

Current Topic: Employment Practices Liability Insurance

In the time of COVID-19, employers in Maine and across the country have had to make numerous and significant decisions about how to manage their business, developing and implementing policies and procedures addressing remote work, layoffs, furloughs, pay cuts, workplace conditions, and a host of other issues.

Employment Practices Liability Insurance for employers covers employment-related liabilities other than on-the-job injuries. This can include legal fees and damages for suits such as wrongful termination, discrimination, sexual harassment and other alleged violations of employees' legal rights.

Recognizing that smaller companies now need this kind of protection, some insurers provide this coverage as an endorsement to their Business Owners Policy (BOP). An endorsement changes the terms and conditions of the policy. Other companies offer EPLI as a stand-alone coverage.

The cost of EPLI coverage depends on your type of business, the number of employees you have and various risk factors such as whether your company has been sued over employment practices in the past. The policies may reimburse your company against the costs of defending a lawsuit in court and for judgments and settlements.

Your EPLI policy could cover legal costs, whether your company wins or loses the suit. Policies also typically do not pay for punitive damages or civil or criminal fines. Liabilities covered by other insurance policies such as workers compensation are excluded from EPLI policies.

The number of lawsuits filed by employees against their employers has been rising, especially during the current pandemic. While most suits are filed against large corporations, no company is immune to such lawsuits.

These are important and complicated matters. We find the best way to address them is by personal conversation. We're here to help.

Source: Insurance Information Institute

Insurance for Aquaculture Operations

Insurance is just one tool used to manage risk for a business. This basic guide is designed to help make you aware of the various exposures you may have and the types of insurance protection available. Identifying risk and determining methods and techniques to address that risk is the key to our relationships with our clients.

Aquaculture businesses offer a unique combination of activities and exposures which are both land and water based – and results in a unique set of risks. You should always feel free to ask questions of your insurance agent.

THERE ARE POLICIES TO PROTECT

Liability arising out of your operations or the products you sell: Commercial general liability insurance is a standard insurance policy issued to businesses to protect them against

3rd party liability claims for bodily injury and property damage arising out of premises they own, operations they conduct and products they sell.

Your property: Insurance can cover physical assets which can be classified as real property – this includes buildings and structures built on the land and business personal property (contents), which includes furnishings, fixtures and equipment and inventory in/on or adjacent to those structures.

Your equipment: Coverage known as inland marine insurance is property insurance designed to cover the things which can be moved around (mobile equipment, gear, etc.).

Shipment of your property: Transportation insurance is a policy offering coverage on the insured's property while it is in overland transit from one location to another on any necessary mode of transport, including transport by land, air and water. Coverage applies when insurance is desired on property owned by you, whether the property is shipped in your vehicles or in public conveyances. Coverage can include spoilage arising from overturn or failure of refrigerating equipment

Shipment of your product overseas: Ocean cargo insurance is a type of insurance covering goods being shipped overseas (air or ocean), with coverage provided from the point of origin (your place) to final destination.

Piers/docks/wharves insurance: This provides property insurance for your (owned or leased by you) piers, wharves and docks, floats, platforms, gangplanks, pilings, wiring, pipes, (water lines, gas lines, electrical power, lighting fixtures and equipment permanently affixed).

Your heating-cooling-refrigerating-circulating equipment: Equipment breakdown insurance provides coverage for loss due to

mechanical or electrical breakdown of equipment, Coverage applies to the cost to repair or replace the equipment and any other property damaged by equipment breakdown. (Spoilage of your product.)

Your money/your assets: Commercial crime insurance protects a business from losses arising out of business-related crime. Protection through the policy can cover cash, assets, merchandise or other property loss when someone perpetrates fraud, embezzlement, forgery, misrepresentation, robbery, theft or any other type of business-related crime on the company.

Any and all online activities: Cyber insurance is designed to cover consumers of technology services or products. More specifically, these policies are intended to cover a variety of both liability and property losses which may result when a business engages in various electronic activities, such as e-commerce, collecting confidential data (customers & employees) within an internal electronic network and the myriad of banking activities. An increasing exposure is created by connection to the grid for utility services and the operation of manufacturing equipment with Internet or cloud-based systems.

Damage to your vessel(s) including barges and floating work platforms: Commercial hull insurance provides coverage for physical loss or damage to a vessel's hull and machinery (for those listed on your policy). Trailers can be included on a hull policy as can coverage for simple pollution cleanup.

Liability arising out of your ownership and operation of vessel(s): Protection & Indemnity provides coverage for a vessel owner's or operator's liabilities arising out of the operation of vessels listed on your policy such as damage to third party property, third party bodily injury or injury/death to a crew member.

Clean up and expenses arising out of a pollution event: This is a type of coverage created specifically to manage the costs associated with pollution clean-up (from a vessel) as defined in the Oil Pollution Act of 1990 and or state and local regulations.

Vehicles and trailers you own or lease: A commercial auto policy includes auto liability (injury or property damage to a 3rd party) and auto physical damage coverages (comprehensive & collision) as well as medical payments for passengers within your vehicle (excluding employees).

Injury to your employees: Coverage for injury to an employee may be provided by either your state act workers compensation or the Jones Act. Understanding which applies to your employees is essential to managing this risk.

Employment practices liability: This type of liability insurance covers wrongful acts arising from the employment process. The most frequent types of claims covered under such policies include: wrongful termination, discrimination, sexual harassment and retaliation.

You may want or need a number of insurance policies (including those listed above or others), depending on your operations, activities and your appetite for risk.

Your insurance policies may all come from the same company or they may come from several different companies. As an independent insurance agent, we can help you identify risk, formulate solutions to address those risks and develop insurance coverage appropriate and specific to your business.

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When a Collision is not a Collision

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A client's vessel was tied to the dock, unloading its catch. Another fishing vessel struck his boat while backing out. The offending captain said not to worry, that he had excellent coverage and passed along his insurance agent's contact information. After a couple of weeks of dealing with the other company's adjustor, my client was informed that there was no coverage for this claim. The owner who had struck him had hull coverage, but no liability.

If you have a lender involved with your vessel, most likely they will require proof of hull coverage to protect their interests. What they do not ask for is proof of protection and indemnity (P&I) coverage. These are two separate policies that provide different coverages for your commercial vessel. P&I provides coverage for any crew and passengers, as well as any damage to

something you hit, whether it be another vessel or a pier. Your hull insurance provides coverage for damage to your vessel, wreck removal and collision liability up to the limits of your hull coverage.

But when is a collision not a collision? You might think that in the case mentioned above that a collision occurred – one vessel ran into another. But because one boat was secured to a dock and not moving, the event became an allision. In the insurance world, when one vessel strikes another moving vessel, this is a collision. When a vessel strikes a fixed or non-moving object, this is an allision.

In our client's claim, he was secured to the dock. It was an allision, which would normally be covered under the P&I policy. As the other vessel did not have P&I, the claim was denied. Fortunately, in this case our client's insurance company stepped in and covered the claim. The insurance company then has the option to go after the vessel owner to recover payments for the loss.

By opting to not carry P&I, a vessel owner opens himself up to a wide range of potential claims that would not be paid. Each part of a commercial vessel's policy is specifically worded to cover certain parts of a vessel, as well as its operation. Don't make the mistake of thinking some coverage is better than none.

Tips for Avoiding Common

Holiday Cyberscams

For many of us, the holiday season is a wonderful time of year. Unfortunately, it can be especially profitable for cybercriminals. Because of the prevalence of online shopping, we almost always see a significant increase in cyberscams during November and December. To help you avoid becoming a victim of holiday cybercrime, here are some of the top scams to watch out for—and tips for avoiding them.

Shady Shipping Notices

During the holiday season, it's very likely that you will ship at least a couple of packages directly to your loved ones or have online purchases sent to your home. This makes the shipping notice scam a popular one for cyberscrooges. Here's how it works: The scammer crafts an email, purportedly coming from UPS or FedEx, notifying you of a problem delivering your package. To resolve the issue, you need only click on a link in the email message or open an attached invoice. Of course, doing so will install malware or ransomware on your computer or device.

Don't fall for it. Be particularly wary of emails claiming to come from any courier service. If you do receive a message like the one described above—whether you believe it to be legitimate or not—go to the website of the company you may have ordered from. You should be able to track your package from the retailer's site. Use the tracking number for the courier service that the retailer provides. You can also go directly to [UPS.com](https://www.ups.com) or [FedEx.com](https://www.fedex.com) and obtain the delivery status there. Whatever you do, don't click on any links or download any attachments in the original message.

Eyebrow-Raising Refunds

This phishing scam is designed to steal your personal and financial information. Typically, an email claiming to be from

an e-commerce company like Amazon, eBay, or Overstock will say that something has gone wrong with your recent order. You will be prompted to click on a link in the message to obtain your refund. Unfortunately, if you do, you will be taken to a dummy website set up to look like a legitimate sender. There, you will be asked to fill out a form with your financial information to let the sender know where it can issue your refund.

Don't fall for it. Again, to check the status of any order you may have placed, go to the company's website directly (e.g., Amazon.com, eBay.com). If the company doesn't offer the ability to check an order's status, verify the transaction by calling the firm at a phone number that you know is legitimate.

Giveaways Galore

The gift card scam is seen year-round but more often during the holidays. These bogus offers are most commonly delivered by cybercriminals through social media, usually through a friend's hacked account or a fake company page set up to look as if it's legitimate. Appearing to originate from an entity like Best Buy, Ikea, or Whole Foods, the offer claims that the company is giving away hundreds or thousands of dollars in gift cards. But if you follow the instructions provided to obtain your gift card, you will likely be led to a phishing form that asks for your personal information.

Don't fall for it. Remember, if something seems too good to be true, it probably is! If the post appears to come from a friend, call or text him or her to ask if it's legitimate. In addition, be wary if the "official company page" looks a little off. Check how many followers the website has. The retailer's authentic website may have hundreds of thousands or millions of followers. Further, a huge promotion such as the one described in the offer you received would also be listed on the retailer's website, so check there directly or call the company's customer service

number.

Website Vendors That Don't Deliver

Many popular and novelty items may be sold out and on backorder until after the holidays. Or they may be hard to find from mainstream merchants altogether. So it's not uncommon for consumers to search online for a less well-known vendor that may have the items. But beware! Another favorite holiday scam is staged through sketchy websites claiming to have hard-to-find items in stock. These sites trick you into paying for the items with no intention of delivering them. Often, these entities are based overseas.

Don't fall for it. Search the Better Business Bureau website for customer reviews and the accreditations of merchants that are unfamiliar to you. In addition, because not all businesses are listed with the BBB, you might want to hunt elsewhere on the web for reviews posted by other consumers. If you can't find much information on the vendor, stay away!

Still nervous? Below are additional tips to protect yourself from holiday scams:

- If possible, use credit cards for online transactions. If you fall for one of these scams and unknowingly hand over your debit card information, it's easy for the cybercriminal to drain your bank account quickly. Purchases made with credit cards typically offer more consumer protections.
- If you're uncertain about the legitimacy of a website, check its safety rating on Scamadviser.com or URLVoid.com.
- If searching for an item on a lesser-known merchant's website, check for spelling and grammatical errors. If found, these mistakes are a red flag that the site is most likely based overseas—indicating a possible scam.
- Avoid online shopping or conducting any financial transactions

over an unsecure Wi-Fi network.

'Tis the Season

With all the merriment and shopping during the holidays, the risk of inadvertently exposing your credit card or bank account details is very real. It's important to take a step back and pay attention to the emails you're receiving and the websites you're using. By following the suggestions discussed here, you can help protect yourself against cyberscams so you can fully enjoy the holiday season.

Karen Reed Earns CPIA Designation



Karen Reed,
CRIS, CPIA

Karen Reed, a member of our business insurance team, recently earned the designation of Certified Professional Insurance Agent (CPIA), a professional designation conferred by the American Insurance Marketing and Sales Society ([the AIMS Society](#)).

The CPIA designation, received after completion of three in-depth seminars, stands for professionalism, commitment to sales training and results, and technical knowledge. The designation requires a bi-annual continuing education update.

Reed, of Appleton, has been with Allen Insurance and Financial for 25 years and specializes in insurance for contractors and large businesses. She is also certified as a Construction Risk

and Insurance Specialist (CRIS), and is a member of the Maine Association of Building Efficiency Professionals.

The AIMS Society is the only insurance organization dedicated solely to recognizing training and service quality among property and casualty insurance personnel. The mission of the AIMS Society is to improve the selling skills and insurance knowledge of its members by upgrading professionalism through information and education, which will result in providing better service to the insurance-buying public.