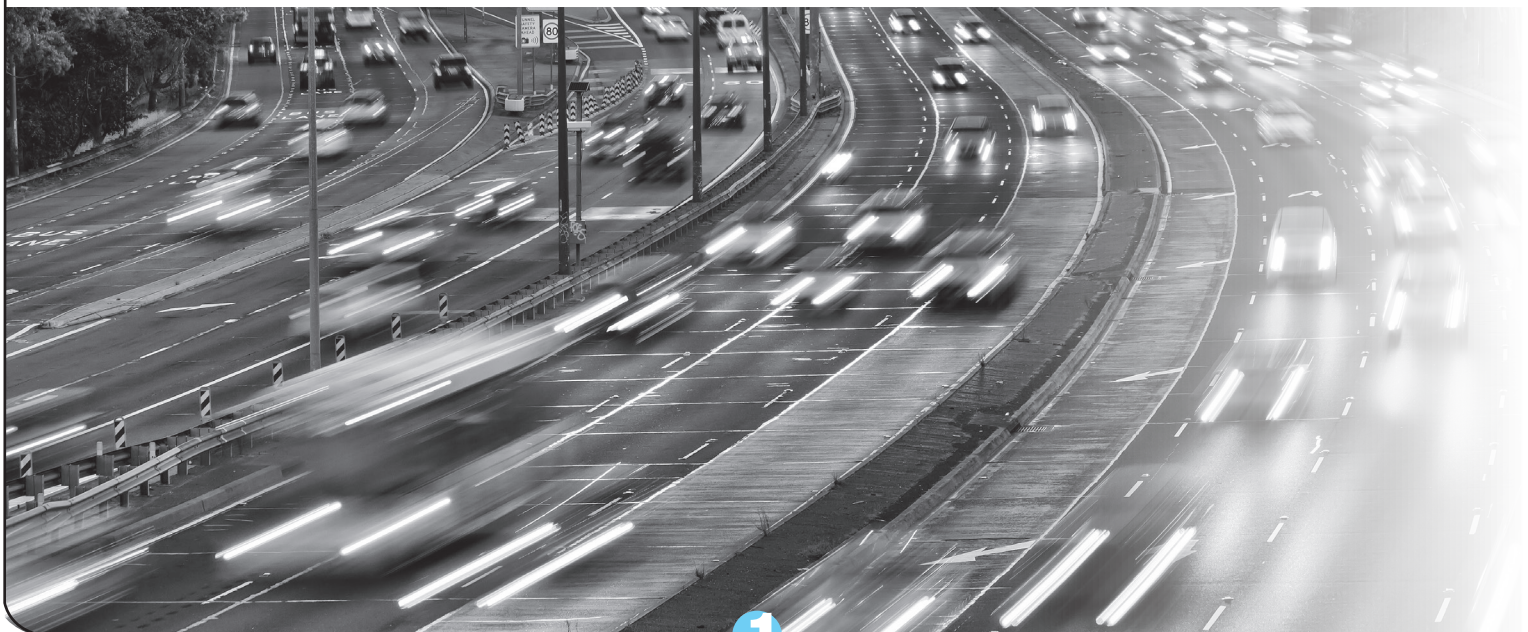
In most cases, titling a car in the name of the business will yield the most reduction in taxes. Legal liability of the principal and the business can be impacted by how the car is titled and the vicarious liability laws of each state. Further, the choice of a personal or commercial policy can leave potential

Index

| | |
|--|---|
| When catastrophe strikes, are you covered? | 2 |
| Characteristics of a good employee health plan | 3 |
| Company sponsored teams: Don't strike out | 4 |
| News from our agency..... | 4 |

gaps in coverage for the principal and the business.

What seems like a simple decision turns out to be quite complex. You may need to discuss this with your attorney and accountant to get the guidance you need. But, don't forget your insurance agent. We can help you determine the impact on insurance protection for the approach you are contemplating.



When catastrophe strikes, are you covered?

In the summer when it's sunny and warm, it's easy to forget to prepare for when it's not. But, that's exactly when you should prepare.

Natural disasters, such as hurricanes and tornados, can render a business helpless. Wind and rain can knock out power for weeks. Flooding and other sources of water damage can spoil inventory. Damaged inventory and equipment will need to be repaired or replaced. The most severe losses can be attributed to the interruption of your business and the revenue that is lost.

Business insurance is a necessity to protect your business from financial destruction. It can limit your losses in the event of a natural disaster or other catastrophic event. New businesses have different needs from established ones and your coverage should grow as your business grows. Various types of insurance will be needed for your particular business.

A few common types of business insurance include:

- **Property coverage**—this will protect your building and/or business personal property in the event it is damaged by such perils as fire, windstorm or earthquake.
- **Flood coverage**—this policy will protect your property against the peril of flood or mudflow.
- **Business interruption coverage**—this pays lost income, continuing expenses and extra expenses while damaged property is being repaired or replaced.
- **Crime coverage**—this will help you recover from the many ways your money and property can be taken from you.
- **General liability coverage**—this protects your business against lawsuits resulting from bodily

injury, property damage, intentional torts and advertising. There are other exposures that may require coverage for professional liability, employment practices liability, directors and officers liability, fiduciary liability, liquor liability, cyber liability and more.

- **Business owners coverage**—this comprehensive insurance policy will provide coverage tailored to meet the individual business needs. Liability and property coverage are included to meet the basic insurance requirements.

If you have questions about any of these coverages, give us a call. We'll set you on the right path to insuring your business and its contents so you can get back to business fast.



Characteristics of a good employee health plan

One of the best ways to keep employees happy is to offer a generous health insurance plan. A study by Glassdoor.com showed that more than 75 percent of workers would rather have a better insurance plan than receive a pay raise. That begs the question: What makes a good health insurance plan? The answer is not as simple as naming off specific benefits. A series of factors determine how employees evaluate health insurance plans.

Cost

Employees tend to focus on what the premium will cost them out of every paycheck, which may not be the correct number to focus on. It's more important for an employee to pay attention to the percentage paid, compared to the percentage the employer pays. Most employee benefits packages will include the percentage somewhere in their materials, so it may take a little reading to find it. On average, employers contribute 72 percent of the cost of a health plan for a single employee.

Employees also look for choices in price through a tiered plan offered by their employer. The more tiers offered, the more cost saving options available to the employee. This includes options when it costs less to add children without adding the spouse.

Choice

The benefits offered by a health insurance plan are the meat and potatoes of what makes a good plan. Employees want to make sure they are getting the best coverage for their

“Health plans should offer coverage for a variety of services, ranging from general health checkups with a primary care physician to access to specialists for those who need care for a complex medical problem.”

contribution to the premium, so offering choices is a good way to make your employees happy. Since the needs of employees can differ greatly, offering multiple choices is important.

Health plans should offer coverage for a variety of services, ranging from general health checkups with a primary care physician to access to specialists for those who need care for a complex medical problem. This need for diverse coverage emphasizes the importance of offering tiered choices to your

employees. Allowing your employees to choose between two or three plans, which begin with a simple plan covering the basics and top out with one that covers specialty services and treatment, will keep them happy and healthy.

Employees also care about which providers they are allowed to seek care from with the coverage provided. Employees are more likely to choose a plan that includes their own health-care provider or a plan that doesn't charge for going out of network.

Perks

Health insurance today is offering more and more “perks.” Health insurance carriers now offer coverage under their “wellness” programs. These include coverage for family leave, fertility treatments, exercise classes or diet and nutrition counseling.

The idea behind wellness programs is that if an insured takes care of his or herself, then he or she will be healthier, thus saving the health carrier money on future claims. Employers who offer plans that include wellness programs can encourage their employees to take advantage of such programs by offering workforce challenges, which increases the sense of community among employees.



Company sponsored teams: Don't strike out



You have some employees who have approached you about supporting a company softball team. They have come to you, the business owner, for financial assistance in purchasing some bats, uniforms (T-shirts), hats and balls. You don't see a problem with it; maybe you'll get a little advertisement out of it, so you go ahead and write the check.

Now as you step back, you think, "Did I just expose my business to something I shouldn't have?" Numerous court cases have said so, from a liability perspective to a workers' compensation perspective. There are several points to consider:

Is participation mandatory?

Have you made your employees feel they are expected to participate? Has company involvement in the team gone so far as to adjust workers' schedules so they can participate in the games? If so, then you can expect that any injuries will be covered by workers' compensation, because this can be construed as having said that playing softball was effectively part of their job.

Stay away from home

The location of the games is important. If a game is played on the employer's property—even

if it's a pick-up game during lunch—it probably is going to be covered by workers' compensation.

Does your company stand to gain anything?

This is one aspect that tends to carry the most weight in workers' compensation cases. If it can be proved that you (your company) stood to benefit or gain from the team's or an individual's performance, that person—if injured—will be granted workers' compensation.

If you are innocently sponsoring your employees who want to bowl, play softball, etc., you are in the clear. To be on the safe side, you may want to ask your employees to sign a waiver stating they are playing on their time and such activities have nothing to do with their work.

If you have any questions or concerns, give our office a call. We'll be happy to help you determine if you have proper coverage in place so you can have peace of mind when enjoying the game.

News from our agency

Staying informed and current on your company's insurance policies isn't just a wise precaution. It also can save you money.

If you haven't reviewed your coverage in a while, you might be paying for things that no longer apply to your situation. Or, perhaps you have a gap in coverage you of which were unaware. Other insurance carriers might be offering better options, which meet your coverage needs. If you've simply been renewing your policy over and over for a while, sitting down with your agent for a review might leave your business with better protection as well as a little more in your bottom line.

Give us a call at (856) 935-0845 and we can go over your policy together to make sure you're properly covered and not paying for something unnecessary. We're here to help you. Visit our website at www.hdyoung.com or find us on Facebook.

