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Your Business

Good safety practices or not, workplace injuries happen

Even employers with good safety practices sometimes forget the proper procedures to follow when a worker is injured. Here are a few good practices to keep in mind that can help you fulfill your responsibilities.

- If an employee gets hurt, your first concern always is to ensure they get the proper care, including informing them of their benefits.
- Know your legal duties. Read the documents sent by state authorities and your insurance agent.
- Abide by state reporting requirements.
- Investigate the accident, both for fulfillment of legal obligations (and obligations to the insurer) and to gather information to prevent the same event from happening again.
- Notify your insurer and company promptly and send all the information you have along with your report of loss. Your insurer must electronically file the required First Report of Injury or Illness (IA-1) form within three weeks of receiving your report of the accident or illness.
- Follow up with the employee. If the injuries are serious, be prepared to do what you can to help the employee return to work as soon as possible.

Employee participation in health and safety

Employee involvement in health and safety programs must include supervisors and senior management. Get employees involved in health and safety programs through committees, meetings, investigations and emergency medical response programs.

These are only some basic suggestions of what to do if or when an accident occurs. There is much more to know on the subject such as proper accident investigation, medical case management, return-to-work programs and more. Give us a call. We can help.

Safety audit

Consider an independent safety audit. An objective look at your company's safety program can point out weaknesses and ultimately save money. Sources include independent consultants, some insurance agencies or brokerages and some property/casualty or workers' compensation insurers. Another source is the National Safety Council, www.nsc.org.



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Umbrellas aren't just for keeping the rain off your head

If you think an umbrella is the thing that keeps rain off your head, think again.

It's hard to imagine a catastrophic incident involving your employees or occurring at your place of business—but it can happen. That's why it's important for your company to have a sound commercial umbrella insurance program in place.

In the event of catastrophic liability claims, commercial umbrella insurance provides a broader level of coverage beyond the scope of what your company's primary commercial liability insurance policies can provide.

Most commercial liability policies today are written for a \$1 million basic limit. An umbrella policy usually starts at that point and goes up. Because a true umbrella policy is broad and provides coverage to cover losses if the limits of the underlying policy have been depleted by claims, it is arguably the most important part of your liability protection plan.

Call us with any questions. The professionals at our agency will work closely with you to determine the potential risks your company



may face, identify potential gaps with respect to your primary commercial property and liability insurance policies and explain the nuances of how umbrella policies work. And, we'll work diligently to find the right carrier who can serve your needs best.

Free professional help

Surprisingly, many insurance buyers overlook one of the greatest resources available to them—the services available through their insurance agency and insurance company. Many insurers provide expert loss control, claims and other services to their clients at no additional cost. Typical services across all lines of coverage include claim detail analysis, litigation management and help in understanding the complexities of insurance policies.

The types, levels and quality of service can vary substantially from one insurer to another. It can pay to inquire as to what services are available

from your agency and the company with which your policy is placed and how the services may work to your company's advantage.



When an employee with problems becomes a problem employee

Sometimes it is necessary to fire an employee. However, it's important to avoid legal liability when taking corrective action against an employee. There are some steps you can take to protect yourself should an employee choose to take legal action against you.

Make sure all your employees are treated fairly

If everyone receives the same reprimands for the same violations or problems, it will be difficult for one employee to say that he or she was singled out and treated unfairly. Make sure these disciplinary actions are outlined in your employee handbook.

Managers or supervisors with the authority to discipline employees should be familiar with company policies and practices and know the correct actions that can be taken regarding other employees and their performance. Special training may be necessary to teach them how to take corrective action without humiliating the employee. Humiliation is one of the factors that may cause an employee to take legal action against his or her employer.

When a problem arises, document everything

Document the problems and any corrective actions that have been taken. If problems continue, issuing a verbal warning may be all that is needed to get the employee back on track. If this is not the case, a formal meeting or a review session to discuss the employee's performance in greater detail may be needed. Having written documentation outlining the problems could protect you, should the employee wish to file a wrongful-termination lawsuit.

Sometimes appearances can be deceiving and there may be legitimate reasons for a worker's performance and conduct. Consider investigating the situation to determine if a problem truly exists and if so the reasons behind it.

After you've assessed the situation, review your written policies to make sure you follow the process for disciplinary action outlined in your employee handbook.

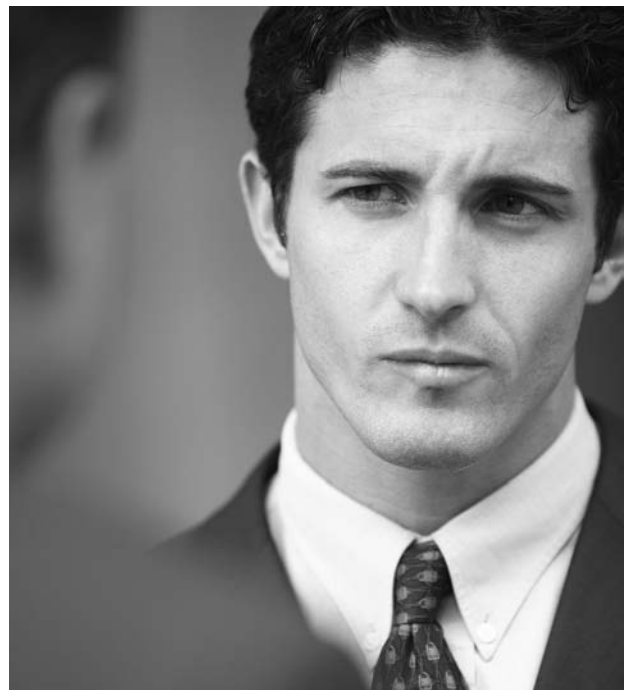
During the termination process

Review the employee's personnel file to make sure you've explored all your options and that there hasn't been any managerial misconduct that needs to be addressed first. Consult an attorney if you think there might be some issues that may cause you problems later.

Once you've decided to fire an employee, be firm about your decision. Show sympathy for the employee, however, do not say anything that can later be used against you should the employee decide to take you to court, such as, "I know your work has shown improvement over the last few months, but it still is not up to the company standards." Answer all the employee's questions and do not give him or her any untrue answers or reasons for the termination. Doing so to spare his or her feelings now may be grounds for a lawsuit later.

What about potential lawsuits?

Even if you've done everything right, there still is the possibility that a former employee will sue you. Purchasing employment practices liability insurance can protect your business by covering lawsuit costs and help pay judgments awarded to a former employee. Call us, we can discuss this insurance option with you and make sure you have the coverage you need.



Fatigue is a risk factor

In today's economy, employees often are asked to do more. Sometimes that extends to their hours of work. More and more employers are finding themselves liable for auto accidents caused by fatigued employees. New Jersey's sleep and driving law, also known as Maggie's Law, makes it illegal to knowingly drive a vehicle while impaired by lack of sleep.

According to the National Highway Traffic Safety Administration, more than 100,000 accidents are caused each year by driver fatigue. About 1,500 people die each year in accidents caused by drowsy drivers and more than 70,000 people are injured in such crashes.

A decision to reduce staffing that can result in increased workloads needs to be weighed against the possibility of additional liability. Aside from liability for auto accidents, there also is the risk of increased workplace accidents resulting in workers' compensation claims, possible property damage and lost production.

Without the proper designation for covered autos, an employer may not have coverage for the loss if it arises out of a fatigued employee operating his or her own vehicle. General liability policies exclude auto-related liability.

Fatigue is a risk factor that needs to be managed. This especially is true when motor vehicles are involved as the potential consequences are severe and coverage may be in question.

Call our agency. We'll discuss your insurance liability with you.



N.J. extended dependent coverage

New legislation signed into law by former acting Gov. Richard Codey allows eligible dependents to remain on their parents' health insurance until the dependent's 30th birthday. The new law applies to insurance policies, plans or contracts issued or renewed on or after May 12, 2006.

The law will affect employers that provide employees with health care through insurance policies issued in the state. It does not apply to the self-insured plans.

To qualify as a dependent, he or she must be under 30 years of age; unmarried; without a dependent of his or her own; a New Jersey resident or enrolled as a full-time student at an accredited college; and not receive coverage under any other group or individual health benefits plan or be eligible for Social Security benefits.

Extended coverage can be elected within 30 days prior to "aging-out" of coverage, within 30

days after meeting the qualification requirements or during a future enrollment period. The coverage must be identical to that received prior to "aging-out."

Policyholder premiums can be up to 102 percent of the applicable portion of the premium previously charged under the policy. The premium typically will consist of the difference between single employee and employee plus one, or family coverage. Premiums may be paid on a monthly basis.

Insurers are required to provide a notice of rights to the insured through the insurance certificate. Notice also must be provided to the insured by the insured's employer. Notice must be given on or before the date the dependent "ages-out" of coverage; when the dependent loses extended coverage due to marriage; leaves the state or ends full-time student status; or receives coverage under another group health plan.

Call us with any questions or concerns you may have.