

Bonus Issue!

Business Insurance is a risk management tool for AAHA Business Insurance Program participants. This fall issue—our bonus distribution—mailed to the entire AAHA membership group of medical directors. To continue receiving this publication and to enjoy other program features, call the AAHA Business Insurance Program today for a free portfolio review. You'll read in this issue about the recent workers' compensation dividend return and the new coverage to protect against privacy and data breach exposures. Don't miss out on your group buying power benefits as an AAHA member. Transfer the risks of doing business so you can focus on providing high-quality veterinary medicine. Insurance solutions include business property/liability, workers' compensation, employment practices liability, flood coverage, safety resources, and much more. The AAHA Business Insurance Program also provides access to exclusive veterinary-specific coverage enhancements.



And if you haven't compared our rates recently, you may find that our rates are more competitive today. **And did you know that the AAHA Business Insurance Program helps fund the AAHA Accreditation Awareness Campaign?** So not only will you receive comprehensive coverage and competitive pricing, but also you will benefit from the additional dollars being spent to leverage the AAHA brand to the pet-owning public. Call 866-380-AAHA (2242) for a free quote or complete and return the enclosed reply card. You may also apply online at www.aahainsurance.org.

BUSINESS INSURANCE



news for you

PRODUCED BY HUB INTERNATIONAL MIDWEST LIMITED
FOR THE AAHA BUSINESS INSURANCE PROGRAM

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Dividend Declared Totaling \$578,206 for the AAHA Business Insurance Program

The Hartford, a primary business insurance provider for the AAHA Business Insurance Program, has declared a workers' compensation dividend return for the 2006 and 2007 plan periods. Dividend checks totaling \$578,206 were mailed in May to participants for policies underwritten by The Hartford. This dividend represents 3.93% of the workers' compensation premium paid during August 1, 2006 – July 31, 2007 and 8.22% of the workers' compensation premium paid during August 1, 2007 – July 31, 2008. This dividend of \$578,206 is a result of better than expected claims experience and the group buying power of veterinarians in the AAHA Business Insurance Program.



Are You Aware of the Risks You Face as an Employer? Such as allegations of wrongful termination or sexual harassment in the workplace?

The AAHA Business Insurance Program recently hosted a webinar with CNA Insurance Company on employment practices liability (EPL) exposures and how to manage risks. Laura Lapidus, Esq., EPL Risk Control Consulting Director at CNA Insurance Company, covered an array of topics including Equal Employment Opportunity Commission (EEOC) trends, new federal employment regulations, and today's rising challenges for employers including the impact of social media in the workplace. Visit www.aahainurance.org (and then click on the link to the business insurance program homepage) to access the full audio recording and presentation slides. Questions about EPL insurance? Please call 866-380-AAHA (2242) to speak to a business insurance professional.



AAHA clients received their annual Business Portfolio Review with this newsletter.

Q&A - What Factors Affect My Workers' Compensation Premium?

When you secure a workers' compensation policy, you're asked to provide your estimated annual payroll. The premium calculation multiplies your estimated payroll by your business entity classification rate. This becomes your "standard premium." Once your standard premium is determined, other factors such as premium discounts, scheduled credits, and loss experience modifications are applied. The final figure is your total "estimated deposit premium."

At the end of your workers' compensation policy period, an audit is conducted to compare the estimated payroll information you provided with your practice's actual payroll and operations. The result of this comparison determines your premium adjustment—either a refund or a payment due to the insurance carrier for the adjusted difference. To avoid an unexpected premium due at audit time, try to accurately estimate your payroll at the policy inception, report any sizeable payroll changes mid-term, and classify your business entity correctly on the policy. Pay close attention to whether executive officers are to be included or excluded. Please call the AAHA Business Insurance Program to report changes that affect your policy or to ask questions about your workers' compensation coverage.

Three Key Tips to Prevent Unexpected Charges at Your Audit:

1. Be as accurate as possible when estimating your payroll.
2. Report sizeable changes to your gross payroll throughout your policy year.
3. Make sure your business entity classification is reflected correctly on your policy declaration page. Depending on your state and your entity type, you may have the option to have executive remuneration included or excluded from the calculations.

Overlooking any of these critical details may result in additional charges.



Take this opportunity to assess your current limits and update your contact information.

Business Insurance Portfolio Checklist

Take the insurance checklist test to see if your practice is properly covered. Questions or need coverage? Call the AAHA Business Insurance Program at 866-380-AAHA (2242) today.

| What if... | Coverage(s) needed | Am I covered? |
|---|--|--|
| A dog breaks an expensive piece of equipment during an examination. | Property policy that includes coverage for damage caused by animals (excluded on many standard property policies). | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| My practice closes for three weeks following a fire, but employees are still expecting their payroll, and all of the normal operating expenses are still due. | Property policy that includes business interruption insurance. | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| A driver hits my mobile practice and damages both the vehicle and the medical equipment. | Commercial auto policy and a property policy (tailored for mobile practice exposures) with an endorsement for mobile loss of income and extra expense to cover lost income while your mobile practice is inoperable. | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| A former employee files suit for wrongful termination. | Employment practices liability (EPL) policy. | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| An employee forges checks and invoices for thousands of dollars. | Employee dishonesty coverage as part of a package policy. | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Heavy rains flood the ground level of the practice, with about two inches of water inside the building. | A separate flood insurance policy through the National Flood Insurance Program (NFIP). | Yes <input type="checkbox"/> No <input type="checkbox"/> |

Did you select "no" for any of the above scenarios? Don't leave your business susceptible to these risks—there is a solution available to eliminate any gaps in your current coverage. The AAHA Business Insurance Program offers comprehensive coverage for all your business insurance needs. Join your colleagues who already participate in our insurance program. As the recommended broker for the AAHA Business Insurance Program, HUB International Midwest Limited uses the collective size of AAHA member practices as leverage in insurance markets. This gives HUB the ability to broker the best deal, allowing you to enjoy competitive premiums, top-notch coverage, and exceptional service.

You can request a quote online immediately—visit www.aahainsurance.org.

Select "AAHA Business Insurance Program" to reach the Get a Quote option.



Congratulations to Dr. Karen Campbell from Bellevue Animal Hospital in Bellevue, Nebraska for Winning the AAHA Business Insurance Program Flip™ Video Camera Raffle During the Yearly Conference!



Privacy Exposures—New Coverage Available for Data Breaches

Multiply your practice's total number of client records by \$214. Now imagine writing a check for this amount and losing this money off your bottom line. Can you afford to pay this as an out-of-pocket expense? According to a study from the Ponemon Institute, the average data breach cost per individual compromised record is \$214.

The AAHA Business Insurance Program is pleased to announce a new product to protect you and your practice against data breach exposures.



What Is It?

A breach is defined as an event in which personally identifiable information (PII) is potentially put at risk – either in electronic or paper format. Data breach coverage responds to loss, theft, accidental release, or accidental publication of PII. Personally identifiable information includes:

- Full name
- Social security number
- Bank account number(s)
- Email address
- Driver's license number
- Credit or debit card number(s)

Every time you accept a check, debit

card, or credit card payment from a client, you have PII in your possession, and you could be held responsible for a hacker stealing this information. Or consider your exposure to HIPAA privacy rule violations if someone accessed your employees' PII. Data breach coverage applies to both electronically stored data and hard copy paper files.

What Does This Insurance Cover?

Data breach insurance covers:

- Legal and forensic services
- Public relations and crises management
- Notification expenses
- Defense and liability expenses

And, policyholders will have access to risk management resources that you and your staff can use everyday to minimize the chance of a breach – not just when you have a claim.

Do I Need it?

Yes. While most veterinarians are now exempt from compliance with the Red Flags Rule, you could still be held accountable for a data breach. Not only could your clients sue you for being affected by a breach, but you also have the expense of repairing your practice's name and integrity.

Consider this scenario: Cyber thieves plant a malware software program on

your computer. As a result, every time one of your clients pays for veterinary services with a credit card, the credit card information is automatically sent to another party half-way across the world. Months later, after a number of your clients filed claims with their credit card companies for fraudulent charges, one of the credit card companies calls you because a cyber investigator tracked the breach to your veterinary practice. Now what do you do? Post a public notification? Alert all of your clients who paid with a bank or credit card in the past six months? How does this affect your practice's professional reputation?

How Much Does it Cost?

Coverage is available through the AAHA Business Insurance Program insurance carriers as an endorsement to a package policy (underwritten by The Hartford) or as a stand-alone policy (underwritten by CNA). The premium pricing is based on your practice's annual sales and varies depending on your desired liability limits and coverage structure (third party liability, endorsement or stand-alone policy, etc).

How do I sign-up?

Contact the AAHA Business Insurance Program at 866-380-AAHA (2242) for more information or a quotation.

AAHA Business Insurance Program

Call 866-380-AAHA (2242) today for a coverage evaluation.

P.O. Box 1629, Chicago, IL 60690-1629

Fax: 866-381-AAHA

aaha@hubinternational.com www.aahainsurance.org Fax-on-Demand: 866-920-AAHA

Business Property/Liability

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**This newsletter contains only a general description of coverages and does not include all the benefits and limitations found in the policies. Coverages may vary. All references to coverage are subject to the policy's conditions and exclusions. The insurance policy and not this newsletter will form the contract between the insured and the insurance company. Loss control content is provided for information purposes only. It is not intended to be a substitute for individual legal counsel or advice on issues discussed in this newsletter. For resolution of a specific legal issue or business concern, consult your attorney.*

