

Risk Monitor



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Why an Annual Business Insurance Review is Crucial to Your Evolving Business

Most new business owners are concerned that everything is favorable for the success and safety of their business, which includes obtaining the protection of business insurance. However, longevity and success can cause complacency.

Let's say you started your business 10 years ago with just a small space and computer desk. Today, you have an office full of employees and equipment. Do you still have the same insurance policies from 10 years ago? If so, you might not realize how under-insured you've become.

Business owners need to ensure they're annually reviewing their business insurance programs. Errors happen and circumstances change, even when policies were initially obtained with care and caution. Without yearly examinations, substantial expense and risk can ensue.

It's common for small businesses to start out with basic insurance, such as commercial property and general liability policies. However, as they evolve, most find they need other types of insurance, such as:

- Excess Liability or Umbrella—covers claims exceeding your standard policy's limits.
- Workers' Compensation—once your business reaches a certain number of employees, this type of insurance will actually be required in most states to provide payments for an employee's lost wages and medical expenses following a workplace injury.
- Professional Liability—covers your company-provided mistakes and usually your attorney fees.

- Hired, Non-Owned Auto—protects your business should an employee cause a vehicle accident in their personal or rented vehicle.
- Commercial Auto—for vehicles used in the course of work.



- Employment Practices Liability—coverage for HR issues, such as those related to termination, harassment, and discrimination laws.
- Directors and Officers Liability—financial protection for directors and officers should they be sued for wrongful acts stemming from performance of their duties.
- Employee Benefits Liability—covers liability issues from an omission or error in the administration of an employee's benefits that results in the employee incurring a cost for example, a terminated employee losing benefits after not being provided with COBRA information.

Depending on your business, many of these insurance programs may be essential to adequately protect yourself. An annual insurance review is an

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Why You Should Require Liability Insurance From Those With Whom You do Business

Are the people you do business with insured? You may want to ask them.

If a vendor, contractor, cleaning crew, gardener/arborist, or other service provider does not have insurance, you may be out of luck if they cause property damage or injury. Also, people who do not carry insurance are probably less likely to be responsible than those who are insured. They may not be the ideal people you would want to hire. It's worth paying a little more to get someone who is insured.

Never just take the word of a vendor. Many who are not insured may say "yes" because it's likely they don't want to embarrass themselves. Instead, ask them to have their broker send a certificate of insurance. By having their broker send it to you, you know the policy has been paid for and has not been cancelled.

Some vendors, especially small firms, will try to convince you that they do not need insurance. Do not fall into this trap as you will be letting an amateur convince you to purchase a product or service that lacks the protections an insurance policy provides. As a courtesy to existing clients, we can give you advice on any insurance certificate that is emailed or faxed to us.

Suggestions on who you should ask for insurance certificates:

- Contractors who are working on a home or a commercial remodel

- Repair or installation service for your auto, home, or business
- Service contractors, such as gardening and cleaning services
- Independent Contractors or Contract Employment
- Professional Services, such as a CPA, Consultant, Mortgage Broker, Staffing Firm, Insurance Broker, Architects/Engineers, and others who provide professional services (professional liability)
- People who rent or lease from you

Types of Insurance you should request:

- General Liability—for bodily injury or property damage
- Workers Compensation—for operations that have workers on your premise
- Commercial Auto Coverage—for those operating their own vehicles on the job
- Professional Liability (Errors & Omissions Insurance)—for those who provide professional services

Should you request a certificate for every purchase? It's your call, but if someone is entering your premise or you are purchasing a bigger ticket item, you should strongly consider asking for insurance documentation.

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ideal time to discuss these programs, as well as your need for them, with your agent. Ensure the following elements are considered as you begin the review:

- Revenue—more business is good, but it also means a greater potential for liability. Have annual sales changed?
- Property—have you added equipment, computers, and such that would create a need to increase your commercial property policy's limits? What about the building itself?
- Location—your business owner's or general liability policy could be impacted if you've added, closed, or moved locations.
- Travel—a hired and non-owned auto policy may be needed if your employees are frequently driving their own or rented vehicles.
- Employees—have you had an increase in your workforce, turnover rate, or use of contractors? Consider employment practices liability insurance for high turnover rates. Workers' compensation insurance may be a new requirement if you've added to your workforce.

- Services—are you offering additional services? For certain types of work, you may need additional endorsements to your general liability policy.
- Customers—are you serving new clients or industries? This may cause problems with your professional liability policy if you're servicing high concentrations of high-risk clients/industries.

The above answers will be different for every business and usually won't remain the same over the business's life, and that's why insurance isn't a one-size-fits-all, unchangeable product. Take advantage of these attributes and annually review your business for exposures and insurance needs. Insurance may not cover everything, but it can certainly mitigate your risks. Start your annual business insurance review today by setting up a meeting with your insurance agent to discuss the above issues and how they relate to your current insurance needs.



Why You Should Be Following Workplace Injuries

No matter what type of business you operate, all employers should be ready, willing, and able to conduct their own injury investigation immediately following an incident. Early intervention on your part will be essential in cases where there's been a serious injury or an injury of questionable nature. Such a proactive approach will allow you to keep the incident from spiraling out of control and reduce your liability exposure. After all, the last thing any employer wants to do is engage in costly court actions, some of which could spell the demise of the business.

The following are the three main reasons you should immediately investigate an incident:

1. This time will be your only opportunity to look into the legitimacy and cause of the injury while it's fresh, not possibly tainted by elapsed time.
2. It will be the best opportunity to make an informed managerial decision based on the most thorough understanding of the underlying cause of the incident.
3. It will be the best chance to obtain witness accounts of the incident. Time elapsing could allow witnesses to forget vital details, collude with others, or be intimidated into a false statement.

Now that it's clear why you need to investigate, you'll want to understand how to do so. An investigation is basically an objective, logical process that's conducted step-by-step. It's vital that assumptions aren't made and that conclusions aren't jumped to without completing the process.

It's best to designate specific individuals to carry out investigations. Of course, this designated investigator should thoroughly understand both federal and state laws. He/she should also understand the importance of keeping the results and details of the investigation confidential. Alternatively, it will also be of vital importance to the investigation process that your immediate supervisors have been trained to provide as much detail as they can about incidents.

The investigator will determine if a worker's workplace injury had any connection with their employment. For example, it needs to be determined whether or not the worker was exposed to a particular risk or danger at the time of the incident.

Keep these three essential steps in mind as you begin any investigative process:

1. Protect the incident site.

Make every effort to preserve the incident site until either it's no longer viable, legislative requirements have been met, or the investigation has been completed. If this isn't possible, then at least do what you can to make a thoroughly detailed representation of the site. You may use plastic containers or bags to help preserve the integrity of the evidence collected and prevent it from becoming contaminated. You may find it necessary to gather, remove, and store physical evidence in an alternative, secure area.

2. Document the incident site.

If possible, don't remove any physical evidence from the incident site until you've documented it with video, pictures, and drawings. The distance and physical location of evidence can be shown with a diagram. If any equipment was involved in the incident, you should document the machine's serial number, manufacturing information, and maintenance and service records.

3. Take witness statements.

Of course, you should in no way jeopardize or interfere with an injured worker receiving medical treatment. However, if the severity of the injury allows, you should obtain an immediate statement from the injured worker. Then, you should make a list of all potential witnesses and interview them as soon as possible. If feasible, you can sequester the witnesses and interview them separately to help avoid any possible collaboration, collusion, or intimidation from taking place. Make it perfectly clear to all the witnesses that they aren't to have discussions about the incident with other co-witnesses or co-workers. Make sure that the written statements from the witnesses are in their own words, even if grammatically incorrect. Ask the witnesses to sign and date their final statement.

It will be significantly easier for you to determine the validity of disability and compensation claims when you've used the above investigative process to determine the cause of the injury. You'll have the detailed documentation to address any questionable issues and possibly even thwart unfounded litigation claims.

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8. Of course, the physical computer isn't the only loss you can suffer. Keep a regular data backup schedule to prevent lost data due to equipment failure. It's also prudent to minimize how much intellectual property or proprietary data is stored in the hard drive.
9. Have a password system (preferably two-tiers) or a data encryption feature to protect your data.
10. Lastly, you might consider asking your employer to arm your laptop with a tracking device as a last line of defense. Tracking devices for computers operate much like

a LoJack system does on your car. Once the software is installed on the computer, it will run in the background without you even knowing it's there. Meanwhile, the program routinely reports the IP address your computer is using and who logged into it to the security company. In the event you report your laptop stolen, the security company can remotely change how frequently the above information is fed to them. Unbeknownst to the thief, the security company is tracking his/her location every time the computer goes online.

Ten Loss Control Tips to Keep Your Work Laptop Safe

The growing trend of staying competitive by using the mobility and freedom provided by technology can often be a double-edged sword. While taking your show on the road to off-site business meetings is a lot more efficient and easier when everything you need to make an eye-catching presentation is right there on the laptop, the mobility of technology does open the door to losses from theft.

Here are some simple loss prevention practices that employees can adopt to ensure their laptop stays safe and secure at and away from their worksite:

1. Carry the laptop in a case that doesn't stand out or scream expensive technology with logos or emblems. The idea is that only the carrier knows the case contains a computer. To bystanders, the case could be full of useless papers or files.
2. When traveling, use the hotel safe to store your computer. Never leave an unattended computer in a hotel room. Hotels usually warn customers that they aren't responsible for valuables left inside rooms. And, don't think that a locked room door is a sufficient safeguard. Cleaning services routinely leave rooms wide open as they're being cleaned, meaning a passer by could easily swipe your computer while they are busy cleaning the bathroom.
3. Never leave a laptop on the seats or otherwise in plain view in a vehicle, even a locked vehicle. Trunks are also a highly-targeted area for thieves, as many assume this is where most people will try to secure their valuables. Whenever possible, take the computer with you or leave it in a more secure locked location.
4. Make sure that your laptop will be secure during breaks if you're at an off-site meeting. Ask if the various entrances and exits will be locked during breaks and then observe to make sure the room is indeed secure before leaving your laptop. If any question, then carry your laptop with you.
5. Avoid checking your laptop as luggage during flights. There's too much opportunity for it to be stolen or damaged. Remove the laptop from its carrying case and give it to the guard before you go through the airport security metal detectors.
6. Write down the serial number, make, and model of your laptop and keep this information separate from your laptop.
7. Even in your own office, you need to make sure that you store your laptop in a secure location when you aren't using it, take lunch, or need to run to another area of the building. A good rule is to lock up your computer if you can't directly see it from your location.

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