

### State

Feb. 3, 2017

#### Bill introduced in Assembly to require equal pay for women

A bill concerning equal pay and employment opportunities for women was introduced in the state Assembly Jan. 19. The bill (A-4515) would amend the New Jersey Law Against Discrimination to make it an unlawful employment practice for an employer to discriminate between employees on the basis of sex by paying a rate of compensation, including benefits, to employees of one sex less than the rate paid to employees of the other sex for substantially similar work. In addition, an employer would be prohibited from providing less favorable employment opportunities on the basis of an employee's sex.

An exception exists, which would permit an employer to pay a different rate of compensation or to provide less favorable employment opportunities if the employer demonstrates that the differential or opportunity availability is based on seniority or a merit system that does not discriminate on the basis of sex. A pay differential also may be based on other legitimate, bona-fide factors other than sex, including, but not limited to, training, education, experience, or the quantity or quality of production. If there is a differential, the employer must demonstrate that each factor is applied reasonably and that one or more of the factors account for the entire wage differential or opportunity availability. Further, any differential in pay cannot be based solely on prior salary. In addition to the aforementioned, the bill also would make it illegal for an employer paying a rate in violation of the bill from reducing the rate of compensation of any employee to comply with the bill.

A similar bill was conditionally vetoed by Gov. Chris Christie last year. Recently, an unsuccessful override of that veto was attempted in the state Senate. The current bill has been referred to the Assembly Labor Committee.—Lachut

### Association

#### Save the date: PIANJ/PIANY Annual Conference, June 11-13

Plan to attend the [PIANJ/PIANY Annual Conference](#) at Harrah's Atlantic City, **June 11-13**. Be sure to join your association for the largest insurance show in the Northeast.

Steve Hartman, CBS news correspondent of "On the Road," will deliver this year's keynote address June 12. You can follow him on Facebook ([facebook.com/SteveHartman](https://www.facebook.com/SteveHartman)) and Twitter (@OnTheRoadCBS). Popular Jersey Shore band The Nerds (@SpaztheNerd) will perform exclusively during the PIA Poolside Paradise Reception, held Monday evening.

**Are you interested in sponsoring, exhibiting or advertising at the biggest insurance show in the Northeast?** You can access the marketing kit at [pia.org/events/conf/nynj/save-the-date/nj/saleskit.pdf](http://pia.org/events/conf/nynj/save-the-date/nj/saleskit.pdf).—Zielinski

#### PIA's Industry Resource Center

One of the most valuable benefits of your PIA membership is PIA's Industry Resource Center. It provides members, including all agency staff, with comprehensive services and information. If you have a question, concern or problem, **Think PIA first**—utilize the Industry Resource Center to save yourself time and money.

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We look for the best independent agents and build relationships that last the duration.



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**The latest on developing issues.** PIA's highly qualified technical specialists—who have more than 250 years of combined industry experience—maintain online, member-exclusive resource kits on the latest issues affecting your agency. Certificates of insurance and the sharing economy are two pressing issues in the industry today, which PIA addresses through its **Certificates Info Central** and the **Sharing-Economy Tool Kit**, respectively. These tool kits offer you access to pertinent legislation and regulations; related Ask PIA questions; and relevant QuickSource documents.

**Other available services.** PIA's Industry Resource Center offers so much more, including, but not limited to:

- Business-building resources:
  - **Agency-Company Appointment and Appointment Access** links agencies with companies, managing general agents and general agents looking to appoint.
  - **Circle of Consultants** refers you to a consultant for your agency's particular need.
  - **MarketBase™** helps you find a market for the occasional hard-to-place risk.
- Tool kits—Get the resources you need fast. Our tool kits cover **weather/natural disasters**, **human resources**, **privacy issues**, **cybersecurity** and more.
- E&O—Worried about **errors-and-omissions exposures**? PIA's E&O Consultant Robert Sullivan, Esq., is available to offer advice on your agency's E&O concerns.
- Expert advice—PIA's **Technical Hotline** answers legal, industry, coverage and legislative and regulatory questions. Technical specialists are available Monday through Friday, 9 a.m.-5 p.m. at (800) 424-4244, by email at [resourcecenter@pia.org](mailto:resourcecenter@pia.org) or by fax at (888) 225-6935. Many resources are available 24/7 at [pia.org](http://pia.org).
- Reference materials—Our **QuickSource document** service is an extensive library of reference materials on topics such as agency management, contracts and agreements, licensing and workers' compensation. Our **Ask PIA** database is an archive of hundreds of questions answered by our technical specialists.

Get the most out of your association dues, see what PIA's Industry Resource Center has to offer your agency.—*Albright*

## **PIA IRC: Homeowners' choices**

Most insurance companies will give homeowners a choice in selecting one of two approaches to insuring their property (referred to as “named-peril” and “open-peril” policies).

The named-peril policy covers perils such as fire or wind-storm, which cause a loss to property. If coverage applies only when a named peril occurs, then all perils that have not been named are excluded.

The open-peril policy differs because instead of naming the perils, the exclusions are identified, leaving the realm of potential perils open to the imagination, but still in the confines of those events where no coverage is intended.

PIA's Industry Resource Center recently fielded the following homeowners inquiry: **If you have an HO-3 policy with named perils on contents, would there be coverage for contents that were damaged due to water caused by gutters backing up due to ice or ice dams on the roof?**

**A.** To answer this question, we have to look at the cause of the loss. First, is there coverage for water backing up through the gutters and causing damage to contents of the dwelling? Let's look at the ISO HO 00 03 10 00 policy:

### Coverage C—Personal Property

We insure for direct physical loss to the property described in Coverage C caused by any of the following perils unless the loss is excluded in Section I—Exclusions.

#### 12. Accidental Discharge Or Overflow Of Water Or Steam

a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air-conditioning or automatic fire protective sprinkler system or from within a household appliance.

b. This peril does not include loss:

(1) to the system or appliance from which the water or steam escaped;

(2) caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing.

#### 14. Freezing

b. In this peril, a plumbing system or household appliance *does not include* a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment [emphasis added].

Ice dams are caused by the thawing and re-freezing of snow and ice on the roof. If this is the cause of the ice dam, then there would be coverage. However, if it was determined that the cause of the ice-dam was due to the gutters not draining properly and that they were jamming and backing up with ice and this caused the subsequent water backing

up into the house and damaging contents, then this loss would be excluded. So, if the gutters caused the jam, the only way there would be coverage is if the weight of the roof ice caused the roof to collapse. Then you would have coverage for the contents.

To receive a resource kit outlining the Insurance Services Offices Inc. homeowners forms, access [QS90475](#) in the PIA QuickSource library, or fax a request to PIA's Industry Resource Center at (888) 225-6935.—*Albright*

## National

### Legislation introduced in Senate, House to repeal PPACA

President Donald Trump signed an executive order granting—to the maximum extent permitted by law—the U.S. Department of Health and Human Services and other agencies, including the Internal Revenue Service, the authority and discretion to waive, defer, grant exemptions from or delay the implementation of any provision of the Patient Protection and Affordable Care Act that would impose a financial burden on any state, individual, family, health-care provider or other stakeholders in the health-care system.

The purpose of the order is to grant more flexibility to the states in implementing health-care programs and to allow health-care-related agencies to encourage a free and open market in interstate commerce through the offering of health-care services and insurance. The executive order does not allow agencies to bypass the Administrative Procedures Act should any action require the revision of current regulations.

The U.S. Senate approved a budget blueprint to repeal and replace the PPACA earlier this month. The Senate voted 51-48 along party lines for the measure, which relies on the same budget process used seven years ago to approve the PPACA to now attempt to dismantle it.

U.S. Sens. Dean Heller, R-Nev., and Martin Heinrich, D-N.M., introduced a bill recently to repeal a tax on high-

end insurance plans that would prevent the PPACA's controversial "Cadillac tax" from being implemented in 2020.

The so-called "Cadillac tax," is an excise tax on high-cost, employer-provided health plans. Under this provision, employers must pay a 40 percent tax on every premium plan dollar per employee that exceeds the statutory threshold. Currently, the statutory threshold is \$10,200 for individuals and \$27,500 for families.

In a U.S. House effort, U.S. Rep. Mike Kelly, R-Penn., a member of the House Ways and Means Committee, also introduced a bill ([H.R.173](#)) to repeal the "Cadillac tax" on employer-covered health plans.

To keep updated on the latest on health insurance, access [PIA's Health Insurance Tool Kit](#).—*Lachut*

## Technical

### PEO clients need a WC policy

When your client signs up with a professional employer organization or other labor contractor (not temporary help), workers' compensation insurance will be provided by the labor contractor for workers leased to your client. The convenience of paying premium as wages are paid, along with the other services provided by the labor contractor, is attractive to employers.

It is well understood that if the client has employees who have not been leased, that client will need its own workers' compensation policy. What isn't as well known is that even if the client has no other employees, a policy still may be needed. Any contractor client who hires subcontractors potentially could hire an uninsured subcontractor, leaving your client holding the bag for an injured employee of the subcontractor.

The policy provided by the labor contractor covers only leased employees. This is supported by the following insuring agreement on the New Jersey Employee Leasing Labor Contractor endorsement (WC 29 03 03):

This policy provides coverage for the workers leased to the client. This policy does not satisfy the client's duty for the complete payment of any obligations it may have under the Workers' Compensation Law for non-leased employees or that the labor contractor may have for direct employees engaged by it.

It is important to look beyond mere direct employees of your client and consider the exposure created by uninsured subcontractors when deciding whether to buy a workers' compensation policy. Failing to have the policy could lead to civil suits and noncompliance penalties.—*Corbin*

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About AGA

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# Education highlights



**Feb. 13, 2017**

NEO Online Course

**NEO Series: New Employee Orientation for Agency Personnel**

NJCE: N/A

This is an online computer course for unlicensed/new employees.

**Feb. 13, 2017**

NEO Online Course

**NEO Series: Commercial Lines Coverage Basics**

NJCE: N/A

This is an online computer course for unlicensed/new employees.

**Feb. 13, 2017**

NEO Online Course

**NEO Series: Delivering Quality Service to the Customer and Employer**

NJCE: N/A

This is an online computer course for unlicensed/new employees.

**Feb. 14, 2017**

**Webinar: NYSDFS Publishes New Cybersecurity Regulations—What You Need to Know**

NJCE: N/A

Instructor: Matthew F. Guilbault, Esq.

**Feb. 16, 2017**

ADP/Statewide Insurance Agency, Florham Park

**NJ PAIP/CAIP Producer Procedures Course**

NJCE: 4 GEN

Instructor: Stephen P. Togue, CPIA

**Feb. 28, 2017**

**Webinar: Cyber Liability—The 21<sup>st</sup> Century Peril**

NJCE: 3 GEN

Instructor: Catherine L. Trischan, CPCU, CIC, CRM, AU, AAI, CRIS,

ARM, MLIS

**March 1, 2017**

Jimcor Agency Inc., Mount Laurel

**2015-2017 CPIA 1: Position for Success**

NJCE: 7 GEN

Instructor: John Fear, CPIA, CISR, CPSR

**March 13, 2017**

NEO Online Course

**NEO Series: New Employee Orientation for Agency Personnel**

NJCE: N/A

This is an online computer course for unlicensed/new employees.

**March 13, 2017**

NEO Online Course

**NEO Series: Personal Lines Coverage Basics**

NJCE: N/A

This is an online computer course for unlicensed/new employees.

**March 14, 2017**

**Webinar: Changing Client Solutions for a Changing LTC World**

NJCE: 1 LTC

Instructor: Robert Vandy

**March 16, 2017**

**Webinar: Emerging Exposures in the Personal Lines Department**

NJCE: 1 GEN

Instructor: Mishell K. Magnusson, CIC, CISR, CPIA, AAI, FIPC

**March 21, 2017**

Selective Insurance Co. of America, Branchville

**2017 CISR PR—Insuring Personal Residential Property**

NJCE: 7 GEN

\*\*\*\*CISR DESIGNEEES: DOBI will award 12 CE credits for each full year of the license term that the designation is maintained in good standing.

Instructor: Sheldon D. Hansen, CIC, CRM, CPIA