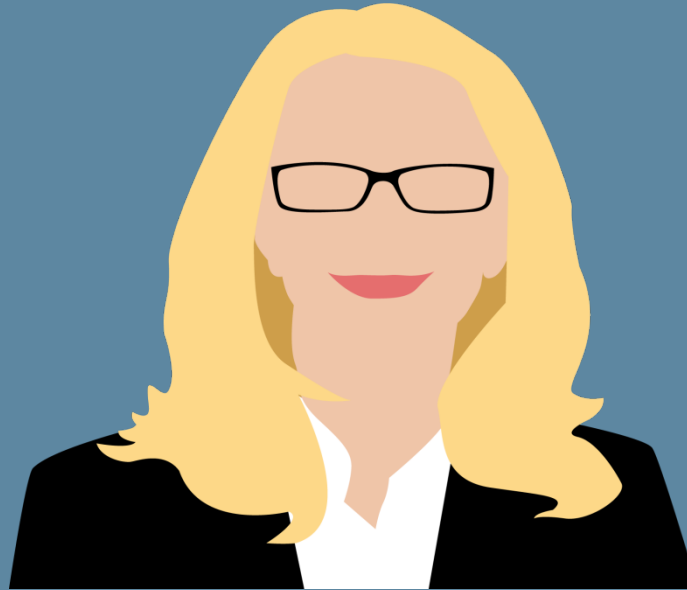


Legal Lunch with Laura



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Future Lunch Dates

Tuesday, November 20, 2012

(Handbooks)

Tuesday, January 15, 2013

(Enhancing Communication Skills)

*Note – this is the third Tuesday of every other month from
12:00 – 1:00 p.m.

Business Insurance: Ways to Protect Yourself and Your Company

Presentation by
Steve Sherman, J.D.
Laura L. Rubenstein, Esq.

Objectives for today's Webinar

- Learn the different types of business insurance available to protect you and your company
- Understand costs, what the policies cover and whether you should have them.
- When and how to notify your insurance carrier when you have a claim or potential claim

Disclaimer: This webinar is provided for informational purposes only and is not legal advice. Participation in this webinar does not create an attorney-client relationship with Attorney Rubenstein or Offit Kurman. The opinions expressed throughout this webinar are the opinions of Attorney Rubenstein and Steve Sherman, and may not necessarily reflect the opinions of their respective firms.

About Steve Sherman

- Agent with PSA Financial since 2006
- Mr. Sherman specializes in medical malpractice and professional liability insurance.
- BA from Emory University
- J.D. from the University of Baltimore School of Law.

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Webinar Poll

What does D&O insurance cover?

- A. Deliverables and Overdrafts
- B. Drivers & Operators
- C. Directors & Officers
- D. Discipline and Occupational Occurrences

What is insurance?

“Insurance is defined as the equitable transfer of the risk of a loss, from one entity to another, in exchange for payment.”

Source: *<http://en.wikipedia.org/wiki/Insurance>*

No one expects to be sued

That's the purpose of
insurance –
protecting your assets from a
lawsuit.

Consider these actual cases

FIRST CASE:

- Small family-owned business in Maryland rural county
- 30-year employee diagnosed with bi-polar disorder
- Employee became paranoid at work
- Accused co-workers of stealing lunch, sabotaging his work, false imprisonment, talking behind his back
- Verbal altercation with management/owners
- Never returned to work
- Sued for age, race and disability discrimination
- EEOC Charge, Federal Lawsuit, Appeal
- No insurance to cover this claim

Consider these actual cases

SECOND CASE:

- Multi-Generation owned business for over 100 years
- Never had a claim filed against them
- Vendors and other service-providers constantly on site
- Service-provider and employee developed friendship
- Employee accused service-provider of touching her
- Several measures taken to protect employee at workplace
- Sexual Harassment Claim filed by employee
- Criminal action filed against service-provider
- Company and service-provider were co-defendants in lawsuit
- No insurance to cover this claim

Detailed Discussion of Different Business Insurance

- Employment Practices Liability Insurance
- Directors & Officers
- Fiduciary Liability
- Professional Liability/Errors and Omissions
- Business Owner's Policy including General Liability
- Insurance Riders

Other Insurance

- Health Insurance (Medical, Dental, Vision)
- Workers' Compensation Insurance
- Life Insurance
- Short Term Disability Insurance
- Long Term Disability Insurance

Employment Practices Liability Insurance

- What does it cover?
- Who should have it?
- How much does it cost?
- What information do you consider when making a quote for coverage?
- Important points

Protection from Wage Claims?

- Employment claims represent the overwhelming number of lawsuits filed in federal court
- Many of those claims, especially class action claims, are now for overtime or other unpaid wages
- Is there coverage available to protect against wage claims?

Directors and Officers Insurance

- What does it cover?
- Who should have it?
- How much does it cost?
- What information do you consider when making a quote for coverage?
- Important points

Fiduciary Liability Insurance

- What does it cover?
- Who should have it?
- How much does it cost?
- What information do you consider when making a quote for coverage?
- Important points

Professional Liability/ E & O/ Malpractice Insurance

- What does it cover?
- Who should have it?
- How much does it cost?
- What information do you consider when making a quote for coverage?
- Important points

Business Owner's Insurance, including General Liability Insurance

- What does it cover?
- Who should have it?
- How much does it cost?
- What information do you consider when making a quote for coverage?
- Important points

Webinar Poll

A customer slips and falls on the floor of your office. Which insurance policy would cover the claim?

- A. Property Insurance Policy
- B. General Liability Insurance Policy

Suggestions to Protect Your Business for Under \$1,000

- Business owners and other high net worth individuals have the feeling they have targets on their backs.
- We live in a litigious society, and it isn't becoming any less so.
- One misstep, an accident, or a lawsuit could cost hundreds of thousands of dollars.

<http://www.blog.psafinancial.com/2012/07/medical-practice-insurance-5-inexpensive-ways-to-protect-yourself/>

Personal Insurance Suggestions

Review your personal insurance coverage - limits

- Buy an umbrella policy
- Domestic workers' compensation policy.

Business Insurance Suggestions

Establish and review an insurance program

- **Insure your key employees**
 - **Buy-Sell Agreement**
 - **“Key Man”**

Filing an Insurance Claim

- HR practitioners should know what insurance coverage the company has purchased.
- Should the insurer be notified of a threat by an employee?
- What about a written demand from an attorney representing the employee or former employee?

Scenario

- VP of Sales has been underperforming
- Taking excessive time off from work
- Not a contributing team member
- Subordinates have lost respect
- Casual “coachings” have no effect
- Disclosed marital issues and maybe some medical issues
- Placed on PIP and salary is decreased

Scenario (cont'd)

- One week later, company receives a letter from the VP's attorney claiming discrimination on the basis of disability, age and family status and demands the employee be restored to his former salary.

Scenario (cont'd)

What do you do?

- Notify insurance company?
- How? When?
- What if you delay notifying insurer?
- Do you lose coverage?
- Should your outside attorney respond to the letter on your behalf?
- Will those fees be covered?

How can you select counsel?

Steve, how can a company select or designate its own law firm or attorney of choice to represent it under the EPLI or D&O policy?

Questions

- (1) If there is a flood or fire in my office, do I get the current or replacement value for furniture, computer equipment and other valuables?
- (2) If my employee gets in a car accident while running a business errand, such as driving to the bank to make a deposit, how is that covered?
- (3) Is there insurance I can purchase that covers my company against invasive computer viruses that bring down my entire computer/operating system? If so, what is it called and what is the cost? Is it less expensive if I prove I've purchased anti-virus software or an IT consultant?
- (4) How do I know I'm getting the best insurance rate?
- (5) What exactly is "Lloyd's of London"? Do they only insure large companies?

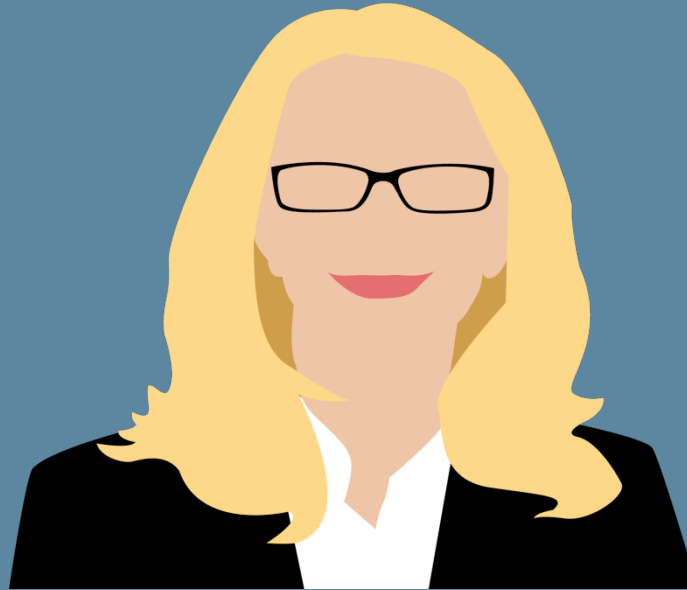
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