

Risk Manager

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On the road again. . .avoid business risks

When an employee drives on business, your company is technically behind the wheel. Whether the road trip involves several delivery vans or simply one employee driving his or her car to the office supply store, your business could be held responsible for any accident that may occur during the trip. According to the most recent data provided by the National Institute for Occupational Safety and Health (NIOSH, 2004), the Bureau of Labor statistics reported that between 1992 and 2001, motor vehicle accidents were the leading cause of on-the-job fatalities, accounting for almost one quarter (22%) of workplace deaths.

A business auto risk management program ideally addresses any and all automobile risks your business may face on a day-to-day basis. Fleets, passenger cars, vans, and other vehicles employees drive on company business, should be factored into your risk management program. Without proper planning

and insurance, transportation operations, such as sales calls and errands that require employees to drive their personal vehicles or one owned or leased by your company, may result in business loss. Taking preventative action to reduce motor vehicle accidents before they occur is the first step toward any successful business auto risk management program.

There are many strategies you can use to improve the safety of your employees on the road, but they all share one important focus—prevention. Here are a few suggestions:

- **Screen your job applicants.** Anyone can have a car accident, no matter how well he or she drives. Inquiring into a job applicant's driving record and performing drug tests could save you from hiring a potential risk. Driver attitude and behavior also are important considerations.

- **Encourage seat belt use.** According to the Network of Employers for Traffic Safety (NETS, 2005), many lives could be saved if seat belts were used consistently. NETS found that if seat belt use increased to 85%, 4,194 fewer deaths would result nationwide.
- **Purchase "safe" cars or trucks.** Vehicles well equipped with safety features will better protect your employees if they are involved in an accident. Seat belts may be considered the most effective form of protection and can be found in every new vehicle, along with airbags. Anti-lock brakes and daytime running lights are also important safety features.

Even your best efforts cannot stop all accidents. An effective business auto risk management program is not complete without a sound insurance plan. It is important to know what your business auto policy

Did You Know

Protect your business from cybercrime

Security breaches on the information superhighway seem to be an increasingly serious problem for corporate America. Hackers, disgruntled employees, computer viruses, and fraud all wreak havoc that could run as high as several hundred billion dollars annually. Such losses associated with com-



puter break-ins could threaten the existence of any business.

Savvy Detective Work

Perhaps security crime is worsening because the workplace is increas-

ingly dependent on information technology, such as shared networks and the Internet. To protect the workplace from these unconventional and extremely costly property risks, business owners should consider implementing their own cyberspace policing system.

Here are a few elements to help prevent computer crime:

- **Establish and implement security procedures.** Developing a policy at the highest levels of the company will help transform information technology concerns into a “high-profile” issue. Maintaining tight security around mainframe computers and local area network file servers will aid in the prevention of computer breaches and fraud.
- **Equip computers with passwords and anti-virus software.** Passwords help deter hackers from cracking codes and may be one of the easiest methods to help prevent computer break-ins.

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Ease the pain of computer strain

The age of computers has certainly raised some interesting ergonomic issues for office employees. Here are some tips that may help reduce neck, back, shoulder, and wrist aches commonly attributed to keyboard strain:

1. Adjust your computer screen so your eyes are level with the menu/tool bar along the top of the screen.
2. Keep your neck upright and straight. Avoid turning your neck to the side for prolonged periods while working on the computer.
3. Keep your shoulders relaxed.
4. Keep your elbows at a 90° angle, no more.
5. Sit up straight and keep your lower back slightly curved inward. An ergonomic pillow can offer additional support.
6. Adjust your seat so your thighs are horizontal and your feet are flat on the floor. Maintain at least two inches of space between the edge of your seat and the back of your knees.
7. Use a wrist rest.

Cell Phone Stats

More than 175 million people use cell phones, according to the Cellular Telecommunications & Internet Association (2005). As more people have begun using cell phones, the number of motorists “talking and driving” has increased. The National Highway Traffic Safety Administration (NHTSA, 2004) suggests that distracted drivers—including those on cell phones—cause a quarter of all motor vehicle accidents.

E-mail Abuse

A growing trend these days is for employers to keep track of employees’ e-mail. According to a survey by the American Management Association (AMA, 2005), and The ePolicy Institute in Ohio, more than half (55%) of companies surveyed monitor the e-mail of their employees. If an employer finds workers using e-mail for personal use, there can be consequences for the employees, such as probation or termination. The survey also reports that nearly 25% of companies have terminated employees for abusing e-mail.

Teen Unemployment

While a summer job may be a rite of passage for many teens, it seems that the number of teens working is on the decline. According to *USA Today* (2005), the teen unemployment rate in 2004 was the worst it’s been in half a century. While figures are adjusted seasonally due to a teen’s typical schedule, the teen unemployment rate was just under 20% heading into the summer months. This may be good news for employers’ whose businesses thrive with teen employees.

For Your Information

Safety Magazine

Building safety into your business is easier with the right resources. The National Safety Council's monthly magazine, *Safety+Health*, can help you stay current on the latest safety trends. This magazine covers issues such as legislation, workplace issues, and statistics pertaining to safety. The fee is minimal, and if you are a member of the National Safety Council, you qualify for a discount. For more information, visit the NSC online at www.nsc.org.

Yes, We're Open

If a disaster were to strike your business, would you be able to reopen? According to the Institute for Business and Home Safety (IBHS, 2005), more than a quarter of businesses never reopen after experiencing a disaster. With this in mind, the IBHS has a section on their website devoted to helping businesses manage the challenge of continuing operations during hardship. Access the Open for Businesssm Resource Page by visiting www.ibhs.org/business_protection/.

Stay SHARP

Is your business an example of the highest safety standards? If so, you might want to look into the Safety and Health Achievement Recognition Program (SHARP) run by the Occupational Safety & Health Administration (OSHA). If your business meets all the criteria, you would be exempt from OSHA inspections for up to one year. For the list of criteria and more information on getting SHARP certified, visit OSHA online at www.osha.gov.



Insurance options for your home-based business

Your computer is stolen while you're away for the weekend. Important business files are destroyed when water floods your basement during a heavy downpour. A courier slips and falls on your driveway and is injured while delivering a package. These are typical perils a home-based business may encounter—instances that, at the very least, can cause some financial strain and, at the worst, can drive you out of business—unless, of course, you have adequate insurance coverage.

Many home-based business owners tend to overlook additional coverage because they believe their **homeowners** or **renters policy** will come to their aid. In most cases, if the required coverage is not in place, owners might be in for a rude shock. Homeowners policies provide limited coverage (typically around \$2,500) for business equipment, which may be inadequate for most high-end personal computers and printers. In addition, **liability coverage** is unlikely if someone is injured on your property during business hours. Also, income losses due to business interruption do not come under the purview of a homeowners policy.

To adequately protect a home-based business, owners have three choices: 1) obtain **endorsements**, or added coverage, to their existing homeowners or renters policy; 2) buy a policy that specializes in business conducted from home; or 3) buy a policy tailored for small businesses. A consultation with your insurance professional can help you assess what option is best for *your* particular situation.

"Beefing Up" Your Homeowners Policy

Depending on the *type* of business you run, you may be able to increase

your homeowners policy limits for business equipment and general liability for a small, additional premium. Bear in mind, however, that most homeowners policies exclude flood coverage, so if you are located in a flood zone, you may need to get a separate flood insurance policy.

An In-Home Business Policy

In-home business policies, on the other hand, provide more comprehensive coverage. For instance, you can choose higher limits for business property, as well as business interruption coverage that will provide for lost income and ongoing expenses if you are unable to operate your business because of damage to your home. This is in addition to several other business-related coverages that are typically unavailable in a homeowners policy.

A Business Owner's Policy

Lastly, for business owners with more involved operations, including manufacturing and other operations outside the workplace, a business owner's policy (BOP) may provide a better fit. The BOP is a comprehensive package designed for most small businesses.

Irrespective of the size and scope of your home-based business, you need to put in place appropriate insurance coverage that provides adequate protection for all your business needs. Therefore, it's always a good idea to discuss details with your insurance professional who can help assess your particular needs and help you make an informed decision. Please give us a call or stop by.



Protect your business from cybercrime

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Efficient use of this technique may include frequently choosing and changing unusual passwords to keep potential hackers guessing. Additionally, viruses lurking in cyberspace may infiltrate computer systems and render them useless. Anti-virus programs provide protection against these attacks, and businesses may want to consider updating this software periodically to combat the arrival of any new viruses.

- **Install firewalls and data encryption technology.** Firewalls block unwelcome cybersurfers from direct access to company computers and data. They are also used to restrict employees' personal use of the Internet during

office hours. These security devices inspect every approaching Internet connection and use a predetermined set of rules to determine whether to allow that connection. Likewise, data encryption, in which information is transmitted encoded, requires a particular "key" to unscramble the data on the receiving end. An encryption device will help prevent unauthorized individuals from obtaining and misusing sensitive information.

- **Provide advanced protection with detection and monitoring devices.** These additional security features raise red flags or warning signals to companies, because they identify repeated

attempts by unauthorized individuals and hackers to break into a system.

Plan of Attack

Prudence may be the driving force behind the success of any security program. Along with common sense procedures, businesses should consider implementing software and other security measures. They should also assess how sensitive their information is in order to structure a system with the appropriate level of security. Businesses may also investigate Computer Fraud Insurance to protect against losses their security measures couldn't prevent. Please give us a call. We can help you evaluate your needs and create affordable solutions to help combat potential computer breaches.

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covers and what it does not. You'll find your coverage is detailed on the policy declaration page. As your business grows and changes, make sure your insurance protection keeps pace. The following are further loss control considerations regarding business autos:

- **Consider non-owned auto coverage.** Be certain your policy covers your employees' use of their own vehicles for company purposes. Your policy should indicate coverage for "non-owned autos." This is often designated by

"Symbol 9" in the "Covered Vehicles" section of your declaration page.

- **Choose the same carrier.** Depending on the nature of your business, careful consideration should be given to having your business auto policy and your commercial general liability policy with the same insurance company to eliminate the possibility of coverage gaps. This is especially important if your operations involve frequent loading and unloading of vehicles.

Also consider coverage for vehicle contents. A sound auto risk management program analyzes the best ways to protect your property, or your customers, from fire, theft, collision, and other losses.

There are many options available to meet your business auto needs. Analyzing your company's current operations will help identify high-risk exposures, and find effective methods for loss prevention. Remember—a quality business auto risk management program can have a positive effect on your company's bottom line.