



MASSACHUSETTS SMALL GROUP OPTIONS

On National Health Care Reform...

With the passage of the Patient Protection and Affordable Care Act, one of the first reforms impacting Massachusetts is the Small Business Tax Credit, which is effective as of January 1, 2010. Small businesses that currently provide health care for their workers, as well as firms who initiate coverage this year, may receive premium and tax assistance.

To be eligible, employers must contribute at least 50% towards the cost of a qualified health plan or a "benchmark" premium. Employers with 10 or fewer employees whose average wages are \$25,000 or less could claim a full tax credit. The tax credit phases out as the average employee compensation increases from \$25,000 to \$50,000 and as the number of full-time employees increases from 10 to 25.

Firms will be able to claim the credit for 2010 through 2013 and for any two years after that. To find out more about the tax credit and to view the IRS Eligibility worksheet for determining the tax credit, please visit our web site at www.sylviainsurance.com/resource-center.

About Massachusetts Small Group Options...

We want to remind our business clients that our Financial Services & Benefits Department is here to help you explore and understand your employee benefit options. The most cost effective options and the best quality programs are available through our agency, delivered with the personal service and expertise of our FS&B staff.

Many of our clients received letters from the Massachusetts Connector recently announcing the new "Business Express". The letter first of all calls this a "new group insurance product", when in truth Business Express offers a select group of health plans which you already have access to through our agency or through the health plans directly.

Second, the letter claims a savings of more than \$300 per employee through the Business Express. In most cases where we have done comparison quotes for our clients, we have not found such savings to exist.

Lastly, the Connector invites businesses to their web site to compare and select a health plan when you could alternately call us to help you do the same thing with more options, less work on your part, and face to face service.

For businesses with 5-50 employees, self-insuring medical benefits is becoming more popular.

This is especially true as we see health insurance rates continue to escalate, with businesses trying to find ways to lower their fixed costs without trading off benefits. Self-funding your health insurance program can be a good strategy, but it is not for every business. If you are interested in finding out more about self-funding and whether it might work for your group, please be sure to ask your Account Executive. We would be happy to help you explore this funding alternative.

Note: At the time of this writing, the state of Massachusetts and the HMO plans were pursuing legal remedy to the state's denial of the April 1st small group rates. We hope that this has been resolved by the publication of this newsletter, but if the situation continues to be unresolved, we want you to know we are following the situation closely and communicating with our clients as we learn more.

SURVEY: CONSUMERS UNCLEAR ON RETIREMENT PLANNING

A recent nationwide poll of 1,500 consumers found that a majority of respondents (52%) want a clearer picture of the income they'll need to maintain their lifestyle after they retire. An even larger percentage (54%) says they don't have a plan that identifies their financial needs, the income their savings will produce, or how to plug any gaps between the two.*

Sylvia Insurance can help you with your financial standing as well as create a plan that would fit your needs and goals. We offer an unbiased review of your current portfolio for free. In this review we will help you to better understand what you currently have and where you may be missing opportunities.

To learn more about our free review, please see the article on page 3 or contact Sylvia Financial at (508) 995-4080.

**The survey mentioned above was performed by Putnam Investments.*

PROTECTING YOUR DIAMOND RING

It is no secret that diamond rings, and jewelry in general, cost a lot. It would be devastating to notice one day that your diamond is missing out of the setting, was stolen from your home, or that you accidentally left it on the counter while washing your hands in a public rest room.

Many consumers believe that their standard homeowners or tenants policy will cover the loss of a valuable item, like a diamond ring. This is correct but with limitations. What many consumers do not know is that their standard homeowners or tenants policy will only cover the ring, or valuable item, if it is stolen and proof of a break-in can be supplied. It will also only give you a set

amount which is stated in your policy (usually around \$1,000).

How can you make sure you are protected for any situation and get reimbursed for its full value?

The answer is to “schedule” your ring or valuable items. Scheduling allows the items to be protected by any peril, even if it is dropped down the kitchen sink.

Another benefit to scheduling your valuables is that, with a current appraisal, you should have enough coverage to buy a replacement.

Most consumers find the cost of

scheduling to be very reasonable. For example, to schedule a \$3,000 ring, it may cost around \$38 a year*.

To learn more about scheduling your diamond ring or other valuable items, contact your Account Manager today at (508) 995-4553. They will be able to assist you in making sure that you are completely covered if a loss may occur.

**The cost to schedule valuable items varies for each item. The example portrayed in this article is just a sample and should not be used as a quote.*



U.S. BANS TEXTING BY DRIVERS OF LARGE TRUCKS, BUSES

The U.S. government, in January, banned hand-held “texting” by drivers of large commercial trucks and buses to avoid the danger of distracted driving.

Transportation Secretary Ray LaHood said in a statement the prohibition takes effect immediately. It follows a similar ban in December for drivers of federal government vehicles.

“We want the drivers of big rigs and buses and those who share the roads with them to be safe,” LaHood said. “This is an important safety step and we will be taking more to eliminate the threat of distracted driving.”

The new ban carries fines of up to \$2,750.

Research by trucking regulators show that drivers take their eyes off the road for much of the time that they send and receive text messages, and they

are significantly more at risk of getting into an accident than someone who is not texting.

The National Safety Council, a research and advocacy group, estimates that 200,000 crashes of all types on U.S. roads are caused by drivers who are “texting.”

Nearly two dozen U.S. states ban “texting” while driving for all motor vehicles and others are considering similar action. Legislation has also been introduced in Congress to prohibit the practice.

Many U.S. companies also ban “texting” by their employees while driving on the job.

Crawley, John (reporting) and Boadle, Anthony (editing), January 26, 2010, *U.S. Bans Texting by Drivers of Large Trucks, Buses*, Retrieved from <http://www.insurancejournal.com>

SYLVIA INSURANCE'S NON-PROFIT SPOTLIGHT

Sylvia Insurance takes pride in helping the community and individuals in need.

We have a list of remarkable non-profit organizations that we insure and feel that by passing along a brief description about what they do, that maybe more generous people will be willing to help and volunteer.

Our non-profit agency in the spotlight for this newsletter is:

The United Way of Greater New Bedford

United Way of Greater New Bedford brings people from all across the region – local businesses, volunteer groups, nonprofits and concerned citizens – together to tackle community issues that affect us all.

In addition to funding over 60 local programs, the organization administers a host of initiatives and programs throughout Greater New Bedford.

United Way believes that everyone in our community can give back in some way, regardless of their skills, resources or background.

Visit www.unitedwayofgnb.org to get involved.

UNDERSTANDING THE NEED FOR LEASEHOLD INTEREST PROTECTION

Commercial Property vacancies remain high across the country. Economists and commercial real estate professionals paint a less-than-pretty picture for commercial property owners and landlords in the near future.

Empty or partially empty buildings produce no income and create other claims problems that arise out of vacancy. To entice tenants and generate some level of income, landlords may be willing to offer extremely attractive lease rates until the economy fully rebounds.

Clients able to take advantage of these “deals” by locking in favorable long-term leases will not only save now, but will enjoy a better-than-market lease arrangement when the market does turn. Landlords will not think well of these generous lease arrangements in the middle of the next boom - even though necessary right now.

Property owners know the commercial real estate market will eventually bounce back, just not when. Lease agreements generally allow the landlord the option to cancel a lease should a specified event occur, such as direct property damage. These cancellation options are

likely being reviewed and strengthened while the market is down.

The Need for Leasehold Interest Protection

Leasehold interest coverage protects the insured tenant from the potential of an additional financial catastrophe due to the loss of a favorable lease arising out of the inability to occupy the leased space following a covered cause of loss. A lease is considered favorable when the rate per square foot, or however the rent is calculated, is somewhat or substantially less than comparable space available in the local commercial real estate market. In broader terms, the tenant is paying less than “market rates” for the space.

There are many reasons for the existence of a favorable lease. Beyond the current situation where property owners are offering favorable leases to attract or retain tenants as detailed above; some insureds have occupied space as a tenant for so many years that the periodic increases have not kept up with the local real estate market; or the property owner wanted to keep a strong relationship with the tenant.

Regardless of the reason, the tenant has a lease rate that cannot be replicated in the subject real estate market should the need to find another location arise. Consider the insured whose lease is canceled in the first of a five year agreement because the building suffers “major” property damage. The insured is forced to either find a new location from which to operate or accept a renegotiated lease at a higher cost.

Leasehold Interest Coverage

Like business income, leasehold interest coverage protects against the financial consequences of an indirect loss arising out of a direct loss. Three conditions apply to leasehold interest protection: 1) there must be direct property damage; 2) resulting from a covered cause of loss; 3) directly leading to the cancellation of a favorable lease. The policy only responds if all three requirements are met.

For more information on Leasehold Interest Protection, contact your Account Manager at (508) 995-4553.

Christopher J. Boggs, CPCU, ARM, ALCM.,
January 25, 2010, *Understanding the Need for Leasehold Interest Protection*, Retrieved from <http://www.mynewmarkets.com>

WHEN WAS THE LAST TIME YOU HAD AN UNBIASED INVESTMENT REVIEW?

When was the last time you had an in-depth, unbiased investment review?

Sylvia Financial, the investment arm of the Sylvia Group, can do just that. Sylvia Financial combines the trusted advisory services provided by ING Financial Partners with the customer driven service the Sylvia Group has been providing for over 60 years. We have the flexibility to provide unbiased and customized personal and business planning solutions in a way we feel best suits our clients.

Our available tools through Morningstar® will allow us to:

- Illustrate and assess asset allocation and risk in your portfolio to see if it's consistent with your objectives and risk tolerance
- See how your investments measure up relative to their competitors using Morningstar's star rating and rankings.
- Diagnose weakness and point out areas in need of improvement

Sylvia Financial is an independent agency and can deal with almost any investment and insurance provider available. Whether you own stocks, mutual funds or variable annuities, you may take advantage of this free service we offer.

If you have questions or would like to schedule a free investment review, contact Kristine at 508-995-4080



CONTRACTORS ALERT! - RRP RULE THAT BEGAN IN APRIL 2010

Beginning in April 2010, contractors who perform renovation, repair, or painting work (RRP) on homes and child occupied facilities built before 1978, must be certified and use lead safe work practices according to the new RRP rule passed by the United States Environmental Protection Agency (EPA). Those affected by this new rule include not only the contractors who perform the work, but property managers and those who disturb lead based paint during renovations as well.

Each job must have at least one EPA certified renovator assigned to the job and all workers who work the job must receive training on safe work practices.

Sylvia Insurance has posted the pamphlet from EPA called "Steps to Lead Safe RRP" to our website. It can be found on the Resources Page.

You can also find more information about EPA Authorized Training Centers at www.epa.gov/lead/pubs/training.htm.



RECENT FLOODS HAVE YOU ALL WET?

Bristol and Plymouth Counties were hit hard with the recent heavy rains and many individuals are still not able to reside in their homes due to the amount of water damage.

Some property owners were prepared and protected with flood insurance and special endorsements on their homeowners policies. For others, it has been a struggle to figure out what to do next.

If you are wondering what you can

do to protect yourself for the future, here are a couple things that we recommend:

- 1) A flood policy, even if you are in a "preferred zone", which is a zone that has a lower risk of flooding.
- 2) Water backup and sump pump failure coverage. Most carriers offer this coverage in increments of \$1,000, \$2,500, or \$5,000.

In addition to protecting yourself

with insurance, you may also want to consider these tips of things that you can do to your home:

- 1) Put your boilers and hot water tanks up on blocks when they are being installed.
- 2) Install a french drain and sump pump.
- 3) Keep gutters, downspouts, and downspout extensions free of debris.



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