

cies are not warranty policies. There is one important exception, though, found in property policies, that you need to keep in mind.

It is very common for property insurance policies covering sprinklered buildings to include a Protective Safeguards endorsement. This is a short (a page and a half) endorsement, but with powerful effect. Essentially, you are warranting that you have a sprinkler system in your building, it works, and you will keep it turned on and in operating order.

Property insurance companies grant some pretty significant premium credits for sprinklered buildings. They want to hold you to your word that the sprinkler system is actually in place to provide the protection they are relying on, and this is how they do it. If you know of an impairment or suspension in the system and don't notify the insurance company, or if you fail to maintain the system in complete working order, and a fire occurs, the insurance company has grounds to deny coverage.

Winter is here. Standard wording of these endorsements states that if part of the system has to be shut off due to "breakage, leakage, freezing conditions or opening of the sprinkler heads", you don't have to notify the insurance company as long as you can restore full protection within 48 hours. Notice, however, there was no mention of "maintenance" in there. If you have to shut off even part of your system for maintenance, repairs, or any other reason, call us immediately.

The standard endorsement can also apply to other protective safeguards, including central station fire alarms, security services, private service contracts, or any other protective system. You might find these in your policy even if you don't have a sprinklered building. Keep an eye out for it, and call us if you have any questions.

Long Term Care Benefits Business Owners

Business Owners - are you aware of the many benefits long term care insurance can provide to you, your spouse and select employees?

For example, if you are a C-Corporation, long term care insurance is 100% tax-deductible if purchased for employees and/or owners! Company paid policies can cover spouses, even though they are not employed by the corporation...and even retirees.

In addition, employer-paid long term care insurance premiums are not reported or included as part of the employee's gross income. They are not included on W-2 statements. There's no payroll tax on amounts paid. Corporations may create an "Executive Carve Out" plan whereby the corporation selects and pays the cost of insurance protection for designated key individuals. There are also very attractive tax advantages for Partnerships, S-Corporations and LLC's.

Long term care insurance protects the assets you have spent a lifetime building and provides tremendous resources to your family in a time of crisis. If you own a business, and are 50 years of age or older it makes good business sense to explore your options for funding long term care costs.

If you are interested in learning exactly how this program could work in your company please contact our long term care specialist, Mark Lammers at 812-232-0441 or toll free at 877-853-1703. You can also reach Mark via email at mlammers@fsiinsurance.com. Visit our web site, www.fsiinsurance.com for a complete overview of long term care insurance and its' important role in your overall financial plan.