

NEWS BULLETIN

Maine Automobile Dealers Association

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DISTRIBUTION

- General Manager
- Office Manager
- Parts Manager
- Sales Manager
- Service Manager

2010-9

MADA HEALTH AND WORKERS COMPENSATION TRUSTS TO HOLD WORKSHOPS

All dealership participants in one or both of your MADA Trusts were sent a letter on September 7 announcing important workshops which will address new laws and rules affecting health and workers compensation programs in Maine. Administrative aspects of these programs will be reviewed, soon-to-be-implemented changes will be discussed, and the 2011 outlook for both programs will be presented.

Both health and workers compensation regulators impose significant financial penalties for non-compliance. These workshops will minimize that potential. Each program faces challenges brought on by recent federal law and state regulatory activity. We need your participation as, together, we strive to continue meeting employee and dealership goals. If your dealership has not already responded, please use the enclosed Registration Form to indicate the meeting site and list dealership personnel who will attend.

MAINE SALES TAX WORKSHOPS

Maine Revenue Services will be presenting full-day workshops in October which will present a complete overview of the sales, use and service provider tax law. The morning session includes 2010 legislative and regulatory changes, followed by a sales and use tax overview. The afternoon session covers administrative and compliance issues such as electronic filing, documentation and recordkeeping, resolving errors, refunds, and tips for audit preparation.

The enclosed page lists the four (4) sites, dates, times and registration information. Registration is requested by October 1. Certificates of attendance will be available. More information can be obtained at the website address listed at the bottom left of the enclosed page, or by calling 624-9693.

THE 2010 EEO-1 SURVEY IS NOW OPEN: DUE SEPT. 30

The Employer Information Report (EEO-1 Report) is a government form requiring certain employers to provide a count of their employees by job category and then by ethnicity, race and gender. The report is now available and can be submitted online. The filing deadline is September 30, 2010.

The report must be filed by companies or "affiliated entities" with 100 or more employees. Affiliated entities are companies owned or affiliated with another company, or there is centralized ownership, control of management so that the group legally constitutes a single enterprise, and the entire enterprise employs a total of 100 or more employees.

Single-establishment employers must complete a single Standard Form 100, or use one of the alternate filing methods. All multi-establishment employers (doing business at more than one location) must file:

- A report covering the principal or headquarters office;
- A separate report for each establishment employing 50 or more persons;
- A consolidated report that **MUST** include **ALL** employees by race, sex and job category in establishments with 50 or more employees as well as establishments with fewer than 50 employees; and
- A list showing the name, address, total employment and major activity for each establishment employing fewer than 50 persons, must accompany the consolidated report.

The report and additional information is available at the EEOC Website at www.eeoc.gov/employers/eeolsurvey.

HYBRID VEHICLE TAX CREDIT UPDATE

From January 2006 through December 2010, customers who buy certain hybrid vehicles will be able to receive a tax credit up to \$3,400. This credit is a dollar-for-dollar reduction of what the customer owes in income taxes.

Vehicles only qualify for this tax credit if they are purchased on or after January 1, 2006 and before January 1, 2011.

The credit may only be claimed by the original purchaser of a new, qualifying, hybrid vehicle and does not apply to a used hybrid vehicle. If a qualifying vehicle is leased to a consumer, the leasing company may claim the credit. Customers will get the maximum rebate if they purchase one of the first 60,000 qualifying vehicles that a manufacturer sells, or one in the first three months after the quarter in which the 60,000 are sold. After that, the credit starts to phase out.

Prior to 2009, the hybrid vehicle credit could not be used to offset the alternative minimum tax (AMT). However, beginning in 2009, the credit can be applied against the AMT.

Tax Credits Which Have "Phased Out" Over Time

- Toyota hybrids purchased after September 30, 2007 are not eligible for this tax credit.
- Honda hybrids purchased after December 31, 2008 are not eligible for this tax credit.
- Ford hybrids purchased after March 31, 2010 are not eligible for this credit.

The IRS has updated its list of hybrid vehicle certifications and credit amounts. For vehicles with a model year 2009 and older that still have credit available and for more information, visit the Department of Energy website at www.fueleconomy.gov/feg/tax_hybrid.shtml.

M.A.D.A. INSURANCE TRUST

M.A.D.A. WORKERS COMPENSATION TRUST

HEALTH and WORKERS COMPENSATION ADMINISTRATION MEETINGS

Kindly return this completed registration form if you are planning to attend a Health and Workers Compensation Administration meeting. Please be sure to check which meeting location you will attend, as well as to name all individuals from your dealership who will be attending. We appreciate your help in getting this form back as soon as possible so that proper arrangements can be made at the meeting sites.

PLEASE CHECK THE REGIONAL MEETING SITE YOU WILL ATTEND:

_____ **PRESQUE ISLE**, Tuesday, September 28, Northeastland Hotel - 8:30 a.m.

_____ **BANGOR**, Tuesday, September 28, Bangor Motor Inn - 2:00 p.m.

_____ **AUGUSTA**, Wednesday, September 29, Holiday Inn Augusta - 9:00 a.m. - I-95 Exit 112

_____ **SOUTH PORTLAND**, Wednesday, September 29, Wyndham Hotel (Maine Mall Road) - 2:00 p.m.

Please register the following persons.

- 1) _____
4) _____
- 2) _____
5) _____
- 3) _____
6) _____

DEALERSHIP: _____

MAILING ADDRESS: _____

**MAINE REVENUE SERVICES
SALES AND USE TAX SYMPOSIUM**

Registration form

(please photocopy if more than one attending)

Name _____

Company _____

Street _____

City, Zip _____

Telephone No. _____

Symposium Locations:

- Caribou, October 18
- Brewer, October 19
- Augusta, October 26
- Portland, October 27

Method of payment: \$40/person

Check. Please make check payable to Treasurer of State of Maine (do not include with sales tax money) and mail to:
Maine Revenue Services, P. O. Box 9107, Augusta, ME 04332-9107

Credit Card (only cards below are accepted)

Master Card VISA Discover

Account Number _____

My card expires on _____

Authorized Signature

**Please mail no later than
October 1, 2010**

Note: Do not include with sales tax return. Please mail separately.



ZURICH®

Loss Prevention

Please route to:

- Owner
- General manager
- Sales manager
- Service manager
- Office manager

Liability exposures: Use of contractors and vendors

A leak develops in the roof above the business office and must be repaired immediately. The manager looks in the phone book and calls a roofing repair company to come in and fix the leak. The contractor shows up quickly, but before any repairs are made, one of his employees falls off a defective ladder and is severely injured. Tough break for that guy and the roofing repair company?

It could also be a tough break for your business – in the form of a liability lawsuit. Your business will be protected from liability only if a representative of the roofing repair company signed a Hold Harmless Agreement before commencing work at the business office.

Landscaping crews, window washers, plumbers, heating/AC contractors and many assorted vendors may visit your business every day. Have you ever considered them to be a threat to your business? The fact is that your business can be held liable for injuries to their employees, or injuries to others that were caused by their employees. You could also end up paying for damages to your property that the contractor or vendor should be held accountable for.

The exposure created by using off-premises contractors can be equally significant. Any time contractors are hired to service, change or modify vehicles or other mobile equipment, you could be held liable for claims arising out of

their completed work. Many of these companies come and go, so it is important to choose contractors wisely. After an incident occurs it is often too late to find out how long they've been in business, what kind of reputation they have or to verify insurance (products/completed operations) coverage.

What you can do

Following these guidelines can help reduce the exposure created by hiring contractors and subcontractors, or when inviting vendors onto your property:

- Contractors, subcontractors and vendors should provide certificates of insurance as evidence of the following coverages:
 - Workers' Compensation
 - Commercial General Liability
 - Automobile Liability
 - Umbrella Liability
- Certificates should be mailed directly to you from the insuring company or agency.
- The "rule of thumb" is that the contractor, subcontractor or vendor's limits should be at least as high as yours.
- Review the effective and expiration dates and update the certificates as necessary.
- Include in all contracts a requirement that the other party add your company as an "Additional Insured" on their General Liability policy.

- Require the contractor, subcontractor or vendor to sign an "Indemnification and Hold Harmless Agreement."
- Develop an "Approved Vendor List" documenting all contractors, subcontractors and vendors approved to do business with your company and make certificates of insurance a requirement for being included on the list.
- Selection of a contractor or subcontractor should be based on experience and expertise, not price.
- Do not lend tools or equipment to contractors; injuries caused by defective equipment may be grounds for litigation.
- Make sure all subcontractors are held to the same standards as the general contractor.
- Transfer risk associated with contracts or agreements (e.g. sublet repairs).
- Require liability insurance to fund the transfer of liabilities.

Select a contractor or subcontractor based on:

- Expertise and experience.
- A proven track record.
- Compliance with all standards and codes.

Arrange a pre-project meeting with contractors and subcontractors to review:

- Specific safety requirements for critical items.
- Areas restricted to the contractor or subcontractor's employees.
- Condition of equipment to be used by the contractor or subcontractor.
- Safety considerations for installation of major equipment.

Having an "Approved Vendor List" in place will provide guidance to employees under ordinary circumstances and during emergencies. Remember, the best time for establishing a program for selecting contractors, subcontractors and vendors is prior to an emergency. Using the above guidelines can help protect your business and ensure the risk is retained by contractors, subcontractors and vendors, where it belongs.

Loss prevention information

For questions about this loss prevention topic, contact the Zurich Risk Engineering Department at 800-821-7803.

Product and service information

For more information on any of Zurich's products or services, visit www.zurichna.com/zdu.

The information in this publication was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute legal advice and accordingly, you should consult with your own attorneys when developing programs and policies. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. Moreover, Zurich reminds you that this cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these policies and procedures ensure coverage under any insurance policy.