



1-800-362-1011

www.hathomson.com

H.A. Thomson celebrates 75th Anniversary

H.A. "Cappy" Thomson founded the H.A. Thomson Company in 1934. Cappy Thomson was a noted businessman and advocate for local government. Cappy's affinity for local government also led him to help form the Pennsylvania State Association of Township Supervisors. On the insurance side, Cappy was the first to write a blanket township liability policy. In the 1970's as he neared retirement, Cappy sold H.A. Thomson Company to a neighboring insurance agent, Ben Giangiulio, Sr. Ben kept the name "H.A. Thomson Company" and took up Cappy's work with local governments. In the mid-1980's, Ben sold the H.A. Thomson Company to its current owners, his son, B.J. Giangiulio, Jr. and his nephew, Tom Giangiulio. Currently, H.A. Thomson Company handles insurance and risk management for over 1,000 Pennsylvania municipalities. We continue to be a privately owned, independent broker that handles only one type of business - local governments. We thank you for your support and look forward to continuing to work with you.

Workers' Compensation Audits

Following the expiration of your workers' compensation policy, you will receive a payroll audit to determine your actual payrolls during the policy term. These audits are either done via mail or an auditor may schedule an on-site appointment to review your payroll records. There are several important items to keep in mind as you prepare for your audit.

1. All independent contractors you utilize must provide you with a certificate of workers' compensation insurance. If the contractor claims that he is a sole proprietor and exempt from the Workers' Compensation Act, you should have them complete a form stating this. Please contact us if you need a sample form.

Without a certificate or exemption form you will be charged on your workers' compensation audit for the cost of the job the contractor performed.

2. Under the Pennsylvania workers' compensation underwriting rules, employees whose work fits into more than one classification will have their entire payroll assigned to the highest rated classification. This rule applies regardless of your carrier.
3. After your audit is completed you will receive a bill with an additional premium due for your expired policy if your payrolls have increased. Also, if the payroll change was significant you will receive an endorsement to your existing policy increasing your current payrolls. We always work with our clients to ensure that all employees and payrolls are properly classified on their audits. You can also request that your current year payrolls not be increased.

New Workers' Compensation Regulation



A recently amended regulation requires employers to provide information on workers' compensation insurance to all employees. At the time of hire and when an injury occurs you must notify your employees about the availability of workers' compensation benefits and that

they can contact the Pennsylvania Bureau of Workers' Compensation for further information. We have enclosed a form you can use to comply with this regulation. Please contact us if you would like the form emailed to you in MS Word document format.

We value your business

Sewer Backup Claims

Picture this, you come home from a hard day's work to find four inches of wastewater in your basement. A quick phone call to your homeowners agent reveals that your homeowners policy does not cover sewer backup. Now things really get interesting when you find out your local government may not be responsible for the backup and won't pay for the cleanup and damages for the following reasons. The blockage may not be in the municipal line and even if it is, they have limited responsibility because of the Pennsylvania Governmental Immunity Law. Sounds like the kind of situation that will lead you down to the next public meeting to express your unhappiness to the Board. What can municipalities do before this happens to their customers?

First, let's look at the Pennsylvania Governmental Immunity Law. Local governments are only responsible for sewer backups if they have notice of a dangerous condition of their facilities. In other words, the municipality knew there was a blockage in its line, had enough time to get it fixed, but did not do it. Also, remember that many blockages are not located on municipally owned lines, but are instead on customer owned laterals. Municipalities should not assume liability when backups occur. Let the insurance adjustors investigate the cause.

Second, let's look at homeowners insurance policies. The backup of water from sewers or drains is an exclusion found in many homeowners policies.

Generally, if coverage is excluded by the standard policy, an endorsement is available to provide coverage for an additional charge. Keep in mind that this coverage will benefit the homeowner for all backups, whether in the homeowner's or municipality's line.

We recommend that municipalities use their newsletter or bills to make customers aware of this situation before backups occur. Here is sample wording: "Under the Pennsylvania Governmental Immunity Statute, <your municipality name> has limited legal responsibility for sewer and water backups. You should contact your homeowners or commercial insurance agent to make sure you carry coverage for sewer and water backups under your homeowners or commercial property policy. Some homeowners policies do not include this coverage automatically. We recommend that you purchase this valuable coverage."

A number of our clients have procedures in place wherein municipal workers will go in and provide clean-up service when sewage backs up into a building. Keep in mind that your employees should not assume any liability and any associated cost incurred may not be reimbursed by your carrier. If you want to provide a list of local cleanup companies to your customers, we recommend that you include at least two or three companies and state that you cannot guarantee their service.

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