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Risk Manager

Volume 15, No. 4



Insurance claim tips

Consider what might happen if your company's building was vandalized by a thief or damaged by a storm or fire. You know you should file an insurance claim, but the time and effort you believe it will take may cause you to delay this crucial process. Before an incident, it is important that you understand the terms of your insurance coverage and any obligations you may have to your insurer in the event of a claim. Refer to your policy's declarations page, and be sure to contact us with any questions you may have concerning your coverage.

To make the process of filing a claim a little easier, you should be familiar with the claim process and any steps you can take after experiencing a loss. To this end, consider the following suggestions:

Contact Us Promptly

Contacting your insurer should be your first step in facilitating a speedy claim settlement after a covered loss. Always keep your

insurance information handy when calling. Being in touch with us as soon as possible after a loss or an incident that could lead to a loss will also help you report what happened while the details are freshest in your mind. Any theft, burglary, or auto accident should also be reported to the police immediately.

In the case of **workers compensation** claims, timely notification demonstrates your concern for your employees. Reporting claims immediately may also help you avoid late penalties and fines enforced in some jurisdictions.




Make an Effort to Mitigate Damages

Many individuals may be unaware that they have a duty to mitigate, or lessen the severity of, any damages resulting from a covered incident—doing so may help in the settlement of a claim. For example, if the siding of a building has come off and water that is seeping in has caused damage to property, the policyowner should attempt to cover the seepage to help ensure that *further* property damage does not occur. In the case of an automobile, if a vehicle's broken windshield is not covered up during a rainstorm, the vehicle owner may be unable to claim water damage to the vehicle's interior. If you don't attempt to mitigate damage, it may cost you more in the long run.

Keep Documentation

Regardless of whether you are filing a claim for a broken lamp or a totaled vehicle, documentation can help solidify your case. Take photos

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Did You Know?

Weathering the storm: is your business covered against mother nature?

No matter where you choose to locate your business, severe weather, in one of its many forms, can pose a serious threat to your property. Whether from a hurricane, tornado, flood, or blizzard, weather-related occurrences may leave behind a trail of widespread damage. Sometimes, the resulting damage to a building and its surrounding property is minor; at other times, it may be catastrophic. In any event, it is important to understand the coverage of your **property insurance** and to purchase additional insurance according to the specific risks of your business.

In general, most property insurance will cover damage resulting from common weather occurrences, such as winds associated with thunderstorms, tornadoes, or hurricanes; lightning; hail; and snow, sleet, or ice. Your policy will pay up to specified limits for weather-related losses to your own property, including structures; permanently installed fixtures, machinery, and equipment; outdoor fixtures; items you use to maintain or service the building, such as appliances; and additions under construction. Please note that a peril-specific deductible (windstorm or hurricane, for example) may apply.

However, some weather-related risks or other natural disasters are often excluded from coverage under standard property insurance coverage because they generally affect those in specific geographic locations. Give us a call to see if separate coverage for any of the following potential hazards is available in your area:

- Earthquakes
- Volcanoes

- Landslides and mudslides
- Tidal waves
- Ocean storms

Another common exclusion from property insurance that can affect all businesses, regardless of geographic location, is damage caused by flooding. To be protected in the event of a flood, you must purchase a separate **flood insurance** policy through your insurance agent in conjunction with the National Flood Insurance Program. Coverage for non-residential property is available for up to \$500,000 for the building and \$500,000 for contents.

Ultimately, it is important to remember that not every property insurance policy is the same and to understand the limits and exclusions of your particular policy. To further protect your business from weather-related occurrences, consider also obtaining **business income insurance**, also called **business interruption coverage**, which is designed to replace the income your business would generate under normal circumstances in the event of a disaster or other covered peril. In the event your business is forced to close for a period of time or is not able to operate at full capacity because of damage resulting from a covered weather incident, this insurance can help your company get back on its feet by providing funds to help cover critical expenses and lost profit until the business is up and running again.

We can help you identify the most important areas of property coverage for your business and assist you in updating your property insurance policy, if needed. For more information, please give us a call.

Hiring Advanced Degrees

Companies expect to recruit more MBAs and other professionals graduating with advanced degrees in 2007, according to a survey by the Graduate Management Admission Council (GMAC). Results showed that recruiters expect to hire an average of 18% more professionals with MBAs or graduate business degrees in 2007. Employers also intend to increase the number of positions aimed at graduates with degrees in areas other than business by around 16%.

Executive Concerns

According to an annual survey conducted by training and development firm Ken Blanchard Companies, 65% of HR executives and line managers surveyed consider competitive pressure to be the top challenge for their organization, followed by growth and expansion (60%), and skills shortages (51%). When asked to predict how business conditions will evolve in the future, most respondents indicated they expect the current set of challenges to remain roughly the same.

Employers Adding Roth 401(k)s

Since the Pension Protection Act (PPA) of 2006 made the Roth 401(k) a permanent part of the tax code, more defined contribution plan sponsors are adding it to their plans, according to the Profit Sharing/401(k) Council of America (PSCA). Results of their 2007 survey of 401(k) plan sponsors showed that 22% already offer the Roth option. Of those not currently offering Roth accounts, 61% are planning to add, or considering adding, the Roth option in the future.

For Your Information



Government Grants

Grants from the federal government are available to businesses and other organizations that carry out a public purpose of support or stimulation authorized by a law of the United States. To help connect businesses with financial assistance from federal agencies, the federal government offers www.grants.gov. The site provides information on over 1,000 grant programs in 20 industry-specific categories, which amount to approximately \$400 billion in annual awards.

Diversity in the Workplace

Recognizing the benefits of a diverse workplace, the Institute for Community Inclusion seeks to help businesses retain, retrain, and hire aging workers, those who are injured on the job, and people with disabilities. At www.foremployers.com, business owners can find information about technology and flexible design strategies that help people with disabilities. There are also a number of resources concerning health care issues, compliance with federal disabilities laws, and recruitment strategies.

Commuter Choices

As a part of their benefits packages, many businesses are providing commuting choices to employees. Sponsored in part by the Environmental Protection Agency and the U.S. Department of Transportation, www.commuterchoice.com offers resources to help employers create customized solutions to meet their employees' transportation needs. Through the website, employers can learn about commuting options in their area, as well as tax incentives associated with employer-provided benefits for commuting.

Six simple tips to trim auto insurance costs

Many business owners who use vehicles as a part of their operations recognize that auto insurance is an essential and valuable means of protection. However, increased repair costs, medical expenses, theft claims, and injury lawsuits are all adding to the cost of auto insurance. We do everything we can to keep your auto insurance affordable, but there are ways you can control the costs to your business as well. Here are a few suggestions for lowering your auto insurance costs:

- **Raise your deductibles.** One easy way to reduce insurance premiums is to increase your deductibles, which are the specified dollar amounts deducted from the amount of loss payable for a claim made on the policy. Higher deductibles mean you assume more of the risk for small claims; be sure to set deductibles at limits you can comfortably afford, since you will have to pay for them out of pocket if an accident occurs.
- **Drive defensively.** To keep costs down, keep your business vehicles in good working order. It is also important to screen applicants' driving records before hiring and to train employees to always drive with care and to remember to buckle up.
- **Buy a low-profile car.** Employing low-profile vehicles can reward your business with lower rates. It costs less to insure autos that have a smaller chance of being stolen and are less expensive to repair. On a related note, a high safety rating for your vehicle may also reduce your premiums.

- **Reduce insurance on older cars.** As your business vehicle ages and its worth decreases, it may not be cost-effective to continue carrying the same amount of insurance as you did when it was new.
- **Inquire about discounts.** Many insurers offer policy discounts for a variety of reasons. For instance, some companies offer a multi-policy discount if they insure both your business property *and* your automobiles. Others may offer discounts for long-time customers.



- **Update your policy, as necessary.** Changing circumstances may make you eligible for lower rates. If your business moves its operations to an area with less traffic and lower crime, be sure to update your insurance.

As rising costs for auto repairs, medical expenses, theft claims, and injury lawsuits drive up insurance premiums, it may sometimes seem as though the cost of insuring your business vehicles is out of your control. However, by following the above tips, you can keep your costs to a minimum and ensure a "smooth ride" with the proper insurance coverage. Be sure to contact one of our qualified insurance professionals for further information.

Insurance claim tips

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or video of any damage at the time of the claim, and in the case of an accident or theft, be sure to file a police report. If immediate repairs to equipment are necessary, save any damaged parts in case a claims adjuster needs to examine them.

Other important documentation include receipts and appraisals, which can help prove the value of your business property in the event it needs to be replaced. However, simply having this documentation does not mean that a claimant will automatically be reimbursed for the **replacement cost** of an item. Coverage amounts may vary according to your particular policy,

and in some cases, insurance may be based on depreciated value, which is discounted according to an item's age and condition.

When filing a **business interruption insurance** claim, it is important to be able to show the income the business was generating both before and after the loss. Be sure to keep detailed records of business activity and of any extra expenses needed to keep your business operating in a temporary location during the interruption period. If you are forced to close down for a period of time as the result of a covered loss, you should also be able to identify any expenses that continue during the

time the business is closed, such as salaries of key personnel, advertising, and the cost of utilities, which are ordinarily covered as part of the business interruption insurance protection.

Stay Calm

Despite all the advice given for handling an insurance claim, suffering a loss and sorting out the details can be a frustrating experience. Try to remember that, when settling a claim, a certain degree of inconvenience is probable. But by following the tips above, your claim may be settled faster and more efficiently. If you're unsure how to handle a particular situation, we stand ready to assist you in filing your claim.

Want a safer workplace? try an incentive program

Achieving a safe workplace is nearly impossible without full employee cooperation, so consider an incentive program. By providing small rewards to those who demonstrate safe behavior, you may motivate your workers to help you reduce on-the-job accidents, which may also help reduce your insurance costs. Here are some tips for success:



Get everyone involved. Kick off the program with a company-wide meeting led by top managers, and encourage employees to make suggestions for rewards.

Make it fun. Use a variety of rewards, such as free lunches, gift certificates, T-shirts, tickets to events, etc., to maintain employee interest.

Base the incentive on specific, individual safe acts. This allows you to single out certain ideal behaviors. However, periodic group awards for achieving major safety goals is a good idea, too.

Be fair and objective. Establish detailed criteria necessary for earning rewards, and communicate these criteria

to your employees and supervisors before the program starts.

Maintain perspective. Remind your employees that the incentive program should never deter them from reporting valid injuries. Unreported health conditions may worsen if they are not given the medical attention they need.

Even the best employees need a little extra motivation now and then. An incentive program can be a fun and effective way to reduce workplace accidents, keep your workers compensation claims and insurance costs down, and boost company morale all at the same time.