

# Your BUSINESS

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## Legislative changes that may affect your business

If you remember the classic Schoolhouse Rock jingle about a bill becoming a law, then you remember the details leading up to a piece of legislation being signed into an actual law. However, the song ends before the law impacts the workplace—at which point it may require actions from an employer or business owner.

The New Jersey Legislature has been busy turning bills into laws that impact business owners in the Garden State. Under new legislation, employers will no longer be able to ask job applicants questions regarding their salary or wage history. While applicants may voluntarily reveal the information, it cannot be requested or required that they provide it prior to an offer of employment with a compensation package. This is intended to prevent systemic wage discrepancies that cause certain classes of employees from being undercompensated or employers using previous salary in the hiring process.

New Jersey's paid family leave program also was expanded to 12 weeks from the previous six weeks of paid leave. The program will allow any employee in the state to receive up to 12 weeks of compensation for leave related to the birth or adoption of a child or to care for a seriously ill family member. "Family member" has a broad definition to

include immediate relatives, as well as people with whom an employee may have a family-like relationship. The program also will protect the jobs of workers who take the leave at a workplace, which has 30 or more employees.

Across the Hudson, New York has been busy amending laws related to employment discrimination and consumer protection as well. In addition to the Pay Equity Act to prohibit discrimination in compensation for workers performing equal or substantially similar work, the New York Legislature also prohibited employers from asking applicants about their wage or salary history. Additionally, New York expanded existing consumer protection law to require all businesses that retain private information about New York residents on computerized data systems, to implement and maintain reasonable safeguards to protect the information. Businesses that meet the definition of a compliant regulated entity, including any entity required to comply with Title V of Gramm-Leach Bliley, HIPAA or the New York Cybersecurity Requirements for Financial Services Companies, will be considered compliant with this requirement. The legislation also expands the notice requirements to

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include situations when access to private information of New York residents occurs. The court may fine an entity—between \$5,000 and \$20,000 per occurrence with a total limit of \$250,000—for knowingly or recklessly failing to meet the statutory requirements. Businesses have until **March 20, 2020**, to develop their safeguards and data security program. The other sections of the statute regarding notice of unauthorized access go into effect **Oct. 23, 2020**.



# How to protect your vacant properties

Vacant properties need to be tended to almost as much as ones that are in use. Vacant or not, issues with your commercial property can occur quickly, so it's best to be proactive.

When it comes to your vacant properties, here are some things to keep in mind to protect it:

- Many criminals look at vacant properties as easy targets. Investing in good security for your vacant property will save you a lot of time, money and unwanted stress. This will prevent things like vandalism, theft and other illegal activities from happening on your property.
- While left unattended, your vacant property may start to become

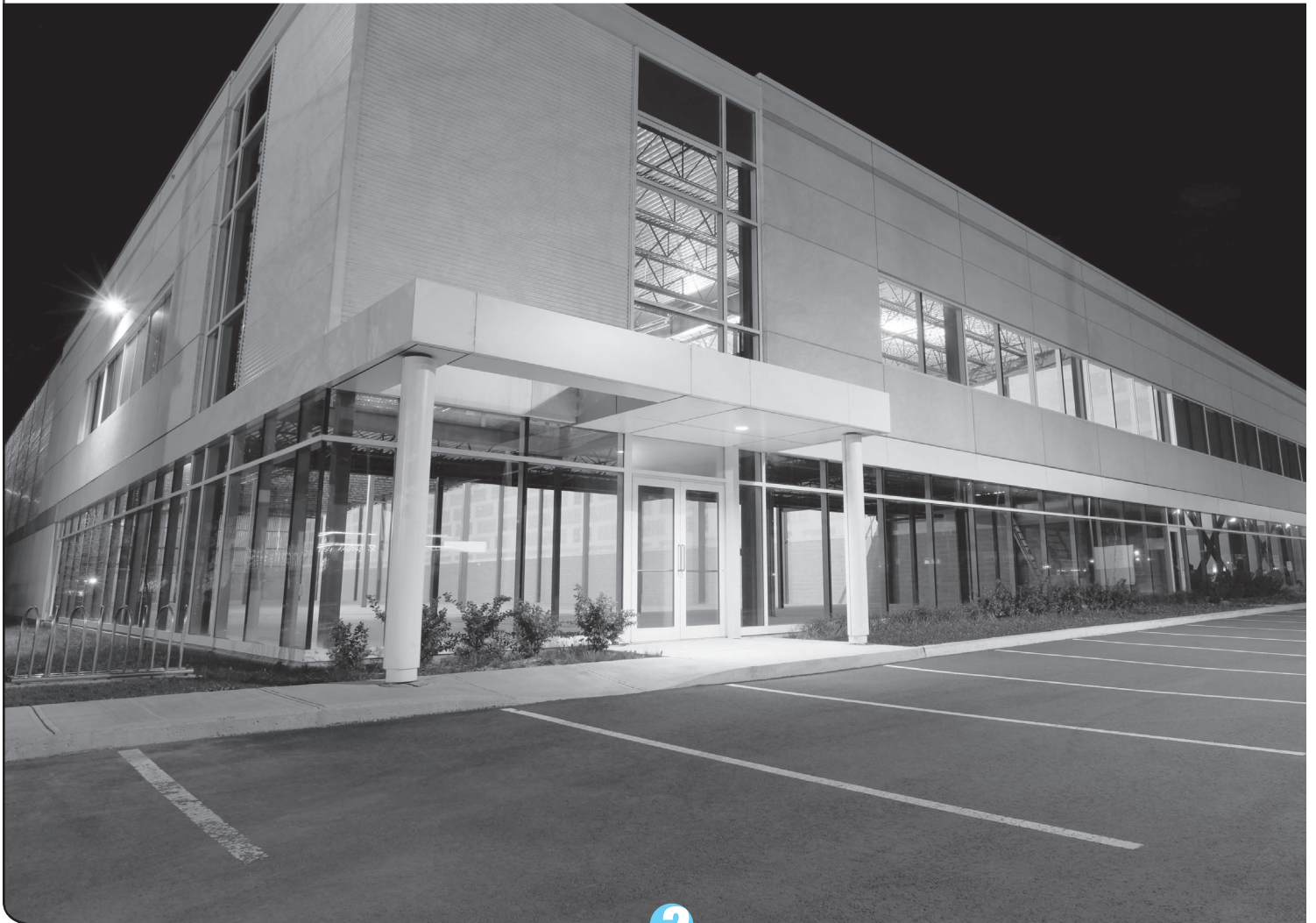
contaminated by mold, groundwater, improperly stored chemicals and more. Not only does this create an environmental hazard—leaving you susceptible to massive fines—but it can be costly to clean and may leave parts of your property irreparable. Instead of ignoring this, make an effort to keep your property free of toxic materials and contamination.

- U.S. fire departments responded to an average of nearly 30,000 vacant building fires from 2011-15. Half of those building fires were intentional, compared to 10 percent of all structure fires. Fires are especially common on vacant properties due to faulty wiring, trespassers, arsonists and more. In addition, vacant

properties often are full of flammable materials, and fire systems are likely to be turned off.

You're probably thinking, "How do I make a vacant property look occupied?" There are plenty of ways to do this. You could hire security to monitor the building; keep exterior lights on at night; keep parking areas and sidewalks free of snow or ice in the winter; etc.

Caring for a vacant property is no easy task. You still have responsibilities, and you still have work to do. If you have any questions regarding the insurance protections of your vacant properties, give us a call.







## Additional insured: What does this really mean?

When you enter into a business relationship with another company, that company may request to be added as an additional insured on your business's insurance policy. It's a common request. You probably hear it so much that it has lost all meaning. However, you most certainly should not ignore the importance of additional insured requests.

At its foundation, requesting additional insured status is a way of shifting risk. If you were to lease property for your business, the leasing contract almost assuredly would state the insurance requirements on both parties. In addition, it would likely spell out what areas of the leased property both parties are responsible for and, at the very least, require the tenant

to add the landlord to all applicable policies as an additional insured.

What does this mean in practice? Let's say someone were to slip and fall on the premises in an area controlled by the tenant.

**“You most certainly should not ignore the importance of additional insured requests.”**

Any good attorney is quickly going to name not only the tenant in the lawsuit, but the landlord as well. By virtue of being added to the tenant's commercial liability policy as an additional insured, as required in most lease agreements, the landlord can send lawsuits

to the tenant's insurance carrier for defense and coverage. In other words, the landlord's risk has been mostly shifted to the tenant—or more accurately to the tenant's insurance carrier. This makes sense as by the virtue of the lease agreement the tenant is taking control of the premises. In the absence of additional insured policy language, a landlord could be held liable for a claim that it did not contribute to nor avoid.

It is important to remember that just because someone requests additional insured status does not mean that he or she automatically receives it. Once you receive an additional insured request, remember to call us so we can discuss the coverage repercussions and make sure the proper coverage is in place for the proper parties.



## Something stinks

Prepare yourself. This article is going to get messy with animal rot and plant decay—sour milk, wilted lettuce, rancid fruit, decomposing fish. This unique exposure—relevant to a restaurant, bakery, food processor, warehouse, dairy, florist, cannery, meat packer, pharmaceutical, grocer or delicatessen—is not addressed sufficiently by the standard property policy. However, it can be insured with the right policies and forms.

First of all, events that damage property on the premises (e.g., fire, vandalism, vehicles) and subsequently lead to spoilage can be covered with an appropriate cause of loss form under a property policy.

Next, loss of power resulting from physical damage to property located off the premises can be insured with the Utility Services–Direct Damage

endorsement. The cause might be an earthquake at the generating plant, a fire at the transformer, an explosion at the substation or transmission lines downed by wind or vehicles.

And, since neither of these first two coverages will respond to the breakdown of refrigeration equipment or its power source, the Spoilage Damage coverage and the Utility Interruption coverage of the equipment breakdown policy may be needed to embrace the entire spoilage risk. And, sometimes, you can get a comprehensive spoilage endorsement that includes both mechanical breakdown and power outage as covered perils.

If you have perishables, give our office a call—you're going to need some help to contain the stink if your business experiences a spoilage event.

## News from our agency

### Let us help you protect your business

You've worked hard to build your business. And, while the day-to-day operations may keep you up at night, wondering whether you have the correct insurance coverages and limits shouldn't add to your stress level.

We are here to help. Insurance for your business is our business. You may require unique insurance policies beyond those that are normally purchased to make sure your business can continue to run smoothly at all times.

We can help you examine your particular business risks and suggest insurance coverages you might not have considered. Give us a call, we're here for you.

