



Healthy Practices.
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business insurance

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UPDATE

The National Flood Insurance Program

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The Federal Emergency Management Agency (FEMA) manages the National Flood Insurance Program (NFIP). The three components of the NFIP are:

1. Flood Insurance
2. Floodplain Management
3. Flood Hazard Mapping

Nearly 20,000 communities across the United States and its territories participate in the NFIP by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes federally-backed flood insurance available to homeowners, renters, and business owners in these communities. Community participation in the NFIP is voluntary.

Flood insurance is designed to provide an alternative to disaster assistance to reduce the escalating costs of repairing damage to buildings and their contents caused by floods. Flood damage is reduced by nearly \$1 billion a year through communities implementing sound floodplain management requirements and property owners purchasing of flood insurance. Additionally, buildings constructed in compliance with NFIP building standards suffer approximately 80 percent less damage annually than those not built in compliance. And, every \$3 paid in flood insurance claims saves \$1 in disaster assistance payments.

In addition to providing flood insurance and reducing flood damages through floodplain management regulations, the NFIP identifies and maps the Nation's floodplains. Mapping flood hazards creates broad-based awareness of the flood hazards and provides the data needed for floodplain management programs and to actuarially rate new construction for flood insurance.



Buying flood insurance may be the best thing you can do to protect your home, your business, family, and financial security

NFIP Statistics:

- ◆ Floods and flash floods happen in all 50 states
- ◆ Everyone lives in a flood zone
- ◆ Just an inch of water can cause costly damage to your property
- ◆ Flash floods often bring walls of water 10 to 20 feet high
- ◆ A car can easily be carried away by just two feet of floodwater
- ◆ Hurricanes, winter storms, and snow melt are common causes of flooding
- ◆ New land development can increase flood risk, especially if the construction changes natural runoff paths

When you are a flood insurance policyholder:

- ◆ Flood insurance compensates you for all covered losses
- ◆ Coverage is relatively inexpensive
- ◆ You can depend on being reimbursed for flood damages, even if the President does not declare a Federal disaster
- ◆ You do not have to repay a loan, as you might have to with many Federal disaster relief packages
- ◆ Your covered losses are paid in full
- ◆ You can count on your claim being paid in the event of a flood loss because NFIP flood insurance is backed by the Federal government

The AAHA Business Insurance Program can help you handle your claim quickly, so that you will not have to put your life on hold if a flood damages your property. You can even request a partial payment immediately after the flood, which can help you recover even faster.

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Flood Insurance

Some of the things a standard flood policy will cover include: structural damage; furnace; water heater and air conditioner; flood debris clean up; and floor surfaces such as carpeting and tile. Policies are available in three forms: dwelling (most homes), general property (apartments and businesses), and residential condominium building association (condominiums). It's important to know that if you have a federally backed mortgage on a home located in a high-risk area, federal law requires you to purchase flood insurance. Also, if you've received a federal grant for previous flood losses, you must have a flood policy to qualify for future aid.

The Hartford and the AAHA Business Insurance Program

Trumbull, a wholly owned subsidiary of The Hartford, manages The Hartford's Federal Flood Insurance program. Hartford Flood, in conjunction with its nationwide service center, serves AAHA policyholders in all 50 states. In addition, the AAHA Business Insurance Program has access to surplus flood lines through several markets, which includes excess limits, non-participating communities, and coverage for coastal barrier resource areas (CBRA).

Coverages and Limits

Standard Federal Flood Limits

- ◆ Residential policy—up to \$250,000 for buildings and \$100,000 for contents
- ◆ Commercial policy—up to \$500,000 for buildings and \$500,000 for contents

Surplus Lines Flood

- ◆ Excess limits of up to \$25,000,000
- ◆ Non-participating and CBRA—same as Federal Flood Policy

For more information about securing flood insurance for your practice, call the AAHA Business Insurance Program at 866-380-AAHA (2242) extension 4674.

Avoid Wrongful Termination of Your Employees

Don't Fall Victim to Your Own Employment Practices

Wrongful termination is a serious employment claim that can lead to liability exposure for your practice. The key to controlling this exposure is to document personnel policies, communicate them to both management and employees, and uniformly apply the principles upon which they are based.

How to Manage Hiring — and Firing

Depending on state law, employees are fired by one of two methods:

Employment-at-Will—means that an employer may dismiss employees at the employer's discretion, at anytime, for any reason or for no reason, and without giving the employee prior notice. (Although this method is seldom used today, even in states where it is still in place, courts have found that employers cannot indiscriminately terminate an employee without some justification.)

Termination-for-Cause—means an employer must have a justifiable reason for an employee's termination.

Employment terminations should be based on performance or conduct. Performance expectations should be outlined in a well-written job description. Where the level of performance falls short of job requirements, the employee should be made aware of the problem and if appropriate, be given an opportunity to meet those requirements.

Maintain proper documentation. Where substandard performance exists, issue written warnings and take appropriate disciplinary action. Also, keep documentation clear and concise. Simply state any problems, outline corrective actions and where possible, quantify the measurements of performance.

How to Avoid Lawsuits

You can prevent wrongful termination lawsuits if you:

- ✓ Do not promise what you cannot honor, will not honor, or may decide later to revoke.
- ✓ Set rules and make sure employees follow them.
- ✓ Implement the rules fairly and consistently.
- ✓ Speak candidly with employees.
- ✓ Put employees on notice; use progressive discipline, except in cases of extreme misconduct.
- ✓ Consider options short of discharge.
- ✓ Discharge employees tactfully but are frank about the reasons.
- ✓ Do not discuss the reasons for an employee's discharge with other employees.
- ✓ Confine job references to length of service, current position, and rate of pay at the time of termination.

Hard as you try, you may not be able to avoid a lawsuit. That's why it's key to protect your practice with employment practices liability (EPL) insurance, which provides coverage for claims made against an employer for wrongful employment practices such as discrimination, sexual harassment, and wrongful termination. Call 866-380-AAHA (2242) extension 4674 for a coverage evaluation and price indication.



Get to Know Your Practice Owner's Package

As a veterinary practice owner, you know how much hard work it takes to make a business succeed. The last thing you need is an unexpected loss to wipe out your bottom line. If your personal identity were stolen, could a poor personal credit report negatively affect your business? Could you afford to take the time away from your business to reinstate your identity? If a fire in your building required you to set up temporary business quarters elsewhere for a few months, would your insurance policy cover those extra expenses? The AAHA-recommended Practice Owner's Package policy, underwritten by The Hartford, responds to business trends affecting today's practice owner. The Hartford's policy—also known as Spectrum—comes with comprehensive property and liability coverage, and many additional ways to add value to your policy. Here are some examples of what Spectrum offers:

Identity Recovery Coverage

Provides identity recovery coverage including services such as:

- **Identity Recovery Help Line**

Provides identity theft support for policyholders who suspect they are identity theft victims.

- **Identity Recovery Case Managers**

Provide assistance in speeding the recovery process.

- **Expense Reimbursement**

Provides expense reimbursement up to \$15,000 for covered expenses arising out of a defined identity theft event.

Building and Business Personal Property

The AAHA-recommended Practice Owner's Package policy includes coverage to repair or replace your building and any equipment, stock, furniture, or fixtures that you own. Specific business property coverages included in Spectrum are:

- **Buildings and Contents**

Covers your buildings and/or business contents if they are damaged or destroyed because of a covered loss. You'll receive the full cost less your deductible to replace your property up to a limit you select when you purchase your policy. **The Hartford Spectrum includes damage caused by animals in your care, custody, and control.**

- **Business Income**

Reimburses you for your actual loss of earnings for up to 12 months resulting from a covered loss to your property. Extra expenses needed to continue your operations, such as renting temporary space, are also covered.

- **Equipment Breakdown**

Covers the cost to repair or replace equipment, such as computers, air conditioners, phone systems, and steam boilers, following a loss or damage caused by mechanical breakdown or artificially generated electrical current.

- **Lock and Key Replacement**

Pays for re-keying of locks, up to a specified limit, at your business premises following the theft of your keys by a burglar.

- **Money and Securities**

Protects money and securities used in your business if they are stolen, destroyed, or lost.

- **Peak Season**

Provides an automatic increase to your insurance limit of up to 25% for business contents to cover seasonal variations in your inventory or supplies.

Business Liability

Protects your practice against financial loss resulting from claims of bodily injury or property damage caused to others by you or your employees. For example:

- **Automatic Additional Insured**

Coverage is automatically provided where required in a written contract, agreement, or permit.

- **Personal and Advertising Injury**

Covers you for certain offenses you or your employees commit in the course of your business, such as libel, slander, disparagement, or copyright infringement in your advertisements.

- **Defense Costs**

Pays legal expenses for certain liability claims brought against your business regardless of who's at fault.

- **Medical Expenses**

Pays the applicable medical costs if someone is injured and needs medical treatment due to an accident on your premises.

- **Premises and Operations Liability**

Provides coverage for bodily injury and property damage sustained by others at your premises or as a result of your business's operations.

- **Products and Completed Operations**

Covers you against injuries or damages to others caused by the products you sell or by the work you perform for your clients, excluding professional exposures.

- **Tenant's Liability**

Protects your business against claims of damage due to fire or other covered losses caused by you to premises that you rent.

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More coverages and endorsements are available including accounts receivable, employee dishonesty (ERISA), computers and media, just to name a few.

Tying It All Together

- **Umbrella Coverage**

In addition to your AAHA-recommended policy, you may want to consider umbrella coverage. It provides up to \$10 million of liability protection over and above the limits of other specified liability policies in your business program.

Tailored to Your Practice

The AAHA Business Insurance Program offers the convenience of flexible premium payment plans, an electronic fund transfer plan, and 24-hour, toll-free claims reporting. All business insurance is not the same—especially for veterinary practice owners. We know the coverages your practice needs and have bundled them together for your convenience, and for substantially less than they would cost separately.

For a new coverage evaluation or to review your current coverages and limits, call the AAHA Business Insurance Program at 866-380-AAHA (2242) extension 4674.



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**Call 866-380-AAHA (2242)
extension 4674 today for a
coverage evaluation.**

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