

HMS NEWSLINE

SPRING 2009 ISSUE

HMS INSURANCE ASSOCIATES, INC.

HMS - Following the Merge

Following Warfield Dorsey's 2008 merge with HMS the companies have completed its reorganization. Our new Hunt Valley location (formally Warfield-Dorsey's office) now houses the Employee Benefits and Personal Lines Divisions. Our Commercial Lines, Select Department, Claims and Administration operations remain at our Lutherville-Greenspring Station location. The office shuffle was a huge project and required many of the employees to relocate their work stations and offices.

It has been exciting for employees in both office locations to mix and



get to know each other. One of the most difficult challenges of the merge was the IT integration. Our goal was not to interrupt client service while bringing the two companies together. Excellent customer service has always been

at the forefront of our company's mission. Our clients deserve it.

New internal and external signs were installed at the Hunt Valley office location. We now move forward with a bright outlook to service our clients in the Mid-Atlantic region.



HMS Hunt Valley Office

Road Risks Rise as More Drivers Drop Insurance or Lower Their Coverage to State Minimums

A slumping economy contributing to high job losses is putting several hundred thousand more uninsured and underinsured drivers on the road. More drivers are letting their car insurance lapse or are stripping down their current auto insurance policies, taking the absolute minimum level of liability coverage required by their state; putting themselves and others at risk. The trend is bad news for everybody on the road. If you're

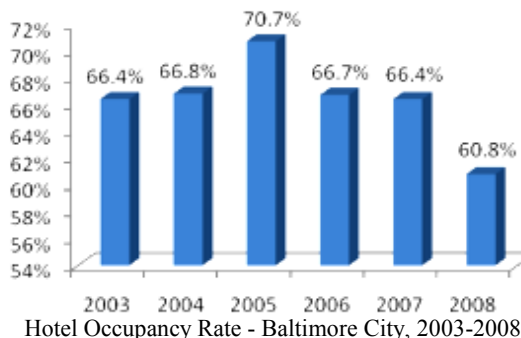
hit by an uninsured motorists, you may have to sue to recover costs, and many uninsured/underinsured motorists have few assets. With this growing number of inadequately protected drivers on the road you need to protect yourself.

Here's how:

- Review your auto insurance policies with your insurance representative. Call HMS.
- Make sure you have "uninsured/underinsured motorist coverage" that compensates you if you're hit by an uninsured or underinsured motorist.
- Set your own liability insurance amount commensurate with your assets. This amount also helps determine the limit of your uninsured/underinsured motorist coverage.

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How Our Economy is Affecting Tourism in Baltimore



Hotel Occupancy Rate - Baltimore City, 2003-2008

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Brooklandville, MD 21022

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COBRA "Subsidy" Law

News Alert!

The new Federal COBRA "subsidy" law became effective 2/17/09. This new regulation impacts all size employer groups that offer health insurance coverage. All employer groups that offer health insurance must comply. Failure to comply could result in federal fines from both the IRS and Department of Labor.

Notification must be sent by 4/18/09 to individuals that had health insurance but lost coverage due to **"involuntary termination"** by the employer during the period of 9/01/08 through 12/01/09. The law gives "Assisted Eligible Individuals" the right to pay reduced COBRA/State Continuation premium of 35% for a period of nine months, starting on or after 2/17/09. The employer then funds the other 65% out of their payroll taxes.

Please note that the health care market is changing dramatically. Now would be a good time to re-evaluate your current benefits and compliance of HR practices.

Reaching Out...

HopeWell Cancer Support 5K Run/Walk

The mission of HopeWell Cancer Support is to create a community for all people with cancer, their families and friends, that encourages an exchange of information, the development of a support system and the presence of hope.

HMS has been a sponsor of the annual 5K Run/Walk for a number of years. We are proud to say that many of our employees have participated in the event each year helping to raise funds to support the Baltimore Spine Center.

On Sunday, April 19th we were once again pleased to sponsor and participate in the event at Goucher College in Towson.

Inspirational Testimony-

"When I first came here, I thought "C" stood for cancer. But what a difference my group makes! Now "C" stands for comfort, compassion, caring, courage, and celebration! Especially with birthday cakes, which symbolize the year that might never have come. Thank you! Ernestine Traversari



Minimizing Business Disruptions - Disaster Planning

The harsh weather of spring, including hard rains, flooding and tornadoes, has already hit parts of the Midwest and the South. It's a reminder to small business owners everywhere that they need to be ready when disaster strikes.

Preparing for disaster might not seem like a priority to a company owner who's trying to bring in sales and cut costs during the recession. Most small business owners feel overwhelmed because they see disaster preparation as a huge task. But the kind of planning that goes into extenuating the impact of a disaster can also help your company's operations when all is well.

A disaster doesn't have to be an extraordinary event brought on by nature—fires and vandalism can

disrupt a business as much as the weather can. And it doesn't have to damage or destroy your premises; a road that washes out and prevents you from getting to your building can do plenty of harm to your sales and profits.

Every company should be thinking about backing up its data for the most mundane reasons: an employee accidentally deletes an important file or a hard drive crashes and the data cannot be salvaged. Having an offsite data backup and recovery system is a good way to be sure your data is retrievable, and this will also make it easier for a company to keep operating after a disaster.

The benefits of disaster preparation go beyond ensuring that a company can get back to work

quickly if the worst happens. Owners can also use their plans as a selling point with potential customers who want to be sure they won't suffer if disaster strikes. To the extent you can show you have a disaster plan in place, you'll be more competitive to win their business.

Begin your disaster planning with a checklist of what you need to do, decide which items are priority and start addressing them, delegating as much as you can to employees (Example— creating and maintaining a contact list that will let you know how to reach your staff and customers.

For information on how to create a disaster plan for your business or home, contact an HMS insurance representative.