



The Old BARN POST

Quarterly Newsletter of The Hess Agency

Winter 2018

Walk The Line

In an old song, Johnny Cash described how he stole an entire Cadillac over the span of 25 years from his job on a Detroit assembly line. “I took it one piece at a time, and it didn’t cost me a dime,” he sang. I don’t know how his co-workers and supervisors missed him walking off with all of those car parts, especially when they had to use his buddy’s motor home for the big parts. When his project was completed, he even had the nerve to drive through town in his Caddy built with mismatched parts. The song never mentions what happened when General Motors figured it out.



We know that stealing from your employer dates back all the way to biblical times, because the Old Testament book of Leviticus provides guidelines on how to compensate between the parties when the theft is discovered: Full restitution plus twenty percent to the owner and a perfectly good ram as a guilt offering to God for atonement. Not much different from today’s criminal court outcomes, other than the sacrificial ram part, of course.

While “One Piece at a Time” may be an old song, similar chords have been sounding recently at several local business and community organizations that we serve.

Here are some examples of claims our clients have experienced in the past year:

1. A hardware store employee was falsifying returned items and pocketing the monies instead of refunding store customers.
2. A car sales manager falsified the values of traded cars and then profited by selling the cars personally.

3. A treasurer for a local nonprofit club stole money from special event fundraisers and pocketed the proceeds.
4. A plumber’s employee took metal parts and fixtures off job sites over the course of several months and sold the items on the internet.

Because these customers added employee dishonesty to their policies, the losses weren’t as bad as they might have been. The offenders will repay their ‘debt to society’. They’re on their own for the ram.

If you’re a manager or a business owner, the best method of prevention is systematic controls. For example, don’t have the same person both write checks and reconcile the checking account. Require more than one signature, and set up limited access accounts for excess funds. Have someone besides the accounts payable person review and approve invoices prior to payment. Review your potential for losses and develop a preventive strategy. (We can assist on this if you ask.)

While these steps won’t eliminate the risks, at least they can take away some of the “low hanging fruit” from obvious sources of theft.

If you’re concerned about whether you have employee dishonesty protection, or whether you have enough, please let us know.

One thing to remember: If you’re a person who is tempted to steal, and willing to fall into a “Burning Ring of Fire,” it’s only a matter of time until you’re caught and will be singing a different tune—“Folsom Prison Blues.”

Steven L. Faus, CIC, CLU
President

By The Numbers 4 2 3

Between 2001 and 2015, 6.8 percent of insured home owners filed insurance property claims.

Weather related causes accounted for 4 out of 10 of those claims.

Weather related claims occurred about 10 times more frequently than house fires.

The average weather related claim was settled for about \$8,300. The average fire loss was 5 times that amount.

It's Not About the Money \$\$\$

It's tax time. When you look at your W-2, do you ever think, "Where did it all go?" For most of us, it wasn't spent foolishly, it went toward necessities.

How do you cover the necessities when the income stops? Who pays the rent when the primary wage earner is gone? How much would it cost to replace Mom?

Eight out of ten people think life insurance is too expensive. Most of them are wrong. A small adjustment to your budget could help avoid a disastrous one. Call us to learn more.

Prove It!

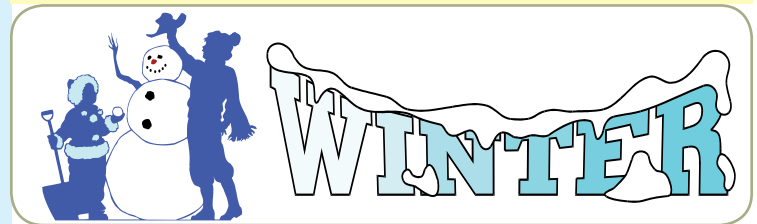


Nearly all of us have at least a few personal items that are special to us. Maybe it's Granny's mantel clock or Aunt Sadie's settee. In many cases, "They don't make 'em like that anymore.", and that may make them more expensive to replace than today's, off-the-shelf items.

Most of our customers' policies will pay to replace lost or damaged items with "like kind and quality". But when the evidence is a pile of ashes, how can you prove the difference between a 100 year old table and something from a discount furniture store?

An inventory listing your belongings has been the traditional method. Photos and videos can provide compelling bases for the valuation of your belongings. However you choose to document the values, keep a copy off site or in the cloud or send it to us to keep.

We hope you'll never need it, but this will help make sure you can determine the full extent of a loss. That's what insurance is all about.



We are here to serve you Monday through Saturday
Weekdays 8:00 a.m. - 5:00 p.m. Thursdays 8:00 a.m. - 8:00 p.m.
Saturday 8:00 a.m. - noon Other hours by appointment

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