

# **Newtek<sup>®</sup>** INSURANCE AGENCY, LLC

Insurance Solutions For Small Business Owners

**Licensed in all 50 states, we deliver customized insurance solutions for small business owners.**

Newtek Insurance Agency, LLC is your personal connection to affordable commercial, personal, life, and health insurance. We will learn about your business, evaluate current insurance coverage, identify risks and liabilities, educate you on potential risks, and shop the market on your behalf with more than 40 A-rated insurance carriers. Newtek is dedicated to finding your business the right coverage at a competitive price.

*Newtek offers commercial and personal insurance coverage through its licensed insurance division, Newtek Insurance Agency, LLC*



FREE online coverage analysis and quote available at [www.thesba.com/insurance](http://www.thesba.com/insurance)

Speak with a Licensed Insurance Specialist at **855-2thesba**

**Newtek<sup>®</sup>** INSURANCE AGENCY, LLC  
WORKS WITH MORE THAN 40 A-RATED CARRIERS



# Package Policy

## What is the coverage?

A Package Policy is made up of a General Liability and Property Coverages. General Liability can be purchased with limits as low as \$250,000. However, due to the cost, amount of coverage offered, and the exposure that faces most small businesses, we do not recommend purchasing a policy with limits lower than \$1 million.



## PACKAGE POLICY

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### What does it include?

Package Policies, many times referred to as a BOP (Business Owners Policy) or Commercial Package, includes General Liability, Property Coverage, Business Interruption, Sign Coverage, and various others. The General Liability coverage will protect your business from Bodily Injury or Property Damage claims or suits caused by or alleged to be caused by your employees or from your product or completed operations. The policy includes defense costs even if the claim or suit is fraudulent. The Property Coverage is going to protect your business against losses including fire, lightning, wind, vandalism, theft and other perils to your building, or business personal property which may include desks, computers, equipment and inventory. Many business owners underestimate the cost of business personal property, so make sure you inventory all business contents at least once a year, and accurately report them to the insurance carrier. It is important not to under report your contents, because in the event of a loss, you want to ensure you are fully covered.

### Who should look at purchasing?

Every business should have a General Liability policy and if the business has Business Property they should purchase the coverage to protect the business assets. Package policies provide a tremendous amount of coverage and by packaging several coverages on one policy, is the most economical way to cover your basic insurance needs. In addition, many vendors and even landlords require evidence of coverage to offer leases, contracts, sales agreements, or appointments. By having this policy in place, you are establishing yourself as a credible business, that is demonstrating a positive management style as well as risk management.

### Why is it important?

Where a General Liability policy can cost hundreds to a few thousand dollars per year, a claim can cost in the tens to hundreds of thousands. In addition, anyone can sue you and the policy covers defense and the associated cost. As a small business with affordable risk management options, there is no reason not to protect your business to ensure that your business can succeed for years without the burden of court costs and claims expenses.

# General Liability

## What is the coverage?

General Liability protects the business if one of the employees or products/service sold causes injury to a non-employee or their property. This coverage will include legal fees that result from these Bodily Injuries or Property Damage claims or alleged claims.



## General Liability

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### What does it include?

General Liability coverage will protect your business from Bodily Injuries or Property Damage claims or suits caused by or alleged to be caused by your employees negligent actions or from the products you sell, service or manufacture. It also includes protection for your completed operations. The policy includes defense costs even if the claim or suit is fraudulent. Common claims covered include Slip and Fall, False Advertising, Libel, Slander, and other acts that cause injury to a third party.

### Who should look at purchasing?

Every business should purchase General Liability insurance, even home based businesses, since a Homeowners Policy does not generally cover business operations.

### Why is it important?

It is crucial that you protect your assets in the event that a lawsuit is brought against your business or employees. Most businesses require their suppliers and vendors to provide evidence of General Liability to obtain contracts with them, especially contractors – thus allowing the business to grow sales. Also, lenders will require this coverage to close a loan.



# Workers' Compensation

## What is the coverage?

Worker's Compensation provides wage replacement and medical benefits to those who are injured while working. In exchange for these benefits, an employee gives up the right to sue his employer for the incident. As a business owner, it is very important to have worker's compensation in order to protect your company from legal complications. State worker's compensation laws vary, but most require you to carry worker's compensation if you have W-2 employees. Penalties for companies that do not have worker's compensation can be severe and fines can run into the tens of thousands of dollars if businesses are not covering their employees accurately.

## WORKERS' COMPENSATION

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### What does it include?

Worker's Compensation provides state mandated benefits for work related injuries or occupational disease. Benefits include medical costs, lost time wages, rehabilitation and may include disability benefits.

### Who should look at purchasing?

Any business with employees may be required to purchase Workers' Compensation insurance, the requirement will vary by state. In addition, anyone that operates as a 1099 independent contractor, should consider a Workers' Compensation policy on themselves. Since most companies require their vendors to show evidence of insurance having a Workers' Compensation policy may help an independent contractor grow sales.

### Why is it important?

This coverage protects the business from a lawsuit in the case that an employee is injured, will help meet the requirements that many vendors have who offer lucrative contracts and opportunities, as well as ensure a business remains in compliance with state laws. If a small business has W-2 employees, it is vital to purchase this policy to ensure that you are compliant with the state laws and avoid the costly penalties that can be passed down for not being compliant.



# Cyber & Data Breach

## What is the coverage?

Cyber and Data Breach coverage is a policy that protects a business or an individual from the compromising of confidential information from a business whether it is done electronically or from paper files.



## CYBER & DATA BREACH

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### What does it include?

Cyber Liability or Data Breach Insurance is offered in a modular structure with multiple coverage options based on your business and the protection you require. Cyber Liability/Breach policies can cover first party concerns such as business interruption, crisis management expenses, public relations expenses, extortion, threat expenses and privacy protection. In addition, Cyber Liability/Breach policies can also include third party coverage such as network security and privacy, media and contract liability, notification expense and regulatory actions and fines. While commonly called Cyber Liability, the protection can include paper files and actions of rogue employees.

### Who should look at purchasing?

Due to the changing business landscape, all businesses today should consider purchasing a Cyber Liability/Breach policy. As a policy that originally started out as a form or error's and omissions insurance, these policies have developed into fully encompassing programs that provide vital coverage for any small business whether you are a brick and mortar or an online store, due to the electronic nature of today's business landscape.

### Why is it important?

All businesses today process transactions electronically, have Facebook pages, websites and twitter accounts. Most business participate in social media in some way, shape or form, and all businesses have some form of information about their customers that would be considered confidential, and detrimental to the business if it were compromised. Due to transactional breaches like the breach experienced by LinkedIn, payment processor breaches by companies like Heartland Payment Processing, or breaches at retailers such as Marshalls and TJ Maxx. All businesses today need to protect their vital and confidential information. Cyber Liability/Breach policies are some of the least expensive options for doing so, and the costs are miniscule as compared to the cost of remedying a breach after it has occurred.

# Errors & Omissions

## What is the coverage?

Errors & Omissions insurance is also known as professional liability, and provides defense and damages for failure to render or improperly rendering professional services. This is a coverage that is omitted from most General Liability policies.



## ERRORS & OMISSIONS

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### What does it include?

E & O policies, also known as Professional Liability, will provide a business defense costs, court expenses, regulatory expenses and any required settlements that may take place due to the claim that you improperly or failed to provide the professional service you contracted to provide. Limits are usually purchased in \$1 million increments based on industry and the business revenue.

### Who should look at purchasing?

Any company that is primarily serviced based needs to have an E & O policy in place. Accountants, doctors, lawyers, consultants, notaries, real estate agents, insurance agents, hair salon operators and technology professionals are all optimal candidates for a Professional Liability policy.

### Why is it important?

E & O insurance is important for any business that sells their advice, personal opinions, or for businesses that provide a service for others. In our litigious society, a business owner does not have to actually do anything wrong in order to risk facing a claim. E & O will help protect them against any potential claims that may arise. A misunderstanding of a service performed or a client who is unhappy with the outcome of a service provided, can result in a large and expensive claim that can be devastating to a small business owner. In addition, your General Liability policy does not provide protection for financial loss or failure to provide professional services.



# Employee Benefits

## What is the coverage?

Employee benefits make up Group Health, Medical, Dental, Vision, Short-Term Disability, Long-Term Disability, and Group Life Insurance. An Employee Benefits policy can make up any combination of these products.



## EMPLOYEE BENEFITS

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### What does it include?

This will provide coverage for any medical injury that an employee (or dependent) incur whether it happens on the job, or personally. Depending on the benefits that you are looking for as an employer, you can build the right benefit package that will match your budget, while also meeting your objectives.

### Who should look at purchasing?

Effective 2014, any business that has 50+ employees will be required to purchase Group Health insurance, otherwise they will face a penalty. Although it is not required by law, businesses with less than 50 employees should still look at purchasing Group Health insurance to make sure that their employees and families are healthy.

### Why is it important?

Sick employees or employees that have sick family members will spend their time, energy and money caring for their health, or that of a loved one, and will therefore be in the office less frequently. Companies that do not offer health insurance, see higher rates of absenteeism due to illness, which will lead to less productivity for a business. In order to make sure that you have the strongest team possible to operate your business, you should look into purchasing a group benefits policy. Group Benefits should also be considered when looking at an employee's overall compensation to make sure the benefits are in line with the salary and other benefits that are provided to them.

# Key Person Insurance

## What is the coverage?

Key Person coverage is an insurance policy that is purchased on a key member of a business (owner, president, CEO, top producer, management, etc). This policy will pay a specified death benefit to the company in the event the insured were to pass away due to illness, accident or disease. The full death benefit would be paid to the business.



## KEY PERSON INSURANCE

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### What does it include?

Key Person Insurance provides financial protection for rising costs due to the loss of a key person, customers who decide to take their business elsewhere, frustrated employees who leave the business due to the loss of the key employee, new hires that are required in order to cover the key employee's duties, and falling profits.

### Who should look at purchasing?

A small business that has any key employees who would cause a financial loss if they were to leave, should look into purchasing key person policy.

### Why is it important?

The unexpected death of an owner, partner or key employee can have a devastating effect on a company. Replacing essential personnel of a company could cost a company significant time and money, which could threaten the continuity of your business. That is why it pays to plan for the unexpected. You need a financial blueprint that will instill a sense of confidence for you and your employees. You most likely insure your physical assets as a matter of course. However, it is also critical that you also insure your most valuable assets- your key employees. Income tax-free death benefits may help replace profits lost due to a key employee's death. These income tax-free death benefits can create a cash cushion to keep lenders from foreclosing on business loans, reducing lines of credit or increasing interest costs. The remaining income tax-free death benefits can be used to recruit, hire and train a replacement key employee. The tax-free death benefit is also important to assure customers, creditors, and employees that the business will continue to be financially stable and in a position to keep its promises.

# Employment Practices Liability

## What is the coverage?

Employment Practices Liability provides coverage for discrimination, harassment, retaliation, wrongful termination, workplace torts and negligent violations of certain employment laws.



## EMPLOYMENT PRACTICES LIABILITY

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### What does it include?

Employment Practice Liability, EPLI, covers claims for harassment, discrimination, wrongful termination, retaliation, and a variety of workplace torts, spurred by the Civil Rights Acts of 1991 plus violations of the Fair Labor Standards Act (FLSA), Family Medical Leave Act (FMLA), Uniformed Services Employment and Re-employment Rights Act (USERRA), and the Equal Pay Act.

### Who should look at purchasing?

Employers of every size need EPLI, as they face many exposures in their interactions with employees. It is estimated that one claim could bankrupt 50% of all small business have less than 100 employees.

### Why is it important?

In 2008, charges against employers for discrimination were up 15.2%; charges of harassment were up 20% and charges of retaliatory treatment were up 22.6%. The legal landscape for employers continues to change with the passage of laws like the Lilly Ledbetter Fair Pay Act of 2009 and the Americans with the Disabilities Act Amendments Act of 2008. Layoffs, downsizings, salary freezes and reductions in benefits can be used by past and present employees as evidence of "tangible adverse employment actions" to file charges of discrimination, harassment, retaliation and wrongful termination against employers.

# Special Events Liability

## What is the coverage?

Special Events Liability insurance covers the General Liability, Property and Host Liquor Liability for a short-term event. These policies can be taken out on a corporate basis for parties, events, concerts, or festivals, as well as personally for weddings, and other personal events.



## SPECIAL EVENTS LIABILITY

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### What does it include?

Special Events Liability provides coverage for food and beverage, Product Liability included, medical payments coverage and coverage for damage to rented premises. Some Special Events Policies can also provide automatic coverage for volunteers, temporary or leased workers, and committee members.

### Who should look at purchasing?

The coverage that is included in a Special Events Liability are all exposures that most hosts of special events look to control. A loss in any one of these areas can be a huge blow to a company due to the small window of time that a business has to turn a profit on their event. A Special Events Liability policy is a very affordable way to minimize these risks, and ensure that the event is as successful as possible.

### Why is it important?

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# Commercial Auto

## What is the coverage?

Commercial Auto Insurance protects a company's vehicles that transport employees, products and equipment. With a Commercial Auto insurance policy, you can insure your company's cars, SUV's, vans and trucks from the financial costs and repairs that are due to damage and collisions.



## COMMERCIAL AUTO

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### What does it include?

Commercial Auto policies include three main coverage provisions. The first is Liability, Bodily Injury and Property Damage, which the financial responsibility if a business owner or an employee is at fault in an accident and people are injured or property is damaged. Collision is the second primary coverage in the policy, and provides physical damage for owned or leases vehicles for collisions with other objects or another vehicle. Comprehensive is the third main coverage on a Commercial Auto policy and it will protect your vehicle from physical damage from non-collision losses, such as fire, theft, hail to your insured vehicle.

### Who should look at purchasing?

Any business owner that owns or leases vehicles is required to purchase a Commercial Auto policy. In addition, if employees drive their own vehicles on company business a Non-Owned Auto policy should be in place to protect the company in case the employee does not have insurance or the coverage is inadequate.

### Why is it important?

If the company owns or leases vehicles or employees drive their cars on company business, this could be the biggest exposure for a large loss that could cripple the business. If you do not have company vehicles but your employees drive their own cars on behalf of the company, then it is important to include Hired and Non-Owned Liability on your General Liability policy.



# Directors & Officers

## What is the coverage?

D & O protects senior members of management of a company from litigation that results from their actions in relation to management, profitability, or operations within a company. If members of your company's management find themselves in a legal trouble based on their operations within the company, a D & O policy will help cover the cost and damages as a result of legal action.



## DIRECTORS & OFFICERS

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### What does it include?

Directors and Officers Insurance, D & O, provides both publicly traded or privately held companies, including their directors and officers, protection against suits over their management decisions from a variety of plaintiffs including shareholders, regulatory agencies, creditors, lenders, suppliers and employees. A 2010 D & O study showed that privately held companies are sued nearly as often as public companies.

### Who should look at purchasing?

Any publicly traded company should purchase D & O and most privately held companies should consider the coverage. D & O is also highly recommended for non-profit organizations that accept donations and have a board of directors. Having a policy not only protects the non-profit but helps them attract qualified directors, which is key to success. The sources of a claim are wide ranging and include shareholders, customers, government agencies and vendors, so D & O is necessary for almost any company.

### Why is it important?

In the course of running the business, directors and officers make decisions every day that effect shareholder value, their employees and their competitors that can lead to a claim or suits that a financial loss occurred. Your General Liability does not provide the company protection for these losses.