

DiMatteo **Insurance Service Center**

79 Bridgeport Avenue
Shelton, CT 06484

Phone: 203-924-4811 / Fax: 203-924-4710

649 Amity Road
Bethany, CT 06524

Phone: 203-393-5900 / Fax: 203-924-4710

Website: www.dimatteoinsurance.com

Risk Manager

Volume 15, No. 2



Auto theft—how to avoid becoming a victim

Auto theft is an all too common, and costly, occurrence. A motor vehicle is stolen every 26 seconds in America, according to the Insurance Information Institute (III, 2006). Many stolen vehicles are never found, and those that are recovered are often stripped, vandalized, or destroyed. While newer car models come out each year offering innovative strategies for deterring theft, the bottom line is every vehicle, new or old, owned by your business is at risk of theft.

Insurance Coverage

Your commercial auto insurance policy will cover vehicle theft, provided you have comprehensive coverage. This protection, which is optional, will pay for the loss of a vehicle or for stolen components, such as airbags or xenon headlights, which are popular black market items for auto thieves.

The cost of comprehensive coverage generally depends on your risk of loss, which is based on the type of vehicle you own and where

your business is located. However, discounts may be available in your state for the use of prevention methods, such as antitheft devices and auto-recovery systems. Bear in mind that comprehensive insurance also covers your business vehicles in the event of fire, vandalism, and weather-related damage.

Prevention and Protection

While insurance offers a measure of financial protection against auto theft, there are steps you can take to minimize your risk. The simplest and most cost-effective way to deter thieves is to use common sense: park in well-lit areas, close your windows, lock your doors, and never leave your keys in the ignition.

In addition, the National Insurance Crime Bureau (NICB)—a nonprofit organization dedicated to combating insurance fraud and vehicle theft—

recommends using warning devices, vehicle immobilizers, and tracking systems to further protect your vehicle.

Warning Devices

Visible and audible anti-theft devices can make a thief think twice.

Consider audible alarms, steering wheel locks, steering column collars, theft-deterrent decals, tire locks/deflators, and window etching. Many glass companies will etch a vehicle's identification number (VIN) into each glass surface for a nominal (or no) fee. Because these marked windows will need to be replaced in order to "remarket" the

vehicle, it may be less appealing to car thieves.

Vehicle Immobilizers

Ignition protection prevents thieves from hot-wiring your vehicle. "Smart" keys, which are standard for some vehicles, ensure that an engine cannot be started without a specific key





Did You Know?

Protecting your business against mold

One of the worst effects of water damage comes in the form of mold. Whenever water enters a building, fungi commonly referred to as mold can form on a wide range of materials, including drywall, wood, and carpeting. Because mold survives by breaking down and feeding upon organic material, it can cause serious damage within a short period of time.

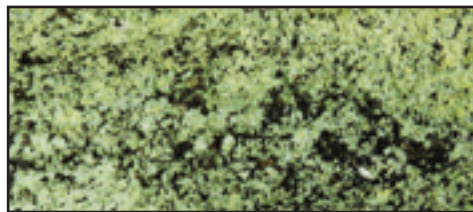
In addition to causing structural damage to buildings, mold can be a source of health problems for occupants. According to the Centers for Disease Control and Prevention (CDC), molds can produce allergens, irritants, and even potentially toxic substances. People who touch or breathe in certain types of mold or fungal spores may display symptoms such as sneezing, stuffy nose, shortness of breath, red eyes, and skin irritation. Mold exposure is particularly dangerous for people with respiratory conditions or weakened immune systems.

Prevention Tips

Given the risk mold poses to your business, including to both your building and the health of your employees, it is important to take steps to fix any water or moisture problems in your building. Preventing mold growth is one of the best ways to avoid costly damage and expensive liability litigation.

- **Minimize Humidity.** Air conditioners and dehumidifiers can help keep the humidity level of your building between 30% and 50%, as recommended by the Environmental Protection Agency (EPA). Make sure you keep drip pans and drain lines clean. In addition, avoid carpeting in damp areas and install exhaust fans in any kitchen and bathroom areas. To increase ventilation, open windows when possible.

- **Use Mold Inhibitors.** Regularly clean moisture-prone areas, such as basements and bathrooms. Also, consider painting damp areas with paint that has a mold inhibitor.
- **Maintain Your Building.** Replace or repair a leaky roof, keep gutters clear, and make sure the ground slopes away from your building to avoid puddles around the foundation. In addition, regularly inspect your plumbing and appliances; consider replacing water hoses every five years.



Cleaning Up Mold

In the event you have water damage or excessive moisture in your building, it is important to act quickly. You may be able to prevent mold growth if you dry affected areas within 24–48 hours.

Once mold starts to grow, you may be able to minimize damage with a quick response: Thoroughly clean moldy items and dry water-damaged areas. Scour hard surfaces with detergent and water. Porous items, such as ceiling tiles, rugs, and papers, may have to be thrown away. When treating mold or using strong cleansers, you should wear a respirator, gloves, and goggles. Also, keep the area well ventilated with open windows and fans.

For extensive problems, consider hiring an experienced contractor, especially if there is any risk of contamination from sewage or another toxin. If your heating or air conditioning system is harboring mold, keep the system off and seek professional guidance.

Employers Value Health Benefits

U.S. employers recognize the value of offering health care benefits to their workforces, according to a study published in the November/December 2006 issue of *Health Affairs*. When asked to assess the value of offering health care benefits, respondents overwhelmingly agreed that medical coverage is important in retaining (93%) and attracting (91%) qualified employees. In addition, respondents rated providing health benefits as important in improving employees' performance (78%), health (94%), and morale (95%).

Pay-For-Performance Bonuses

Growing numbers of employers are attempting to motivate employees by awarding annual bonuses based on individual performance, while fewer companies are paying out year-end holiday bonuses to all workers, according to human resources consultancy Hewitt Associates. The survey of more than 300 companies found that 66% of employers did not award holiday bonuses at the end of 2006, but 80% rewarded employees through variable pay plans, or performance-based bonuses that must be re-earned each year.

Recruitment Challenges

According to a July 2006 survey conducted by staffing firm Robert Half International and online job site CareerBuilder.com, 55% of hiring managers reported experiencing difficulties in recruiting qualified candidates 12 months ago, and 81% described their current recruitment efforts as equally or more difficult than a year ago. When asked what factors contributed to their difficulties in attracting qualified candidates, 20% cited an inability to offer higher compensation.

For Your Information



Promote Driver Safety

Whether a business owns company vehicles, manages a mobile sales force, or simply employs commuters, a driver safety program can reduce the risks for employees and their families, while helping to protect the bottom line. To help employers promote vehicle safety, the Occupational Safety and Health Administration (OSHA) has developed "Guidelines for Employers to Reduce Motor Vehicle Crashes," a publication which is available for download from their website, www.osha.gov.

Energy Efficiency Resources

Improving the energy efficiency of your building and equipment is good for both the environment and your business finances. The Energy Star program sponsored by the Environmental Protection Agency (EPA) offers a number of resources for business owners who are concerned about energy use and consumption, including a building design checklist, a product purchasing guide, and training kits. For more information, visit www.energystar.gov.

Protect Your Work

Patents, trademarks, and copyrights are three types of protection for intellectual property offered by the U.S. government. Patents protect inventions and their improvements. Trademarks include any word, name, symbol, or device used to identify a particular good or service. Copyrights protect literary, artistic, and musical works. For more information on how you can protect your unique business ideas, visit the United States Patent and Trademark Office at www.uspto.gov or the United States Copyright Office at www.copyright.gov.

Guidelines for employment recordkeeping

Good recordkeeping can help minimize your risk in the highly regulated arena of employment. There are many federal and state regulations regarding how long certain records must be kept in order to protect an employee's privacy, meet auditing standards, and serve as documentation in the event of a lawsuit. With an organized approach, you can minimize the time spent on paperwork and more easily ensure you are complying with standard employment practices.

EEO Guidelines

Many federal employment laws exist to protect employees from discrimination in the workplace. Even companies not subject to Equal Employment Opportunity (EEO) regulations because of their size should consider following these federal guidelines. In the event an employee

or former employee takes legal action, failure to keep proper records could hurt your defense during litigation.

In short, EEO regulations stipulate that employers should preserve all employment records for one year. Records for employees who are involuntarily terminated should be preserved for at least one year following the date of termination. If action is taken against you, keep all relevant records until the charges are resolved.

ADEA, FMLA, FLSA, and EPA Regulations

In order to comply with the **Age Discrimination in Employment Act (ADEA)**, payroll records, which include an employee's name, address, age, occupation, pay rate, and weekly compensation, should be kept

CONTINUED ON PAGE FOUR

Protecting your business against mold

CONTINUED FROM PAGE TWO

Insurance Considerations

Your property insurance policy may provide limited protection for mold damage, covering contamination resulting only from a covered peril. Mold damage may be subject to low policy limits, such as \$10,000, unless the loss is the result of fire or lightning, when full coverage applies. For example, if a pipe bursts in your building causing water damage, your insurance would cover the cost of eliminating mold, subject to policy limits. Unless damage results from a sudden or accidental disaster covered under your policy, the cost of treating mold is considered part of the owner's obligation to maintain a building. For example, the expense of treating mold that stems from excessive humidity or leaks would not be covered.

With proper maintenance and regular cleaning, you may be able to prevent serious mold damage in your building. Be aware of the places mold can hide: behind wallpaper, in ceiling tiles, under rugs, or behind furniture, where condensation may be trapped. If a room smells musty or you see a watermark, investigate to make sure that a water problem is not lurking nearby.

Three Key Steps for Mold Control

1. Control moisture using dehumidifiers and air conditioners.
2. Clean up mold promptly and dry out affected areas.
3. Fix water problems.

CONTINUED FROM PAGE TWO



Risk Manager

Auto theft—how to avoid becoming a victim

CONTINUED FROM PAGE ONE

that contains a coded computer chip or radio frequency. Kill switches and fuse cut-offs are relatively inexpensive devices that immobilize the fuel or electrical systems, preventing the engine from starting. Starter, ignition, and fuel disablers, which are standard for some vehicles, short circuit the electrical or fuel systems, preventing the engine from starting or causing it to shut off quickly.

Tracking Systems

When a vehicle with a recovery system is stolen, tracking devices emit signals to the police or a monitoring service. Generally ranging in price from \$400–\$1,500, these systems make it easier and faster to recover a stolen vehicle. A quick recovery may help minimize damage.

The NCIB reports that only 62% of stolen vehicles are ultimately found. Taking preventative measures can help you beat these odds, and securing the proper insurance coverage can protect your business from financial loss in the unfortunate event your vehicle is stolen. Give us a call for more information.

Guidelines for employment recordkeeping

CONTINUED FROM PAGE THREE

for three years. The employer should also preserve records of an employee's benefit plan, with information regarding seniority and merit systems, while the plan is in effect and for one year following its termination.

Information regarding employees and the **Family and Medical Leave Act (FMLA)** should also be kept for three years, including payroll records, dates and hours of FMLA leave, employer policies and procedures, and any pertinent medical information.

For recordkeeping purposes regarding the **Fair Labor Standards Act (FLSA)** and the **Equal Pay Act (EPA)**, it is also important to keep payroll records for three years. Information regarding wages, rates, contracts, job descriptions, merit and seniority systems, and collective bargaining agreements should be retained for two years.

What Else and for How Long?

Hiring information, such as records and any relevant procedures, should be kept for two years, and employee appli-

cations should be retained for one year. If you use temps, keep the contracts and their insurance information, plus all



employment-related tax information, for four years from the tax due date.

Workers compensation regulations vary by state, so check with the appro-

priate state agency for more information on full compliance. If you have an affirmative action plan, keep the plan summary and any relevant records for at least two years from any affiliated action, or for an indefinite length of time.

Apart from federal regulations, an employer will have to consider whether to keep records for a longer period of time than required in case of a lawsuit. An illustration of this lies in the case of *Anderson v. Mt. Clemens Pottery Co.*, (1945) 328 U.S. 680, 90 L. Ed 1515. In this case, employees alleged that they worked hours for which they were not compensated, but the employer could not produce hourly work documentation. The court ruled that although the burden of proof lies on the employees, the procurement of such records may be beyond the employees' capabilities; therefore, they only had to provide evidence giving "just and reasonable inference." In today's litigious world anything can be alleged. Complying with state and federal regulations can help protect your company's interests.