

Risk Monitor



Inside...

PAGE 1...

Be Aware of Social Media's Risks for Businesses

PAGE 2...

Implement Procedures to Help Reduce Workers' Compensation Claims

PAGE 3...

Common Sense Tips to Avoid a Home Burglary

PAGE 4...

BLS Census Shows Top Reasons for Fatal Workplace Injuries



Be Aware of Social Media's Risks for Businesses

When just about any business these days is deeply involved with social media, it is apparent that these sites and tools have become mainstream. Indeed, it is hard to imagine that their use will not grow in coming years. They bring businesses to the places where their customers are and enable conversations. However, as with anything, the use of social media comes with risks of which every businessperson should be aware.

The great thing about social media is that a business's customers can talk about it. The bad thing about social media is that a business's customers can talk about it. When they're happy, social media is a boon, but when they're not, it can be a public relations nightmare. A disgruntled customer can post a negative comment on Twitter or



Facebook at 3:30 p.m. on a Sunday, and by 4:00 a few million people may have seen it or passed it on. There is little a company can do to control the spread of this kind of message.

A major concern with social media is that a business may unintentionally violate local laws and regulations, since messages on Facebook and similar sites spread all over the world. Among the areas of concern are:

- **Advertising** – Businesses may land in hot water if statements on social media sites are false or misleading, if they improperly influence bloggers to write favorably about their products, or if they improperly use user-generated content.
- **Defamation** – Not all countries defer to free speech rights to the extent the United States does. A statement that U.S. law might not consider defamatory may be just that under the laws of another country.
- **Privacy** – Social media sites are easy to use; without much effort, employees can publicly reveal trade secrets, information about products under development, troubles within the business, or even private information about employees.
- **Employee use** – Employees can create a "hostile work environment" (as U.S. law defines that term) by making inappropriate and derogatory posts about their colleagues.
- **Securities disclosure** – If employees post information that could appear to be an attempt to manipulate financial markets or that appears to be insider information, securities regulators may take action against the company.

continued on page 3

Welcome to the Galloway Chandler McKinney Newsletter!

It is with great satisfaction that we bring this newsletter to you. In this issue and in coming months, we will discuss pertinent risk management topics which may affect your organization. We sincerely hope that you will find this newsletter informative and please do not hesitate to contact us should you have any questions or needs.



www.gcminsurance.com



Implement Procedures to Help Reduce Workers' Compensation Claims

In today's tough economy where the cost of doing business continues to soar, companies need to take steps to operate as cost-efficiently as possible. Assigning a company's workers' compensation costs to a specific department encourages managers and group supervisors to pay close attention to safety and training programs, and to carefully monitor an injured employee's return to work. As an additional incentive to cut workers' compensation costs, claims reimbursements can be deducted from a departmental budget, rather than from a general fund.

Employers can take greater control of instituting and enforcing preventive measures and injury management procedures by initiating simple internal procedures that hold individual departments accountable for workers' compensation expenses. These procedures will help decrease both the frequency and severity of injuries, a win-win situation for employees and employers alike, resulting in reduced claims and reduced workers' compensation premiums.

By communicating directly with those employees who are potential workers' compensation beneficiaries, employers can more readily attain their safety goals. As a first step, employers should perform a simple analysis to identify high-risk groups based on a history of claims and injuries. Asking employees on a departmental level to think about and discuss the injury management process will improve communication among all parties in the working environment. Having at-risk employees talk about how a job can be performed more safely will produce the end result of reducing injuries. Conversely, asking employees to explain how injuries may occur because of unsafe equipment or incomplete work procedures will aid the employer in properly managing its safety procedures and work environment.

Too frequently, workplace injuries are not reported on a timely basis. Supervisors often fail to recognize and report accidents, hoping they will disappear without resulting in lost-time or medical expenses. This practice often causes greater expenses because the initial injury was not reported and treated immediately.

A 2000 Hartford study of more than 53,000 temporary total disability claims and permanent partial disability claims revealed the following when compared with claims reported within a week of the accident:

- 1-2 weeks after the occurrence resulted in 18% more expense;
- 3-4 weeks after the occurrence resulted in 30% more expense; and
- More than 1 month after the occurrence resulted in 45% more expense.

Expressing these somber facts with supervisory and management staff should result in the prompt reporting of injuries, thus

reducing their department's workers' compensation costs, as well as the company's.

The company can further reduce injuries within each department by emphasizing job safety during training programs, and by periodically reviewing work patterns. If an employee does become injured, the employer and employee should share the common goal of returning the employee to work as soon as possible. Both parties should desire the most effective medical treatment, a timely recovery, and a smooth, safe transition as the employee returns to the workplace.



Another benefit derived from each department being responsible for its own workers' compensation costs, is that departmental managers can have a hands-on approach in helping injured employees return to work. Instead of having the injured employee contacted by a third party (which is usually a claims adjuster or even an attorney), the employer's concern and response is directly communicated to the out-of-work employee.

Despite the fact that there are a few workers who intentionally defraud the system, they are very much the exception rather than the rule. Examining workers' compensation costs on a departmental level makes it much harder for malingerers to file fraudulent claims.

Since accidents do happen, it is not possible to eliminate all injuries and their resulting claims. However, the severity and frequency of injuries can be greatly reduced by placing responsibility for maintaining a safe working environment at the departmental level. In the long run, both the individual department and the company as a whole reap the rewards.



Common Sense Tips to Avoid a Home Burglary

When driving down a street at night looking at houses, you are most likely drawn to the house with exterior lighting, neatly trimmed landscaping, and lights on inside. That's because the house looks inviting and well cared for. Now imagine a burglar is driving down the same street. The things that drew you to the previous house are the same things that will turn that burglar away, looking for better opportunities. A property with no exterior lighting, overgrown landscaping, and possibly no one at home, invites criminal activity.

It is important to note that burglary is a preventable crime. Common sense dictates some of the steps you can take toward making your home safer and less attractive to burglars. The following are some general tips you should incorporate into your routine that can make the difference between the burglar stopping at your house or passing it up for another one further down the road.

The first line of defense between you and a burglar is to properly secure your home. Make sure your yard, driveway, and all entrances to your home are well-lit. Consider the use of lights on a timer or photocell, which turns lights on automatically at dusk and shuts them off at dawn. Trees and shrubs around windows should be cut back so you don't give a burglar a place to hide while preparing to enter your home.

If you are going to be away from home for a period of time, leave a light on. Lights left on indoors, especially those on a

timer that turn on when it gets dark and shut off at bed time, can be a large deterrent to a burglar. The goal is to make it look as if you are home. Ask a neighbor to pick up your newspapers and bring in your mail. Along the same lines, if you will be gone for an extended period, arrange for your lawn to be maintained. Permitting your grass to grow high or get dry is a sign of neglect and can invite unwanted attention. If you have a garage—use it. Parking inside your garage on a regular basis makes it more difficult for a burglar casing your home to know whether or not you are really there.

Burglars will usually spend about five minutes trying to get inside your home. Make that task as difficult as possible by doing the obvious—lock your doors and windows! If you forget to lock your back door, this can be viewed as an invitation by a bur-

glar looking to get in to your home quickly. In addition to the obvious, avoid spring bolt locks. It takes only a credit card to push open the bolt and allow access to the inside. Deadbolt locks should be installed on all exterior doors. The American National Standards Institute (ANSI) has established testing and ratings for deadbolt locks. Grade 1 locks are the best, with Grade 3 locks being easier to penetrate. Look for Grade 1 locks when shopping for a deadbolt. A key lock or pin-type lock work best for patio door, or any door with glass that could be easily broken to access a knob on a deadbolt. Heavy-duty strike plates should also be used to

prevent a burglar from successfully kicking in your door.

When purchasing a new home, make sure all locks have been changed. Also, think about calling a reputable locksmith who can advise you on proper locks for doors and windows. Carefully preparing your home, including adequate locks, lighting, and regular maintenance, can make the difference between a burglar deciding to make a stop at your house or to keep driving.

Common sense dictates some of the steps you can take toward making your home safer and less attractive to burglars.

continued from page 1...Be Aware of Social Media's Risks for Businesses

There are a number of steps a business can take to manage social media risks, including:

- Developing and enforcing a company policy for using social media
- Designating an individual as the point person for social media
- Learning the requirements of every country's laws and regulations

- Reviewing insurance policies with an eye toward social media risks and purchasing additional insurance to fill in gaps

Social media sites and tools are important ways for a company to market and brand itself. However, they must be used with care and forethought. With the proper controls in place, a company can reap the benefits of social media while minimizing the risks.

BLS Census Shows Top Reasons for Fatal Workplace Injuries

The Department of Labor's BLS National Census of Fatal Occupational Injuries for 2007, released in August 2008, showed that highway incidents were still the primary cause of on-the-job deaths, accounting for almost one out of four fatal work injuries. Although they remained the most frequent type of work-related fatality, the number of highway incidents fell by more than 3% percent in 2007, the lowest level since 1993.

Falls were again the second leading cause of workplace death. The number of on-the-job falls increased three percent in 2007, with 835 employees dying in this manner. Falls have increased by 39% since the census began in 1992. The increase in falls was driven by increases in falls on the same level as well as falls from non-moving vehicles. However, fatal falls from roofs fell from 185 fatalities in 2006 to 161 in 2007.

On-the-job homicides rose from the fourth to the third leading cause of death, claiming the lives of 610 workers. Just over 80 percent of those workers were victims of a shooting. However, the number of workplace homicides in 2007 declined by 44 percent from the high of 1,080 reported in 1994.

Being struck by objects ranked fourth, with 504 fatalities. The number of employees who were fatally injured from being struck by objects represented a sixteen percent decline from 2006, marking the second year of a downward trend in this category.

Deaths from fires and explosions decreased from 202 in 2006 to 151 in 2007, representing the lowest totals ever since the census began. Fatalities caused by exposure to harmful substances or environments were also lower in 2007. All of the sub-categories within this type of fatality showed decreases except for one. The death toll from drowning/submersion increased by 13%

The data also revealed some other key findings:

- Overall, 9 out of 10 fatal work injuries involved workers in private industry. Service-providing industries in the private sector recorded 48 percent of all fatal work injuries in 2007, while goods-producing industries recorded 42 percent.

- In the construction industry, fatalities fell. However, construction continued to produce the most fatalities of any industry in the private sector.
- The four occupations with the highest fatality rates per 100,000 workers were fishers and related fishing workers with a fatality rate of 111, logging workers (86), aircraft pilots and flight engineers (67), and structural iron and steel workers (46).
- Thirty states reported lower numbers of fatal work injuries in 2007 than in 2006, 19 states and the District of Columbia reported higher numbers, and one state was unchanged.



Risk Monitor

GCM
GALLOWAY-CHANDLER-McKINNEY INSURANCE
GCM
www.gcminsurance.com