



You Build the toughest equipment on earth.....



....You need a tough broker in your corner.

YOUR PROTECTION IS OUR MISSION

410.836.8591 or defense@palumboinsassoc.com

www.palumboinsassoc.com

Do You Understand Your Insurance?

We do. P.I.A. has over 75 years of combined experience insuring federal government contractors.

Key Coverages

- Accidental Death & Dismemberment
- Aircraft Liability including Hull
- Aircraft Products
- Business Income & Extra Expense
- Crime
- Defense Base Act
- Directors & Officers
- Employment Practices
- Errors & Omissions
- Evacuation & Repatriation
- Foreign Voluntary Worker's Comp
- Fiduciary Liability
- Government Furnished Equipment
- Kidnap & Ransom
- Non-Owned Aircraft
- Umbrella & Excess
- Travel Accident
- Workers Compensation (in all 50 states)

Risk Management

- Risk Management Assessments
- Aircraft Liability
- Business Income Analysis
- Crime
- Disaster Recovery
- Fiduciary
- Whistleblower
- Employee Handbook
- Mergers & Acquisitions
- Successors' Liability
- Risk Mitigation ISO 31000
- DFAR Regulation
- Life Safety

Emerging Issues

- Cyber Liability
- Government Contracting Defense
- Qui Tam or False Claim Act
- War & Terrorism
- Ground Flight Clause
- Government Immunity
- Unmanned Vehicles & Drones
- Natural Disasters

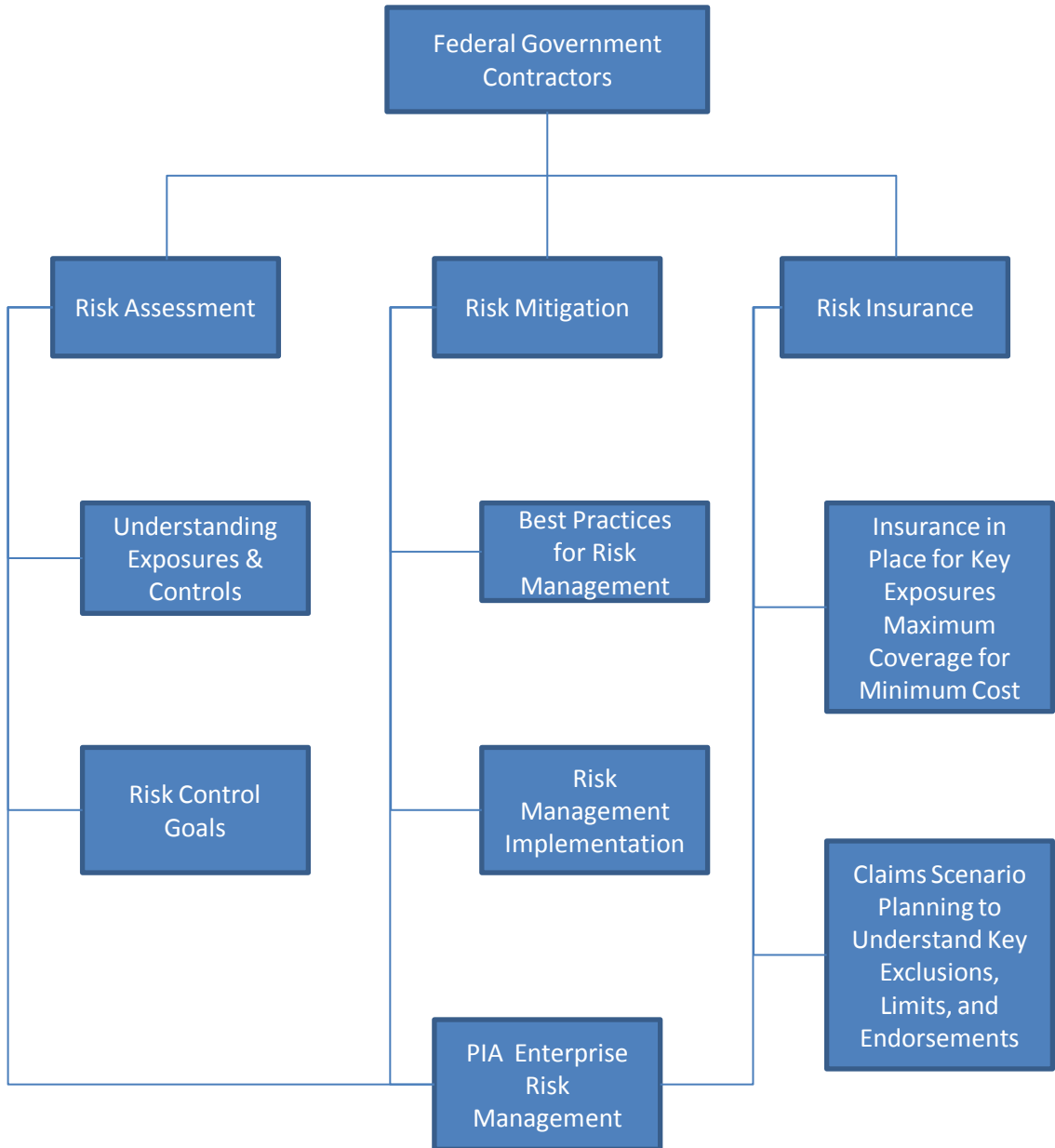
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Risk DEFENSE Model

A diverse insurance program is based on identifying your exposures and managing your risk. The model below demonstrates the multi-pronged approach we use to assess your company



All brokers cost the same.....
....Go with experts that understand your risk

Examples of Key DEFENSE Coverages

Defense Base Act

The defense Base Act was created in 1941 to protect workers on U.S. bases overseas. As the act evolved, it was expanded to include all foreign non-military contracts with the federal government. Why is DBA insurance important to you? If your company is a private employer with government contracts overseas, you are required by law to buy the coverage or be subject to fines, jail and reduced legal defense.

Foreign Voluntary Workers Compensation

Most companies are used to buying workers compensation insurance, but are normally not familiar with the risks from workers traveling and working overseas. Typical compensation policies do not pick up endemic disease and accidents that occur outside of work hours. Foreign voluntary compensation provides primary insurance that covers a broad range of risks and gives you peace of mind.

Don't know if you have the coverage or not? Talk to us and we will figure if you have coverage for exposures such as repatriation, endemic disease, war or terrorism.

Errors & Omissions (E&O)

Because traditional insurance typically covers just property damage, bodily, and advertising/personal injury, many FGC's are left uninsured for their main exposure, providing advice, intellectual property, and/or performing information technology services. Most government contracts require E&O, although enforcement has been hit or miss.

However, if there is a loss arising from an error or omission, how will your insurance policy or insurance broker respond?

Government Furnished Equipment (GFE)

Insurance contracts and government contracts are at odds over the coverage of government equipment or property that is housed by FGC's. A typical government contract will *require* insurance coverage for this property and a typical insurance contract will specifically *exclude* said property. The exclusion is usually found in the property section under the "care, custody, and control" provision.

Travel Accident Insurance

Have staff traveling overseas and assume that their health insurance is portable? Think again as most health insurers and compensation carriers have significant exclusions for the risks presented by overseas travel.

Major exclusions usually involve **evacuation** and **repatriation**. When an important worker is hurt or becomes sick overseas, you want to do everything possible to help this person get home and get the best care available. However, you do not want the health insurers debating over who has coverage and who is responsible for paying the bills.. This costs valuable time and money and, in the end, could cost someone their life.

Repatriation and evacuation costs have increased tenfold over the past decade, making the coverage a necessary part any quality insurance program. Examples include injuries on the Great Wall of China, an auto accident in the Dominican Republic, the bulls of Pamplona, and blood clots in planes costing more than \$100,000 to get the injured individual to the right hospital as quickly as possible. Quality coverage would also pay for close family to visit a stricken loved one as that person recuperates.

Government Contractor Defense

Most FGC's have relied on government immunity and luck to cover their main exposures over the last 20 years. To compound the problem, most government contractors' exposures have been vastly misunderstood by insurance companies, leading to high process, coverage gaps and unacceptable exclusions that put FGC's financial well being at risk.

Does government immunity work for most government contractors under most circumstances? The short answer is yes. However, there are a number of exception that must be taken into account to fully analyze the risk profile of an FGC. These exceptions trigger extraordinarily expensive litigation and you want a broker that will have you covered in your key risk areas.

Check out this info and more at www.palumboinsassoc.com/fgc

Or contact us at defense@palumboinsassoc.com

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Claims Do Happen

Fiduciary

A company was sued by a group of participants in an employees stock ownership plan (ESOP), alleging improper valuation of the company's stock, which was not publically traded. A significant shareholder of the corporation had sold his shares back to the company the prior year at a price that was determined to be fair by the trustees of the ESOP. The participants alleged that the stock was grossly overvalued in order to effectuate the buy out of the major stockholder. The stock was re-valued a year later and was found out to be worth significantly less on a per share basis than what was paid out to the previous stockholder. The lawsuit settled for **\$1.5 million**.

Errors & Omission (E&O)

I/T software is delivered late. Defendant asserted that the specifications kept changing. The suit to get reimbursed for hiring a new contractor - **\$2.7 million**.

An I/T firm hired to do routine maintenance unintentionally deletes data from a federal clients database which is not recovered. **\$100,000** to rebuild the database.

Government Furnished Equipment (GFE)

A privately owned warehouse catches fire where government owned computers are stored. No coverage is in place for the property in the "care, custody and control" of the contractor. **\$1 million** loss.

Overseas Liability

A laptop is stolen from a hotel room and custom software and programs must be rebuilt. **\$50,000** loss.

Whistle Blower or Qui Tam

A contractor charged the government a different rate from its commercial clients. **\$87.5 million** settlement.

A contractor overcharged for helicopter parts. **\$16.5 million** settlement.

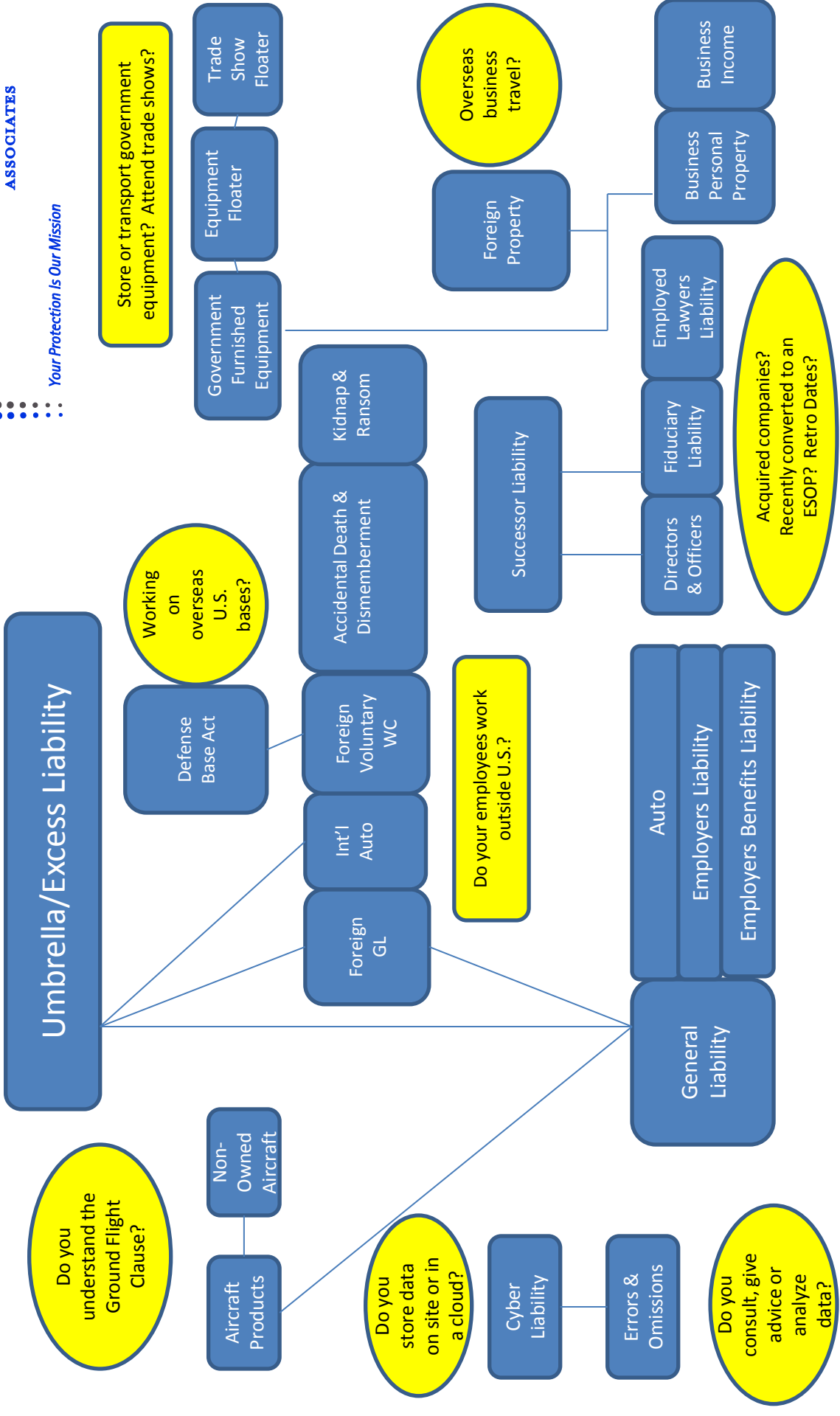
Fabric did not perform as guaranteed. **\$54 million** settlement.

Check out this info and more at www.palumboinsassoc.com/fgc

Or contact us at defense@palumboinsassoc.com

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Understanding Your Risk and Coverage



About PIA

Palumbo Insurance Associates is an insurance and financial services brokerage that prides itself on working hard for our clients. With over 75 years of domestic and international insurance experience working for large insurance carriers and as independent insurance brokers supporting the Foreign Service of the U.S. State Department, Peace Corps, USAID, DEA and other federal agencies as well as NGO's all around the world including Iraq and Afghanistan.

Vision

To be the premier provider of insurance, financial, asset protection and growth solutions for business professionals and individuals in the United States.

Mission

Through the use of innovative programs, products and services we will listen to our clients needs and create the ideal solution for those needs. We will act with the highest integrity and trust to utilize our years of experience for the benefit of those we serve.

Why PIA?

Clear, straight forward language

PIA will explain the insurance process to you in clear, straight forward language. We want you to know where your money is going and what factors determine the cost of insurance protection for your firm.

Training and Education

PIA will keep you up to date with risk bulletins, webinars and seminars on topics ranging from Defense Base Act, Fiduciary Liability, Ground Flight Clause, False Claims Act and more.

We will also offer client specific onsite training and risk assessment for exposures such as disaster recovery planning, cyber security, driver safety training and DFAR compliance.

Transparency of Insurance Costs

Similar insurance companies can generate vastly different premiums based on a variety of reasons from loss history to the quality of safety planning. Do you understand the factors impacting what you pay for insurance? Do you know how much you are paying your agent? We will take the time to explain what drives your premiums and design a plan to keep your insurance costs as low as possible.

The Right Coverage at the Right Time

Do you thoroughly understand how your insurance program works? A poorly designed policy does you no good if you do not have coverage when a loss occurs. Based our years of experience in the insurance industry we put all our U. S. and International contacts with major and local insurance companies to work for you.

PIA prefers to use a consultative approach to insurance and risk management. This means both proactive and responsive account service, coverage design, policy form review and acceptance, understanding exposures, payroll, rate and classification understanding, preventative loss control work, and timely claims support.

Testimonial

"Palumbo Insurance Associates has provided excellent guidance to our firm and to us personally in the selection of insurance and investment vehicles necessary to our relocation to Maryland from New Jersey."

**Mark Nolletti, President, CEO
Manufacturers Services Associates, Inc.**

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