



The Professional Insurance **Informer**

Serving the Insurance Needs of Southern New Jersey for Nearly 100 Years

Commercial Auto Insurance Basics

If some or all of your employees are required to drive for business, whether it's on a regular basis or not, you need commercial auto insurance. Don't put your employees, your business or yourself in a precarious position.

There are several options for commercial auto insurance and you will need to discuss your particular circumstances with your Allied Insurance representative to determine what will be most beneficial to your business. We have put together some information that will give you a basic understanding of some of the terms you will need to know before you start.

There are generally three types of coverage to consider, depending on what vehicles need to be insured:

- All autos owned by the business — this includes your personal vehicle, if you have it registered to the business.
- All autos owned, hired or leased — this includes any vehicle you may need to rent or lease for business purposes.
- All autos — this will provide the most protection, and includes coverage of employees' vehicles that are used for business purposes.

Liability insurance is required in the state of New Jersey, though the coverage amounts are determined on an individual basis. A minimum of \$500,000 worth of protection is required, but raising this limit is highly recommended. This

coverage protects the insured from any legal liability as a direct result of an accident involving any of the insured's vehicles. It will cover bodily injury as well as property damage, and the insurer will also pay for any of the insured's legal defense costs.

Physical Damage coverage, or comprehensive and collision, pays for damage to the insured vehicle. Collision coverage pays for just that — any damage sustained in a collision. Comprehensive covers vehicle damage other than that from a collision. This can include fire, vandalism and weather-related damage, as well as theft. These types of coverage are not mandatory, but if you are financing the vehicle, the lending agency will require that you carry them. Because of the wide scope of damage that is covered by this insurance, you will want to discuss this option with your Allied Insurance representative, regardless of whether or not it is required.

Your auto insurance premiums are determined by a number of different factors. You can help reduce the costs by following a few guidelines:

- Keep accurate records of your business vehicle use for the insurance company. Track mileage and how and where the vehicles are used.
- Vehicles should be properly maintained at all times and records of maintenance should be kept available.
- Purchase vehicles with updated safety features like air bags and anti-lock brakes.

By maintaining a good safety record, you can also reduce your insurance premium. Take a look at the article on minimizing auto crashes in this newsletter for tips on keeping up that good safety record.



President's Message

As we approach the 100th Anniversary of Allied Insurance Services, I am becoming more and more excited and humbled by its meaning. It's a significant milestone you rarely see in business anymore.



Michael Rossi
President

Nearly a century ago, Allied Insurance Services got its start as W. Howard Sharp, Inc. As our reputation and client base grew, this hometown company became a household name. Residents of Cumberland County quickly became aware that they could rely on us for great customer service and excellent products. By 1974, the agency became known as Allied, and in 1978 I proudly took over the leadership of Allied Insurance Services.

But how did Allied go from these humble beginnings in 1907 to one of the leading insurance agencies in South Jersey? Simple — we have established a reputation for integrity, soundness of counsel and overall excellence in customer service. In fact, those are the things that come to mind when the community thinks of Allied Insurance Services. Throughout the years, we have remained dedicated to identifying the best coverages at the best price. And we are always there when you need us!

Our commitment is to deliver expertise, guidance and service. Each member of our staff maintains a consistently high level of education and accreditation in the insurance industry — just our way of ensuring that we provide you with the best service possible.

Over the next century, we look forward to expanding our services and capabilities even further to meet the growing needs of our clients and offer the most diverse insurance products available. Though I may not be around for another 100 years, I'm pleased to be able to usher in a new era of ensuring your future with Allied Insurance Services.

Please let us know what you think of our newsletter. Tell us about specific insurance topics you would like to see. Ask for Melissa Comparri.

1405 N. Delsea Drive, PO Box 900
Vineland, NJ 08362-0900

Phone: 856-691-0112
Fax: 856-691-0417 or 856-691-4654

www.alliedinsur.com

Knowledge is the best policy!

Ten Steps to Minimize Auto Safety Risks

The Network of Employers for Traffic Safety (NETS), the National Highway Traffic Safety Administration (NHTSA), and the Occupational Safety and Health Administration (OSHA) have joined forces to produce a publication outlining a 10-step program to minimize employee motor vehicle accidents entitled *Guidelines for Employers to Reduce Motor Vehicle Crashes*. The information detailed below is taken directly from the guidebook, which can be found on the OSHA Web site.

1. Senior Management Commitment and Employee Involvement

Senior management can provide leadership, set policies, and allocate resources (staff and budget) to create a culture for safe driving. Actively encouraging employee participation and management involvement is a good practice and will help the effort succeed.

2. Written Policies and Procedures

Create a clear, comprehensive and enforceable set of traffic safety policies and communicate them to all employees. Post them throughout the workplace, distribute copies periodically, and discuss the policies at company meetings. Offer incentives for sticking to the rules, and point out the consequences of disregarding them.

3. Driver Agreements

Establish a contract with all employees who drive for work purposes, acknowledging their awareness and understanding of the organization's traffic safety policies.

4. Motor Vehicle Record (MVR) Checks

Check the driving records of all employees who drive for work purposes. The MVR should be reviewed periodically to ensure that the driver maintains a good driving record. Get a signed waiver from the employee to avoid any privacy issues.

5. Crash Reporting and Investigation

All crashes, regardless of severity, should be reported to the employee's supervisor as soon as feasible after the incident. They should be reviewed to determine their cause and whether or not the incidents were preventable.

6. Vehicle Selection, Maintenance and Inspection

It is advisable that the organization review and consider the safety features of all vehicles to be considered for use. Those vehicles that demonstrate "best in class" status for crash-worthiness and overall safety should be chosen and made available to drivers. Vehicles should be on a routine preventive maintenance schedule for servicing and checking of safety-related equipment. A mechanic should do a thorough inspection of each vehicle at least annually with documented results placed in the vehicle's file.

7. Disciplinary Action System

Develop a strategy to determine the course of action after the occurrence of a moving violation and/or "preventable" crash. The system should describe what specific action(s) will be taken if a driver accumulates a certain number of violations or preventable crashes in any pre-defined period.

8. Reward/Incentive Program

Develop and implement a driver reward/incentive program to make safe driving an integral part of your business culture. Reward and incentive programs typically involve recognition, monetary rewards, and special privileges.

9. Driver Training/Communication

Provide continuous driver safety training and communication for all employees. Even experienced drivers benefit from periodic training and reminders of safe driving practices and skills.

10. Regulatory Compliance

Ensure adherence to highway safety regulations. It is important to clearly establish which, if any, local, state, and/or federal regulations govern your vehicles and/or drivers. This includes vehicle maintenance, driver training, and vehicle operation.

To learn more about these steps and how you can implement them, you can access *Guidelines for Employers to Reduce Motor Vehicle Crashes* online at http://www.osha.gov/Publications/motor_vehicle_guide.html.



Filing a Business Insurance Claim

The key to filing a business claim quickly and efficiently lies in the exchange of detailed information. Arm yourself with everything you need to know about your responsibilities and the steps you need to take, and provide thorough information to the insurance companies involved to speed up the process.

The first thing you will need to do, and right away, is completely assess any damages and make a list of anything lost, stolen, or destroyed. Be thorough and be prepared to give a reasonable description of each item. Then take a moment to look through your policy, specifically in a section titled "Duties Following a Loss," to familiarize yourself with what will be required of you. Take notice if there is a deductible and the amount. If there is, and your damages will be less than the deductible, you may decide not to make the claim and pay out of pocket in order to avoid affecting your premium.

Once your losses are clearly identified, you should immediately notify your insurance company, by phone and in writing. You should also

contact your Allied Insurance agent to assist with your claim. If there is suspected criminal activity surrounding the loss, contact your local police department before you speak with your insurance company.

While processing the claim, the insurance company will require some proof of ownership, which may be in the form of sales receipts, photos or video footage of the covered items. They will also need any police or fire reports that correspond with the incident for their records.

Take steps as soon as possible to protect your remaining property from further damage. Make any temporary repairs you may need in order to keep business running. If immediate repair of equipment is needed, try to save any damaged parts so that the insurance adjuster may examine them if necessary.

Cooperating with the insurance company is the best way to speed up your claim process. Keep in mind that your Allied representative has experience in claims filing and will be a very useful resource for you during the process.