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# Risk Review

Keeping you informed on *Business Insurance* issues



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## Do You Need Rental Car Insurance?

The cost of **rental car insurance** continues to increase each year. While you may feel compelled to decline this coverage from the rental car agency, make sure you consider the following points first.

If you have a **personal** auto policy in place, you may have liability and physical damage coverage that apply to the use of a rental vehicle. If you are relying upon a **business** auto policy to cover a rental vehicle, however, it is necessary to carry **hired vehicle** coverage (often denoted by symbol "8" on the policy's declaration page).

If your credit card company offers rental car coverage as part of its membership benefits, you also need to understand the specific terms of that coverage. Although most standard credit cards do *not* provide any protection, many of the preferred credit cards, such as "platinum" or "gold" cards, provide secondary rental car collision-damage coverage.

If you find you have insufficient coverage through these sources, you may want to consider purchasing additional insurance offered by the rental company. Insurance purchased through a rental car company provides the following important protections:



- **Collision Damage Waiver (CDW).** Sometimes called a Loss Damage Waiver (LDW), this coverage provides protection if your rental car is damaged or stolen.
- **Liability Coverage.** Rental companies are required by law to offer the minimum level of liability insurance required by your state; however, this may not be enough to cover the damages resulting from a serious accident.
- **Loss of Use.** If you are in an accident, the rental company may charge you for the amount of money and time it lost since the vehicle could not be rented to other customers. Most auto insurance policies do not cover this portion of a loss, though it may be provided as a part of the CDW or through credit card coverage.

Be sure you have all the facts regarding the coverage options for rental car insurance. Before your next trip, please give us a call. We can evaluate your situation to help make your decision easier.

## The Power of a Positive Workplace

When times are tough, negativity can make the workplace miserable for you and your employees. On the other hand, positive employees create a positive work environment. A positive work environment is vital to productivity, as well as the continued health and well being of your staff. Consider the following ideas for promoting a positive workplace.

When was the last time you praised an employee for a job well done? Look for ways to celebrate your team. Call a meeting and discuss all that is going well with your organization. Call a local health club and see if you can obtain guest passes for your employees, or surprise them with a pizza luncheon or fresh bagels for breakfast. Whatever you spend will be a small price to pay for the boost in morale.

Remember that negativity breeds negativity. Break this vicious cycle by promoting and maintaining a positive attitude in the workplace!

# The Basic Three: Life, Health, and Disability Insurance

The sudden loss of a loved one, sustaining a serious injury, or becoming seriously ill can bring financial and emotional stress to your employees and, therefore, to your workplace. However, offering **life, health, and disability income insurance** policies as employee benefits can help your workers prepare for these situations and manage them more effectively.



## Life Insurance

The death of a loved one is an unfortunate reality that everyone must face at one time or another. If one of your employees dies unexpectedly, his or her family may be faced with some unexpected financial challenges. All expenses will continue, despite the sudden, very noticeable loss of income. Funeral costs, mortgages, and other outstanding debts, as well as daily expenditures, only add to the burden. Providing employees with group life insurance or offering them the option to buy into a policy can help them feel secure that, in the event of death, their families will receive the proceeds of the insurance policy. To protect your business from the loss of a key employee, consider obtaining key-person life insurance, which covers your business for losses sustained in the event of that valuable person's death.

## Health Insurance

Employee health and well being is critical to workplace productivity. Offering a group health insurance policy can help an employee afford necessary

medical attention and expenses. Health insurance is also a benefit that will help you attract and retain a quality workforce. Currently, there are four major types of health insurance: 1) fee-for-service, also known as a conventional policy; 2) health maintenance organizations (HMOs); 3) preferred provider organizations (PPOs); and 4) point-of-service (POS) policies. Each plan presents unique benefits and limitations, so be sure to carefully evaluate each to determine what would be most appropriate for your organization.

## Disability Income Insurance

According to the Insurance Information Institute (2007), 43% of all people age 40 will suffer a long-term disability (lasting 90 days or more) by the age of 65. Yet, disability income insurance is an often over-looked insurance policy. While employers generally recognize a need for a group life insurance policy or a group health insurance policy, they often forget the importance of insurance for employees' paychecks. If, due to a severe illness or injury, one of your employees is unable to work for an extended period of time, a disability income insurance policy provides a source of at least partial replacement income to help cover financial obligations.

There are a variety of disability income insurance policies that differ in their coverage options. It is important to check the policy's definition of disability. Some may provide benefits only to those who are totally disabled and unable to work in any field. To protect your business from any loss that may occur should a key employee become disabled, consider the benefits of key-person disability insurance, which covers your business for losses sustained in the event of that valuable person's disability.

Illness, death, and disability are traumatic enough for your employees without adding the fear of financial ruin. For your trusted staff to avoid gaps in their insurance plans, make sure the policies you offer contain adequate coverage. Regardless of which plans you choose, we can help you pick a group policy that fits your needs. We are happy to help you evaluate all aspects of the policy to be sure it can help protect you *and* your employees.

## Did You Know?

### Work-Life Concerns

According to a 2008 USA Workplace Insights Survey conducted by Adecco, a workforce solutions company, the primary work-life concern for 69% of Americans is keeping their job. Yet, just 24% are saving more money for potential unemployment, and just 1% are delaying planned retirement. Just 13% are currently looking for another job, and only 17% would take a pay cut to keep their job.

### Entrepreneurs Remain Optimistic

According to a survey by Microsoft Office Live Small Business and online workplace Elance, America's entrepreneurs are optimistic about 2009, with nearly nine in ten small business owners saying they would still choose entrepreneurship over working for others. Nearly 60% think 2009 will be as good or better than 2008; 37% are worried but believe their businesses will weather the current economic storm; and 86% are happier running their own business over working for someone else.

### Employee Engagement

Results of a Quantum Workplace survey of U.S. companies between 2007 and 2008 indicate that 66% of the firms saw decreases in their employee engagement, which is measured by the willingness of individuals to exert extra effort for the benefit of the company, their tendency to speak highly of the organization, and their intent to stay. By an almost two-to-one margin (134 to 76), more employers had lower overall employee engagement scores in the fall of 2008 than in the fall of 2007.