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Ask us about the Chamber Health Plan!

On December 1, 2005, 38 businesses and over 301 employees enrolled in the new Baraboo Chamber Health Plan; underwritten by Dean Health Systems. The goal behind this plan is to try to alleviate the big spikes you've been seeing in your health insurance renewals. In theory, the more enrollees that are in a "pool", the better off everyone will be. For example, one employee's illness, shouldn't affect your renewal as drastically as it would if you were "on your own." This unbelievable new health plan is available to anyone that is or becomes a chamber member and has two or more enrollees. The plan will have quarterly enrollment periods, with the next one set up for March 1st. If you want to try to control your health costs now and in the future, call Patti (Ext. 15) or Dan (Ext. 20) for more details.

What Will You Do When Disaster Strikes?

Plans and Supplies Every Business Should Have When Disaster Strikes

Let's play "what if" for a moment. What if your business faces an emergency—flooding, a power outage, fire, a hurricane—today? How well prepared are you to face an emergency?

Unless your answer to the last question is "very," you need an emergency plan and supplies. Unfortunately, many businesses found this out the hard way last year with all of the hurricanes. Fortunately, it doesn't take much time or cost much money to create a plan and buy the supplies you need.

Your Emergency Plan

Your employees need to know how to evacuate the building on very short notice. Also, at least two people on your staff should know CPR and be familiar with basic first aid. Be sure you review your emergency plan—evacuation procedure, emergency shelter area, etc.—with your staff at least every six months.

Keep a List of Emergency Phone Numbers

As part of your emergency plan you should compile a list of key telephone numbers and post the list in prominent places throughout your company. Your list should have the following numbers:

- Local fire department and police department
- Nearest hospital and ambulance service
- Building security and manager
- Insurance agent
- Utility companies
- Red Cross and Federal Emergency Management Agency (FEMA)
- Small Business Administration
- Local media (to assure your customers that you are still in business)

Emergency Supplies: Have These on Hand!

You should have smoke detectors, which need to be tested periodically, fire extinguishers, burglar alarms, locks on every door, and NOAA weather radios. In addition, you should consider purchasing a multi-KV generator to use when there

Do you have “Key Man” Life Insurance?

Many of us take the time to protect the assets and future earnings of the “bread winners” of a family in the event something tragic happens to us.

However, have you stopped to think about what would happen to your business if you or a “key” employee tragically passed away? Too many times, other family members are left to try and run the business or worse yet, hold a fire sale that ends up netting them half of what the business is worth.

A term life insurance policy can help protect your business for yourself or other “key” employees. This product is inexpensive and can help buy the business some time, in the event tragedy strikes. It can be used to pay off debt, hire a new manager or help make up for the lack of sales that the “key” person generated. Of course there are other life insurance products that can be used as well. Each situation can and will dictate the type of product most appropriate for your business.

If you are in business with partner(s), a buy/sell arrangement funded by some type of life insurance vehicle, is an absolute must. Without this, you could end up in business with your partner’s spouse, or worse yet, fighting with that spouse over how much your partners half of the business is worth. Buy/sell arrangements can eliminate all of these problems.

Stop and think about what you just read...the answers you generate will surprise you! Please call Patti (Ext. 15) or Dan (Ext. 20) for more details.

is a power outage. The generator should be pre-wired to the building’s essential electrical current.

Finally, you should have a disaster kit, which costs less than \$100 to assemble. The kit should include the following:

- First-aid kit and blankets
 - Flashlights and batteries
 - Pencils and pens
 - Paper Towels and waterproof plastic bags
 - Camera loaded with film (extra film and batteries)
 - Tool kit (wrenches, socket set, gloves, crowbar, screw drivers, etc.)
 - Bottled water and nonperishable food
-

Rosemary Herndon wins Referrer of the Year award!

Our sincere congratulations go out to Rosemary Herndon for winning our referrer of the year award. Rosemary won a 27” flat panel TV. Rosemary’s name was drawn at random from the list of all of our customers who have referred their friends and family. Rosemary has been with the agency for many years. Thank you again to Rosemary! You too could win our Semi-Annual Grand Prize give away June 15th...just send us referrals and we’ll be sure to enter you into the drawing!



When was the last time you reviewed your Building Values?

The cost to rebuild buildings (offices, garages, shops, etc.) today has increased dramatically due to the lack of supplies that have resulted from the hurricanes and the reconstruction of Iraq. If you haven’t reviewed your building limits in awhile, please call Wendy (Ext 10) or Kelly (Ext 16) to discuss today!

Tax Tips and Ideas

Courtesy of Morgan Klemm, CPA of Spragg & Klemm CPA LLC

With 2005 behind us and the new year underway, I am sure many of you are working hard to close your books and are busy getting organized for your income tax preparation. I thought I would address just a few topics briefly that you, as a business owner or manager, may find informative at this time of year.

New six-month automatic extension for most 2005 returns The IRS has issued new regulations allowing most individuals and businesses to request a six-month automatic filing extension on a single form for 2005 returns. For example, an individual can get an automatic six-month extension to file an income tax return by submitting a timely, completed application for extension on Form 4868. No signature or explanation of why an extension is sought is required. Taxpayers must still estimate their tax due and pay that amount. Thus, by filing Form 4868, an individual whose 2005 return is due on April 17, 2006 (April 15th falls on a weekend) will automatically have until October 16, 2006 to file their 2005 return. Under prior rules, to get a six-month extension, you had to file one application for an initial four-month automatic extension, and then use a second one to ask for a two-month discretionary extension.

2006 mileage rates announced For 2006, the optional standard mileage rate drops to 44.5¢ per business mile, down from 48.5¢ for the last four months of 2005. The 2006 rate for computing deductible medical or moving expenses drops to 18¢ a mile, down from 22¢ for the last four months of 2005. A person who uses a vehicle in providing donated services to a charity for relief related to Hurricane Katrina during 2006 computes the charitable mileage deduction by using a standard mileage rate of 32¢ (rather than the usual charitable standard mileage rate of 14¢). Additionally, volunteers may be reimbursed by a charity for the cost of driving their cars for the charity's benefit in connection with providing donated services for Hurricane Katrina relief during 2006. These volunteers may exclude a reimbursement of up to 44.5¢ per mile.

Reminder: You will need to separate your business, commuting and personal mileage by date when organizing your records to meet with your tax preparer. Your records will need to reflect mileage from January through August 2005 and September through December 2005. This is the result of having two standard mileage rates in effect for 2005.

Electing Section 179 Deduction The Section 179 election is made on an item-by-item basis for qualifying property. The election is made when the return is filed. The maximum Section 179 deduction for 2005 for federal purposes is \$105,000. No more than \$25,000 of the cost of most heavy SUV's (Sport Utility Vehicles) placed in service after October 22, 2004 may be expensed under Code Section 179. The maximum deduction for Wisconsin remains at \$25,000 for 2005.

Consider a SEP for 2005 An advantage to a SEP (Simplified Employee Pension) at this time of year is that a deduction can be claimed even though the SEP is established and funded after year-end. This tax saving opportunity is particularly valuable for small businesses and sole-proprietors who have not previously set up a retirement plan for the business.

- Contributions to an SEP are deductible by the employer and excluded from the employee's income.
- A SEP must be adopted and contributions made by the due date, including extensions, for filing the employer's tax return for the year the plan is to be effective.
- Participation and nondiscrimination rules apply if a business has multiple employees.
- There is no requirement that a contribution be made each year.
- For 2005, the contribution limit is the lesser of \$42,000 or 25% of the employee's compensation
- Contributions are made to traditional IRAs set up by eligible employees. Employees are immediately vested in contributions made to their IRAs.

Discuss with your tax preparer or financial advisor what investment choice is best for you specifically. There are many options available to you, only some of which may work for you based upon your personal income tax and investment strategies.

Suggestion: Work with your tax preparer periodically throughout the year to ensure that you are able to take advantage of sound income tax planning and strategies in a proactive manner. Getting together earlier in the year also eliminates most surprises related to your tax liability and less stress for you at tax time.

Best wishes for the tax season! Please contact Spragg & Klemm CPA for more information at (608)356-1040!

REFERRER OF THE QUARTER

Referrals are the lifeblood of any business and there's no better source than you, our clients.

Once a quarter we will draw a name out of all of our referrals. The fourth quarterly winner for 2005 is **Diane Stanley**. Diane wins a \$50 gift card from American Express. We thank Diane for all her business and her referrals!

For every referral you give us, you'll get a \$10 gas card, plus be entered into our monthly drawing to win a \$25 American Express Gift Card. Once a quarter, we'll give away a \$50 American Express Gift Certificate. Finally, you'll be entered to win a **Dell E310 PC with a 17" Flat Panel Monitor with over a \$700 value**, to be given away in our Semi-Annual Grand Prize Giveaway on June 15th and December 15th.

"The world is full of willing people, some willing to work, the rest willing to let them."

Robert Frost

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Postage

Staff Directory

Portage Office (608)742-5548

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Portage	Ext	
Dennis Rupers	14	PL Manager/Sales
Lynne Clark	10	Policy Customer Service
Baraboo		
	Ext	
Eric Lewison	18	Agency Manager
Dan Lewison	20	CL Account Executive
Rick Lewison	21	CL Account Executive
Wendy Gerken	10	CL Account Manager
Kelly Okapal	16	CL Customer Assistant
Patti Boehlke	15	Life/Health/Annuities
Nancy Howard	12	PL Manager/Sales
Pam Bredesen	19	PL Policy Changes/Billing
Matt Klemm	14	PL Sales/Claims
Kerry Alaimo	13	PL & CL Customer Assistant
Mary Randazzo	17	Bookkeeper

CL—Commercial Lines (Business Insurance)

PL—Personal Lines (Auto, Home, Etc)