

COMMERCIAL CONNECTIONS



FALL 2010

IN THIS ISSUE:

Safe Driving

Winter Worker Safety

Building Codes Are Changing

Power Outages and
Equipment Breakdown

Trees Can Be 'Falling Objects'

Covering Payroll

SAFE DRIVING

Encouraging employees to drive safely in the course of employment is more than good advice; it may just be the encouragement a worker needs to stay alive. According to the Bureau of Labor Statistics, motor vehicle-related incidents are consistently the leading cause of work-related fatalities in the United States. Of approximately 5,700 fatalities annually reported by the BLS, 35% are associated with motor vehicles. Between 2002 and 2008, on average:

- 1,354 workers died each year from crashes on public highways
- 324 workers died each year in crashes that occurred off the highway or on industrial premises.
- 358 pedestrian workers died each year as a result of being struck by a motor vehicle.

Improving safe driving at your business may be as simple as taking a few steps, such as:

- Making sure your drivers have enough sleep— Watch for signs of fatigue and survey drivers about their sleep habits.
- Prohibiting driving while on substances that cause drowsiness—It's not only illegal drugs or alcohol that cause disorientation and slow reactions. Over-the-counter medications for colds and muscle pain can have the same effect, as can some prescription drugs. Always ask.
- Mandating safe-driving courses—It may seem like something we all know, but an annual review course can keep safety top of the mind.
- Forbidding cell phone use behind the wheel—Institute a no-calls, no-texting policy, check drive times against phone records, and punish violators.

Of course, leaving enough time for deliveries or meetings between departure and arrival is key so no one is rushed, and emphasizing from the top down that safe driving is important can make it part of an overall culture of safety.



Winter Worker Safety

As cooler temperatures set in across the country this winter, the National Safety Council reminds employers of a risk that, surprisingly, increases significantly during cooler months—fire.

Each year, according to the NSC, thousands of Americans are killed resulting from fires, flames and smoke. Many of these deaths occur at work. There are many reasons, including old or damaged wiring, malfunctioning HVAC equipment, improper use of space heaters, combustibles piled near heat sources, overloading of outlets, taping overload kill switches and general ignorance of appropriate responses to a fire when it starts.

Employers should take precautions: inspect for potential hazards, prepare workers on the proper use of fire extinguishing equipment, train them to identify exposures and report them immediately, and run all employees through a yearly evacuation exercise.



Trees Can Be 'Falling Objects'

With the approach of winter, the weather can be expected to bring some strong winds and, in many places, ice and snow, making falling tree limbs a hazard. At all times of the year, dead boughs can break off and cause serious structural damage to your business or vehicles in your parking lot.

Not all commercial property insurance policies will cover damage caused by falling objects. Lack of insurance coverage means the cost of fixing any damage will be paid directly by your firm.

Does your business's property policy cover damage caused by falling objects? If not, there's good news. Most policies can be easily amended to do so. If you are in a wooded area or have exposure to overhanging or nearby tree limbs that could cause property damage or injury, it is worth reviewing your options on such an amendment.

Building Codes Are Changing

If your business's premises are damaged by a covered loss, you might run into a surprise cost that isn't covered under your current insurance. Today's building codes set significantly higher and costlier standards, and rebuilding after a covered event, such as fire or wind, could mean incorporating new materials or even tearing down undamaged portions of an affected building. In fact, local ordinances in many communities require that a building which is more than 50% damaged be torn down and rebuilt from the ground up.

It all depends on the codes in your locale. In some areas, earthquake-resistant or wind-resistant materials and engineering are required. In others, certain environmental codes must be observed.

Ordinance and law insurance is an endorsement that can be added to your commercial property policy. It provides payment for exactly such circumstances. Some commercial property insurance policies may include ordinance and law insurance; many others will not. If your district requires environmental upgrades, you might need more than ordinance and law coverage; you might need a "green" policy, which are now widely available.

For help in determining how your policy would cover the costs to repair or rebuild to code in your jurisdiction, please give our office a call.

Power Outages and Equipment Breakdown

Would a loss of power or lack of access to heating or cooling equipment cause your business to suffer? Could it cause damage to your building or leave you with spoiled inventory that would be costly to replace?

Standard property insurance is designed to cover many types of potentially damaging losses, but it typically will not cover damage to your building or its contents resulting from a lack of power supply or broken down equipment. Many such losses are insurable by amending your business's property insurance policy. Other exposures must be addressed by a separate insurance policy.

Have you considered what this exposure could cost your business? Our service team will help you identify the breadth of your business's exposure and offer the best solutions to minimize a loss's overall impact on your bottom line. For more information, call today.



Covering Payroll

An important expense that your firm could face after a damaging loss, such as a fire or windstorm, is payroll.

If your firm is insured under a business owners policy, there's good news and bad news when it comes to payroll. The good news is that the business income coverage offered by that policy will continue to compensate employees for up to 60 days after the loss. Unfortunately, many losses take longer than 60 days to resolve, especially if there is heavy

damage or widespread destruction of multiple businesses in a region.

Many business owners policies offer the opportunity to increase ordinary payroll coverage beyond 60 days. These enhancements can often be added before your policy renewal, so if you think your business should boost its business income payroll coverage, give us a call to talk about the possibility of amending your policy.

