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Inside this issue:

<i>Insurance Scoring (cont'd)</i>	2
<i>Ten Tips to Help You Improve Your Credit Score</i>	2
<i>Trusted Choice</i>	2
<i>Own Your Future</i>	2
<i>Harassment Training (cont'd)</i>	3

SOME STATES MANDATE HARASSMENT TRAINING

A Sign of Things To Come For New Jersey Employers?

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New Jersey has a long history of supporting, if not indirectly requiring, harassment training as a means of preventing workplace harassment. There are many court decisions, including one by the New Jersey Supreme Court, which reiterate that whether an employer (1) has a well-publicized and enforced anti-harassment policy, (2) has a sufficient investigative process in place and (3) has conducted harassment training, would be considered in determining whether the employer is liable for unlawful harassment. See, Gaines v. Bellino, 173 N.J. 301 (2002), see also Velez v. City of Jersey City, 358 N.J. Super 224 (App. Div. 2003). In Gaines, the Supreme Court specifically held that the absence of effective preventative measures would present strong evidence of an employer's negligence and, thus, the employer would not be immune from liability for an employee's harassing conduct.

Most recently, California enacted a law requiring employers with 50 or more employees to provide 2 hours of sexual harassment training to all supervisory employees at least once every 2 years. Connecticut also requires employers with 50 or more employees to provide harassment training to supervisory employees. Conn. Gen Stat. sec 46a-54 (15)(B); Conn. Agencies Regs. Sec. 46a-54-204. In Maine, even stricter requirements are imposed such that employers with 15 or more employees must provide harassment training to all new employees within one year of the commencement of employment.

(Continued on page 3)

INSURANCE SCORING

The goal of every insurance company is to correlate rates for insurance policies as closely as possible with the actual cost of claims. If insurers set rates too high they will lose market share to competitors who have more accurately matched rates to expected costs. If they set rates too low they will lose money. This continuous search for accuracy is good for consumers as well as insurance companies. The majority of consumers benefit because they are not subsidizing people who are worse insurance risks — people who are more likely to file claims than they are.

The computerization of data has brought more accuracy, speed and efficiency to businesses of all kinds. In the insurance arena, credit information has been used for decades to help underwriters decide whether to accept or reject applications for insurance. Now advances in information technology have led to the development of insurance scores, which enable insurers to better assess the risk of future claims.

Continued on page 3



Insurance Scoring (Continued from page 1)

An insurance score is a numerical ranking based on a person's credit history. Actuarial studies show that how a person manages his or her financial affairs, which is what an insurance score indicates, is a good predictor of insurance claims. Insurance scores are used to help insurers differentiate between lower and higher insurance risks and thus charge a premium equal to the risk they are assuming. Statistically, people who have a poor insurance score are more likely to file a claim.

Insurance scores do not include data on race or income because insurers do not collect this information from applicants for insurance.

Your insurance score is NOT the sole factor in determining the cost of your policy. It is used with other factors to arrive at the best rate possible.

This article is courtesy of the Insurance Information Institute; www.iii.org

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Choice™, we committed to a Pledge of Performance that promises our customers quality service, competitive pricing, a broad choice of products and unparalleled advocacy. Buying insurance

does not have to be complex or confusing. Most of our clients lead a hectic and stress-filled life. We focus on simplifying the insurance-buying process while providing the coverages to protect your family or business.

Ten Tips to Help You Improve Your Credit Score

1. **Pay your bills on time.** Timeliness in paying your bills improves your score.
2. **Manage your outstanding balances.** As a rule of thumb, maintain account balances at least 75% below your available credit.
3. **Avoid excessive inquiries to your credit reports.** Too many inquiries may negatively impact your score.
4. **Limit the number of credit accounts.** Your access to excessive unused credit could result in too much debt.
5. **Review your credit report regularly.** Know what is on your credit report and take necessary steps to dispute any inaccuracies.
6. **Avoid 'quick' credit fixes.** Good credit is built over time.
7. **Manage your debt consolidation.** Consider how to effectively pay down your debt without generating more credit activity.
8. **Limit the amount of new debt you take on.** Too many new loans or credit accounts opened in a short amount of time can negatively effect your credit rating.
9. **Establish credit if you do not have a long track record.** A longer credit history has a positive impact on your score.
10. **Work with your creditors.** Resolve outstanding balances before they are turned over to a debt collector.

Own Your Future – A Message from Governor Codey

In January, Governor Codey sent a letter to thousands of NJ residents who are retired or nearing retirement age. The letter opened with "I am writing to you about a very important issue – planning for your future long-term care needs. As we age, the likelihood that we may need help to perform activities that we now take for granted increases. The time to plan for such assistance in order to remain as independent as possible is now. That is why I want you to know about a new federal-state initiative called *Own Your Future*. The goal of this program is to encourage all New Jersey residents between the ages of 50 and 70 to start planning now for their future care needs."

We encourage our clients to learn about long-term care options and to start planning now to *Own Your Future*. Our website – www.BollingerInsurance.com – has been expanded to include extensive information on long-term care. When you visit our home page, please select Financial Services and Senior Planning. In addition, the U.S. Department of Health and Human Services is offering a Long-Term Care Planning Tool Kit. You can order your free kit by calling 1-866-752-6582. Finally, we are here to answer your questions and guide you through the decision making process. For additional information, contact Chip Graber, 1-800-526-1379.



Harassment Training (Continued from page 1)

Me. Rev. Stat. sec. 807(3). It is likely only a matter of time before New Jersey follows the growing trend and takes the next step to mandating training through legislation.

Clearly, even without a legislative mandate, employment practices training is critically important in New Jersey because courts are frequently holding companies liable for the acts of their managers, and/or holding managers personally liable for the manager's own failure to comply with the various employment laws. Moreover, there has been a clear increase in employment-related claims and litigation.

From a cost/benefit analysis, training as a preventive measure is a win-win situation for employers. The goal in training is to assist the company in avoiding employment-related claims by disgruntled employees and to help a company comply with the requirements of employment-related laws. And, even in situations where litigation cannot be avoided, the employer is in a much better position to successfully defend itself against claims when it has taken these preventive measures. Clearly, the cost of these training programs is minimal compared to the costs of defending against an employment related claim.

Below are some guidelines employers should consider to make harassment training the most effective means of preventing harassment, complying with existing and future law and establishing an affirmative defense should litigation be filed. Specifically, all employers should ensure that:

- ◆ **They conduct training at least every two years;**
- ◆ **The training is interactive and conducted by experienced and knowledgeable trainers;**
- ◆ **The training addresses the prohibition of all unlawful harassment/discrimination and not just sexual harassment;**
- ◆ **The training is mandatory for all employees;**
- ◆ **The company's anti-harassment policy is distributed during the training;**
- ◆ **The training ensures that managers are aware of their responsibility to report harassment and are familiar with the Company's reporting channels; and**
- ◆ **All employees sign an attendance sheet that specifically acknowledges attendance and receipt of a copy of the anti-harassment policy during the training.**

The bottom line is that offering mandatory harassment/discrimination training should be a "no brainer" for employers. Notably, many EPL insurers offer reimbursement to policyholders when training is conducted by approved vendors. Employers who fail to train or otherwise inform their managers of the requirements of the anti-harassment and discrimination laws are not availing themselves of all the possible ways to prevent harassment and, thus, risk being sued for harassment/discrimination and ultimately being unable to successfully assert an affirmative defense to such claims.

Are you Covered? Between 2001 and 2002, approximately 41 million homeowners added to or improved their homes. In 2003, an estimated \$177 billion was spent on home improvements. Homeowners need to make sure these added costs are reflected in the coverage, or risk being underinsured.

Information provided by the Insurance Information Institute.

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