



Published for Co-Op Agency Customers

## Employment Practices Liability Insurance— What Is It?

Most business owners purchase general business insurance. Such as property, liability, auto and workers compensation insurance to cover almost all likely property and casualty losses, as well as claims that may result from lawsuits. But certain types of potential claims *are not* covered by any of these policies.

Employment based or employment related claims are not included in those types of policies. Claims such as *Sexual Harassment, Breach of Contract, Discrimination, Wrongful Termination* and *Wrongful Refusal to Hire* are some examples of potential claims that would not be covered under the general business insurance policy. In this litigious society we live in today, Employment Practices Liability Insurance is a must.

*Employment Practices Liability Insurance*, or EPLI, provides protection for an employer against claims made by employees, former employees, or potential employees. It covers your business as well as your Directors and Officers.

You might be asking yourself “Why do I need *Employment Practices Liability*”? The number of employment related lawsuits has been steadily increasing. Businesses are finding that they are vulnerable from the pre-hiring process through the exit interview, even if the employee was never hired, or only at the company a matter of days. It could be a joke told in the break room, an employee you had to fire, or that person you chose not to hire.

Even a business that has excellent Human Resource policies and procedures can be sued. They may be in an excellent position to defend itself in the event of an employment related claim, but the cost of defense can be quite costly. It is not uncommon for legal fees associated with winning an employment related claim to exceed \$250,000.

Employment Related claims can happen to a business with 100 employees, or 1 employee. The accusation of a discriminatory act is cause for legal action regardless of the size of your business. Remember, it only takes 1 employee to bring a potential lawsuit to the table.

Please contact the Co-Op Agency to further discuss at 1-800-800-5989

# Mechanical Breakdown Coverage for Homeowners

By David Koeffler

Modern homes contain many expensive systems and appliances that homes did not have just 25 years earlier. Some of these items are vital equipment that supplies heating, air conditioning, hot water and electricity. Standard Homeowners policies cover many disaster related losses but, they do not cover everything. It's important to understand what is covered and is not covered.

Standard homeowner's policies are not designed to cover most mechanical, electrical, or heating equipment breakdowns. Maintenance-related problems are also the homeowner's responsibility. Today it's a worthwhile consideration to look into buying equipment breakdown coverage.

Equipment breakdowns can cost homeowners thousand of dollars. With their increased investments in costly and more efficient equipment, homeowners have a growing coverage gap. Homeowners Equipment Breakdown should be an essential element of any homeowner's insurance program.

Seeing this growing need insurance companies and service providers began in the late 1990's to develop coverage endorsements for insurance companies to offer to their customers. By the middle of 2000 these products began to be offered to consumers.

Homeowners Equipment Breakdown (HEB) coverage is designed for equipment which is built-in or permanently attached to a home. Covered equipment may include:

- \* Central air conditioning systems including compressors, condensers & air handler units;
- \* Heating equipment including boilers & heat pumps;
- \* Electrical panels;
- \* Home security systems'
- \* Ventilating systems & exhaust fans;
- \* Fired hot water heaters;
- \* Emergency generators (if permanently installed);
- \* Well pumps;
- \* Filtration systems for air & water;
- \* Central vacuum systems;
- \* Swimming pool or hot tub filtration;
- \* Pumps & heating equipment;
- \* Chair lifts & elevators;
- \* Sauna equipment

Many Home Equipment Breakdown programs pay up to \$50,000 for the sudden and accidental breakdown of covered equipment, necessitating its repair or replacement. The plans can also include coverage for additional living expenses. The policy holder can carry a deductible for this endorsement that is lower than their policy deductible.

Continued.....

## Mechanical Breakdown Coverage for Homeowners .....continued

By David Koeffler

Examples of typical losses could include:

A homeowner who has a domestic water 230-volt deep well pump short-circuited to ground. Upon being pulled from the well to determine its condition, it was concluded that cost to repair the motor was greater than the cost of replacement.

Cost of Replacement: \$1,260

Loss of Use: \$186

A power surge caused by the electric utility resulted in arcing damage to the electronic components of a panel television and electric motor of an air conditioning system. Replacement and repairs required service by separate technicians.

Cost of Repairs: \$3,750

The incidents above were specific claims and prudent consumers should always refer to the policy language of the insurance product they have for coverage questions.

In the past, homeowners have sometimes purchased Home Warranties to cover repair expenses. However, consumers will probably find that Home Equipment Breakdown endorsements may offer a better value by covering more items at a lower price when compared to many Home Warranties.

The best way for you to find out if this is a good option for you is to ask the **Co-Op Agency** staff for a coverage review. Our staff would be happy to provide a free review of your current policies for you even, if your homeowners' insurance coverage is with another insurance agency. We can provide side by side policy comparisons that are updated to your current needs and exposures in life.

## American Red Cross Urges Caution During Heat Wave

According to the Centers for Disease Control and Prevention, approximately 400 Americans die each year due to summer's sweltering heat. In recent years, excessive heat has caused more deaths than all other weather events, including tornadoes, floods and hurricanes.

Everyone is at risk when temperatures rise above 90 degrees; and the elderly and the very young are most susceptible to heat and heat-related illnesses. Heat-related illnesses can cause serious injury and even death if unattended. Individuals with signs of heat-related illness should be moved to a cool place, given cool water to drink and ice packs or cool wet cloths should be applied to the skin. If a victim refuses water, vomits or loses consciousness, call 9-1-1 or your local emergency number immediately. "Our goal is to give people the information they need to protect themselves, their families, customers and employees from heat related illnesses.

