



J.E.D. INSURANCE & FINANCIAL SERVICE AGENCY, INC.

30 Mechanic Street, Unit 5
Foxboro, MA 02035
Phone: (508) 543-1067
Fax: (508) 543-3278
www.jedinsurance.com

Protection & Planning You Deserve

Risk Review

Keeping you informed on **Business Insurance** issues



Volume 21, No. 2

The Preferred Course for Business Continuation

It takes years of hard work to build a successful business. To protect your investment, it is important to consider how you will keep the business running smoothly if something should happen to you or one of your business partners. Without proper planning, death, disability, or retirement of key shareholders may jeopardize the survival of your company.

Who has the expertise to take over your interest in the company? Will estate taxes force your heirs to sell their interests at a loss? To be prepared, establish a business succession plan that includes a **buy-sell agreement**, if appropriate, which is often funded by **life** and **disability insurance**. In the event of death or disability of a key shareholder, the remaining partners, key employees, or the company itself can purchase the departing shareholder's interest with the policy proceeds.

Here are some advantages of a buy-sell agreement:

1. It can help prevent disputes by establishing a dollar value for the insured's interest and setting a price in advance.
2. It can reduce financial strain by providing funds that may be used to purchase the insured's interest, cover operational costs during transition in the business, or help pay for estate taxes.

3. It can prevent competitors from purchasing the interest of a retired, disabled, or deceased business partner.
4. It can allow the remaining business partners to maintain control of the company, ensuring that it will continue to be managed by those with the necessary expertise.
5. It can help minimize financial loss and estate tax liability, as well as help prevent forced liquidation or sale.
6. It can boost confidence of those involved with the business by facilitating a smooth transition.

To maintain the successful continuation of your business, only you can ensure it remains in reliable hands. A buy-sell agreement provides a definite course of action during a change of ownership. Please stop in or call us for assistance in securing your company's future.



The Internet, Your Business, and Liability

As you conduct business online, your risk and your exposure to risk will change. To protect your business, create and maintain both an Internet and Intranet policy, an action plan for responding to and remedying complaints, and procedures for dealing with independent contractors and consultants.

Businesses with an online presence are exposed to loss due to viruses, hackers, cyber extortion, and denial of service attacks, among other cyber crimes. It may be time to obtain insurance protection against these risks. Be sure to also consider the types of coverage purchased by media and communications professionals to protect against claims of libel and copyright/trademark infringement from information posted online.

Consider your company's liability risks and the insurance you may need to protect your interests. One of our qualified insurance professionals can assist you in obtaining the proper coverage before a "virtual" malfunction becomes a "real world" loss.

Being Prepared for Potential Public Health Risks

In response to the possibility of public health risks, such as the outbreak of swine flu (H1N1 virus) in 2009, and the recent announcement in April 2013 of a new avian (bird) influenza (H7N9 virus) outbreak in China, a number of U.S. government agencies, including the Centers for Disease Control (CDC), the Department of Health and Human Services (HHS), and the Occupational Safety and Health Administration (OSHA), have created the website, www.Flu.gov. The site provides one-stop access to U.S. government information about pandemic influenza and avian influenza for the general public, health and emergency preparedness professionals, policy makers, government and business leaders, and local communities.

Recommendations for business owners and employers include a review and update of disaster contingency plans to ensure that business operations and employees would be protected in the event of a pandemic. If such an outbreak should occur, the health of your employees would be critical to continued operations. If business operations require close contact with other employees and the public, there are a number of protective measures that can be implemented to prevent the spread of infectious disease in the workplace.

First, employers are advised to prepare for the possibility that large numbers of workers could become ill or have to remain at home due to possible exposure to a pandemic illness. Therefore, it is important to establish in advance a business continuity contingency plan that enables the organization to continue to function even if a significant number of employees are unable to come to work.

Flexible work arrangements, such as telecommuting or modified scheduling, can reduce the number of workers who must be at the workplace at one time, or in one specific location. Employers may also implement a cross-training program so that employees will have the ability to step in and fulfill responsibilities that are critical to the business, as needed. To facilitate automation and remote communication, information technology systems may be enhanced or upgraded, as needed. Business owners are also advised to consider their inventory. If the business usually operates on a "just in time" inventory

model, accumulating some reserves may help prepare for possible disruptions in distributions and deliveries.

Second, employers are encouraged to develop contingency practices to minimize face-to-face contact between employees in the event of a pandemic. Such practices may include minimizing group meetings and increasing the use of teleconferencing and email. Depending on the type of business, other measures may include distributing and promoting the use of hand sanitizers, tissues, and disinfectants.

When pandemic risk is acute, advise employees to minimize physical contact and proximity with coworkers and clients. In some cases, workers may be required to wear protective equipment. To further minimize contact, barriers, such as transparent plastic or glass walls or windows, may be installed.

Third, employers and business owners are advised to clearly communicate their leave policies should a pandemic situation arise. Employees who may have been exposed must be encouraged to stay at home, without fear of reprisal, to minimize the spread of a potentially dangerous virus. Any employee who has flu-like symptoms should see a physician or health care provider immediately for testing. An employer can legally require an employee who may be infected with a pandemic illness to stay at home, or require a medical note or medical examination before returning to work. However, employers are advised to be fair when imposing mandatory testing and leave policies to avoid discrimination. Protecting the privacy rights of individual employees is another important consideration.

Finally, employers are advised to communicate to employees any immediate changes to workplace policies, such as hygiene-related procedures or sick leave entitlement, as well as any emergency measures that might be implemented in the event of increased risk.

While there may be no imminent threat of a pandemic in the U.S., being prepared for a potential public health risk is the best policy to protect your employees and maintain business operations should a crisis occur.

For Your Information

Green Power

The U.S. Environmental Protection Agency's (EPA) Green Power Partnership is a voluntary program that encourages commercial, industrial, and public sector organizations of all sizes to reduce the environmental impact from conventional electricity use. By joining the Partnership of more than 1,400 current members, your business can learn how to use renewable energy resources, such as solar, wind, geothermal, biogas, biomass, and low-impact hydro, to generate green power. For more information, go to www.epa.gov/greenpower.

Shredding to Comply

Does your business use a paper shredder to shred sensitive materials? If not, you might want to start. According to the Fair and Accurate Credit Transactions Act of 2003 (FACTA), any business that uses information from consumer reports must comply with "the proper disposal of information...to protect against unauthorized access to or use of the information." To learn more about compliance, visit the Federal Trade Commission (FTC) online at www.ftc.gov.

Teen Worker Tips

Are you considering hiring teenagers? Do you already employ teenagers? If so, then you might want to visit the Department of Labor's (DOL) website for working teens and employers of teens at www.youthrules.dol.gov. Under Federal law, there are specific jobs and hours that teens are allowed to work, depending on their age. You should also contact your state department of labor since its rules may differ.