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## Risk Review *Keeping you informed on Business Insurance issues*

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### Hazardous Noise on the Job

According to the National Institute for Occupational Safety and Health (NIOSH, 2009), over 22 million workers in the United States are exposed to hazardous noise on the job, and an additional 9 million are at risk for hearing loss from other agents and solvents. Extended noise exposure can temporarily cause ringing in the ears or other changes in hearing. The ears may also feel stuffed up. Short-term problems usually subside within a few minutes or hours after the noise ceases. However, repeated exposures to loud noise can lead to permanent, incurable hearing loss.

Certain occupations, such as agriculture, mining, construction, manufacturing and utilities, transportation, and the military, are prone to higher noise levels and, therefore, pose a greater risk of hearing loss to workers. According to NIOSH, industry-specific studies reveal that 49% of workers in the mining industry are likely to experience hearing impairment by age 50, compared to around 9% of the general population. This figure rises to 70% for mining workers at age 60. Approximately 48% of plumbers and 44% of carpenters report a perceived hearing loss. According to NIOSH, noise-induced hearing loss is the second most self-reported occupational illness.

#### An Ounce of Prevention

While hearing loss is permanent, it can be prevented. Business owners can take several steps to minimize hazardous noise on the job, such as installing a muffler or an acoustic barrier. In addition, employers can provide workers with protective devices, such as earmuffs or earplugs, as well as educate workers about proper usage.

The gradual effect on hearing may go unnoticed, especially if at-risk employees are not aware of the potential consequences. To determine the extent of noise pollution, a business can employ a noise evaluation service to measure sound levels in the workplace. In this way, employers may become aware of which employees are most at risk for hearing loss. With regular hearing tests, signs of hearing loss can be detected early and addressed before severe damage results. Preventive measures like these can reduce **workers compensation** claims, avoid higher business insurance costs, and prevent Occupational Safety and Health Administration (OSHA) violations and fines.

For more information on hearing loss prevention programs in the workplace, visit [www.cdc.gov](http://www.cdc.gov).

### Steering toward Safety

If you're looking to buy a new corporate car, you probably have several things in mind, including price, comfort, looks, performance, and gas mileage. Another important factor is safety. Not only does a safe vehicle protect you and your employees, but it may also end up saving you premium dollars on your auto insurance.

A vehicle's year, make, and model significantly affect the cost of insurance. Whether a vehicle is a car, van, SUV, or truck, its design, engineering, and safety features can make a big difference in how it is rated for safety. Generally, the higher a vehicle's safety rating, the lower its insurance premiums may be.

Here are some features that contribute to a vehicle's overall safety: **airbags, anti-lock brakes, structural reinforcement, and vehicle size and weight.** Even if your vehicle's safety features do not directly affect insurance costs, they may help minimize the risk of an accident or injury in an accident, which could be very costly to your business.

# Understanding the Role of the Insurance Professional

Today, businesses are vulnerable to a number of risks associated with property and liability. Take a moment to consider what might happen if your business were to experience a weather-related disaster, a burglary, a product lawsuit, or a temporary interruption in business operations. Would you have the resources necessary to recoup your losses?

In many cases, businesses can be protected from such risks through insurance coverage. When considering risk management and insurance, business owners must ask these questions: What are the primary risks involved in running my business? What is the dollar value of potential loss to my business? How much protection does my business need? Your insurance professional can provide valuable information to help you obtain the coverage you need to protect your business.

## Risk Analysis Services

A professional insurance agent is trained in risk analysis, which involves evaluating risk exposure to measure the potential loss to your business. With your specific business and property in mind, your agent can recommend appropriate insurance coverage and perhaps reveal risk exposures you may have overlooked. Insurance professionals are knowledgeable about the insurance options available in your state. With this expertise, your agent can suggest options from a vast menu of risk-management products and ensure that you are in compliance with all mandatory regulations. Your insurance professional can also amend a basic policy by adding endorsements, which alter or expand the coverage provided under a basic policy. The insurance program developed by your agent will be tailored to your business's unique needs.

Your insurance professional can also recommend non-insurance strategies to help you manage risks before they become losses. When appropriate, your agent may suggest that your accountant and attorney be consulted regarding the legal and tax implications.

## Other Services Provided

Besides developing risk management strategies, your insurance professional and your insurance company may provide

other important services, including the following:

- **Legal defense.** Unfortunately, it's impossible to prevent certain situations or predict the reactions of others to business actions, products, or services. Mistakes can be made just as easily as clients can make false accusations. Liability insurance, particularly for property damage and bodily injury, generally includes legal defense at no additional charge when the policyholder is a party to a lawsuit that involves a claim covered by the policy. The legal defense provision greatly reduces the potentially high costs of litigation to the policyholder.
- **Rehabilitation services.** Insurance companies that issue workers compensation policies may provide access to extensive rehabilitation services for policyholders. Generally, these services help injured workers return to employment and, in some cases, help train them for new jobs.
- **Inspection services.** Certain insurance policies may provide for property inspection by the insurance company's specialists as a part of the policy agreement. For example, since many cities require businesses to conduct regular inspections of the steam boilers in commercial buildings, boiler and machinery insurers generally provide this service.
- **Loss control services.** Some commercial insurance policyholders may qualify for consulting services from the insuring company's loss control department. This department is staffed with engineers and safety experts who specialize in inspecting business premises, identifying possible risk exposures, and recommending potential solutions.
- **Claim management services.** Agents and commercial insurers often provide claim management services to help the policyholder obtain loss analysis after an insured event occurs.

Insurance, with all its varied forms, can be complex. Now that you fully understand the role of the insurance professional, give us a call and see how we can help you protect your business or recommend non-insurance strategies to help you manage risks before they become losses.

## Did You Know?

### Compensation Trends

While pay raises are expected to be modest in 2010, they will be higher than in 2009, and the number of companies freezing or reducing pay is down dramatically, according to a survey of 555 large employers by human resources consultancy Hewitt Associates. Base salary increases are expected to be 2.5% in 2010, only slightly less than the 2009 projection of 2.6%. Results also showed declines in the number of companies that expect to freeze or reduce salaries in 2010.

### Companies Go Green

More companies embrace environmentally friendly practices and encourage their employees to conserve energy and reduce waste, according to a 2009 survey by human resources consultancy Buck Consultants. The survey showed that 54% of respondents currently incorporate environmental management into their business operations. Respondents also encourage employees to use the web or teleconferencing to reduce travel (78%) and promote the reduction of paper use (76%).

### Business and Community Involvement

A 2009 Boston College survey of more than 300 companies in various industries reveals that, despite the economy, businesses continue with community involvement in an ongoing effort toward corporate citizenship. Results revealed that 62.1% of companies maintained or increased budget levels in this area. Education was ranked as the top concern for companies, followed by environmental issues, economic development, health care, and job training.