

Commercial Connections

Before You Buy a Commercial Vehicle

Looking to expand your fleet? It's important for the vehicles that represent your business to look the way you want them to look and work the way you need them to work. Naturally, safety is part of the equation, too. Auto accidents are the most frequent cause of death and serious injury for workers in the U.S. annually. A little research could go a long way in protecting your drivers if they are involved in an accident.



When considering which vehicle to add to your fleet, review the following websites for information about the vehicle's safety and reliability:

- **The Insurance Institute for Highway Safety—www.highwaysafety.org**
Use this resource to research ratings for important features like front and side collision protection and electronic stability control.
- **The National Highway Traffic Safety Administration—www.safercar.gov**
This site uses a star rating system for crash protection and other important features. If safety is a priority, a four- or five-star rating from this agency is a must.
- **Consumer Reports—www.consumerreports.org**
Independent testing is this organization's brand. Visit the site for non-governmental opinions and independent rating systems judging everything from safety to price justification.

Employee Liability in Work-Related Auto Crashes

Employees who use their own vehicles in the course of business may assume that the employer's auto insurance will protect them from any lawsuit or claim resulting from an accident occurring while on duty. After all, why would any employee agree to use their own car on business if they were left to manage the cost of an accident personally?

Here's the problem—while business auto policies protect the employer from loss in this situation, the policy does not extend coverage to employees for their personal liability while using their personal autos for business. The employee is provided protection only under the employee's personal auto policy, and if those limits are not sufficient to cover the employee's share of the damage, the remainder will likely be paid from one source: the employee's pocket.

There are methods available to fix this problem, and our service team is ready to help. If your firm's operations involve employees using personal vehicles, give us a call today.

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After a Workplace Injury

Occupational Safety and Health Administration (OSHA) fact sheets are a helpful resource to employers hoping to minimize the severity of workplace injuries and avoid costly workers compensation claims and OSHA citations. To clarify some of the confusion with recording injuries, as well as the action OSHA expects employers to take after an injury, consider the following information included in its “OSHA Requirements When a Worker Experiences a Job-Related Injury or Illness” fact sheet:

Recording Injuries and Illnesses

Most employers in high-hazard industries are required to keep records of injuries and illnesses experienced by their employees. An annual summary of these injuries and illnesses must be posted in the workplace from February 1 to April 30. Details on record-keeping requirements and forms are available from OSHA’s website at www.osha.gov. The website also offers training to help employers complete the forms. Those with 10 or fewer employees are exempt from injury and illness record-keeping requirements except when selected by OSHA or the Bureau of Labor Statistics to participate in a mandatory data collection.

Providing First Aid

Employers who cannot reach a hospital, infirmary or clinic within a reasonable amount of time must be prepared to provide first aid to workers who experience injuries or illnesses on the job. OSHA requires that adequate first aid supplies must be readily available and that someone must be adequately trained to administer first aid.

Reporting Catastrophes

When a worker is killed on the job and/or three or more workers are hospitalized, the employer must report this to the agency within eight hours. Fatal heart attacks also must be reported. Employers can call the nearest OSHA area office or the agency’s toll-free number, (800) 321-OSHA, to provide this information.

Planning Your Year-End Bonuses

Your firm has had a good year despite the economic climate and your employees are worth retaining, so your management has decided to go ahead with bonuses for your top performers. Super!

But wait. Is your good will going to result in claims of discrimination from moderate or under-performers? Does that mean you have to “reward” everyone just to dodge a costly complaint?

The answer should be no. You should be able to reward those most valuable to your firm in a special way without encountering legal challenges. The key is to structure compensation with fairness of opportunity and transparency. Your legal counsel can best advise you on creating a bonus system that doesn’t run afoul of the law, but some of the basics include informing employees of the opportunities and criteria up front, evaluating performance based on the stated criteria, remunerating based on the evaluations, and keeping everything in writing.

Alternatively, you can do what one insurer up north did: The highest-level managers forswore their bonuses so that everyone under them could take home an extra \$500 at Christmas. Talk about a morale booster!

If it’s too late to implement a bonus plan this year, consider creating one for next year. Whatever path you choose, guard against capricious awards of bonuses and always follow best practices in all your employment actions.

A Claim by Any Other Name Is Still a Claim

Many business owners mistakenly believe that a “claim” is a formal action by a claimant that includes forms and/or lawyers. As a result, they often fail to inform their insurers in a timely manner about developing claims. If a policyholder delays in notifying the insurer about potential claims, they can be denied coverage.

How does a business avoid this situation? First, review the insurance policy for information on what is considered a claim. For example, the policy may say that “any written demand for monetary or non-monetary relief” constitutes a claim; therefore, such notice should be reported to the insurance company. In some cases, “any written notice” may include e-mail or other correspondence that generally precedes action in the court.

Second, review the policy for information on when a claim must be received for coverage to apply. Most professional liability policies are provided on a “claims made” basis. This means the claim must be reported during the specified policy term. A claim reported a day after the term expires most likely removes the insurance company’s duty to defend and provide coverage.

If you receive notification or action by a client that meets your policy’s requirements for reporting, or if you are unsure about a complaint or demand by a client, call our service team to see if it should be reported to the insurer.

