



http://www.coupagency.com

49 Broadway
Milton, PA 17847
570-742-8736
800-ERA-COUP
FAX: 570-742-3711

110 Market Street
Lewisburg, PA 17837
570-524-9908
FAX: 570-524-5772



For more information or a quotation call 800-372-2687

Risk Review

Keeping you informed on *Business Insurance* issues



Volume 19, No. 4



Frozen Pipes: A Preventable Nightmare for Business Owners

As temperatures plummet, pipes can freeze and cause serious problems for business owners. Water expands as it freezes, which can cause pipes to crack or burst. Pipes with inadequate insulation and ventilation can also freeze. Certain pipes, such as those near exterior walls, and in crawl spaces, basements, attics, and garages, are most susceptible to freezing.

Follow the precautionary tips below to prevent frozen pipes this winter:

- Insulate all exposed pipes in unheated areas, such as crawl spaces and garages. Follow manufacturer's instructions when using heat tape, as improper usage can create a fire hazard. Also, be aware that heat tape can wear out, so be sure to check it frequently.
- Make sure all key employees know the location of the master water valve and how to shut off the water in case a pipe should burst.
- Shut off and drain water from pipes leading to outside faucets.
- Winterize sprinkler systems according to the manufacturer's recommendations. Use a compressor to blow out excess water to prevent frozen pipes.

- Leave cabinet doors open to allow more heat to reach pipes under a sink or appliance.
- Make sure heat is left on and set no lower than 55 degrees, even if your business is vacant.
- If you are going away, have someone check your business periodically to ensure that the heat is working properly.
- When weather is extremely cold, leave faucets dripping slightly to circulate water and avoid freezing.
- If a pipe does burst, shut off the water and call a licensed plumber. Quick action can minimize damage.

If you suspect a frozen pipe, call a plumber. Then, turn off the water and leave the faucets on. Never try to thaw a pipe with a torch or other open flame, and never use electrical appliances in areas of standing water, as electric shock is possible.

Damage caused by frozen pipes may be covered by business insurance. It is important to review your policy to know what it covers and to ensure that you have adequate coverage. To learn more about protecting your business and your equipment, contact one of our qualified insurance professionals.

Incentives to Encourage Workplace Safety

Achieving a safe workplace is nearly impossible without full employee cooperation, and an incentive program can help you achieve that goal. By providing small rewards to those who demonstrate safe behavior, you can motivate your workers to help reduce on-the-job accidents.

To get everyone involved, consider a company-wide meeting led by senior managers, and encourage employees to make suggestions for rewards. Prize ideas may include free lunches, gift certificates, t-shirts, or tickets to events.

Establish detailed criteria necessary for earning rewards, and communicate these criteria to your employees and supervisors before the program starts. Also emphasize to your employees that the incentive program should never deter them from reporting valid injuries.

Protecting Customers from Identity Theft

Identity theft can have devastating financial and psychological consequences. When thieves make purchases, empty bank accounts, or take out loans under other people's names, it can take months, or even years, for those who are victimized to restore their good credit.

Less well known is the catastrophic effect of identity theft on businesses that fail to adequately protect confidential data. "Losing" a customer's data can result in litigation or fines, and it may irreparably damage a company's reputation if a data breach is made public. Smaller companies, in particular, are at risk for identity theft, while larger companies have become more adept at warding off hackers and other thieves.

Here are some of the precautions business owners can take to reduce the risk of sensitive customer data falling into the wrong hands:

- Minimize the amount and type of information collected. The theft of Social Security numbers can be particularly detrimental to individuals, so companies should use other means of identifying customers, whenever possible. However, even phone numbers and birth dates can also be tempting to thieves.
- Conduct all electronic transactions through authentication systems with security designed to verify users.
- Establish a privacy policy with specific rules on the handling of customer data. Train all employees with access to customer data on these procedures.
- Authorize employees to view or handle data on a "need-to-know" basis. There are software programs available that allow you to monitor who is accessing data. If an employee leaves the company, access to company databases should be withdrawn immediately.
- Remind employees that phone conversations can be overheard and computer screens can be viewed by unauthorized individuals. Encourage employees to lock computers when away from their desks.
- Protect your computer network with firewalls that create a protective barrier between your company's network and the Internet.

- Use encryption when exchanging sensitive information with customers via a website or e-mail, and encrypt confidential customer data stored on servers and backup systems. Encryption software scrambles data during Internet transit, making it difficult for hackers to intercept and steal information.
- Install anti-virus and anti-spyware software on all company computers. Be sure the software includes automatic updates. As an extra precaution, remind employees not to open e-mail from unfamiliar addresses.
- Store information securely and shred old records. If it is not necessary to keep customer information online, store it offline in file cabinets, under lock and key. Avoid storing confidential data on discs or CD-ROMs.
- Protect hardware from tampering or theft. Thieves can tap into sensitive data stored on servers, hard drives, and notebooks if they find or steal the equipment. Notebooks containing sensitive customer information should not be taken outside the company, unless it is necessary to do so. Before disposing of old computer equipment, businesses should run hard-drive shredding software.
- Include as little personal information as possible in written correspondence to customers, as thieves can steal Social Security and account numbers by intercepting mail.

If a data breach occurs, prompt action will be required. Many states, in fact, have enacted laws governing the required response. At a minimum, suspend the compromised accounts immediately, and shut down the systems containing the data to prevent additional theft. Notify the police and the FBI of the breach, as well as any customers who might be affected. Your company's security systems will require thorough analysis to establish how the breach occurred, and steps must be taken to prevent future losses.

Insurance for data breach and other cyber crimes continues to evolve. We would be pleased to discuss with you how to protect your business.

For Your Information

Disaster Preparedness

The Institute for Business & Home Safety (IBHS) is a non-profit initiative of the insurance industry that works to reduce the effects of natural disasters on property losses by researching and advocating better construction, maintenance, and readiness practices. IBHS created the publication *Open for Business*® to help small- to mid-size businesses develop customized disaster preparedness and recovery plans. To learn more about property protection and business continuity planning, visit www.disastersafety.org.

Employing Teens

Millions of teenagers work part-time jobs to acquire the experience and skills that they will need as adults. Federal and state rules specify not only how many hours a week teenagers can work, but what type of jobs they can work. YouthRules! provides employers with the resources they need to comply with Federal and state rules and to ensure that teenagers have a safe working environment. For more information, visit www.youthrules.dol.gov.

Shipping Services

Are you looking for new ways to promote your business? The United States Postal Service (USPS) may be able to help you meet your business goals. USPS can help you find a cost-effective way to reach out to clients and prospects with direct mail or multi-channel marketing campaigns. To learn more about how the USPS can help your business market itself with letters, fliers, postcards, brochures, and more, visit www.usps.com.