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Risk Review

Keeping you informed on *Business Insurance* issues



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Indoor Air Quality and Your Business

Indoor air quality (IAQ) is a growing concern for many companies. Whether you're a business owner or building owner, you should take potential IAQ problems seriously. If left uncorrected, air quality problems could affect your workers, resulting in lost productivity, increased absenteeism, and decreased morale. In addition, you should be aware that if a serious problem arises, employees might turn to litigation.

Even New Buildings Can Be at Risk

The major causes of unhealthy indoor air include the following: 1) poorly designed, operated, and maintained air conditioning and ventilation systems; 2) unintended or poorly-planned use of buildings; and 3) air pollutants that may arise from building materials, pressed wood products, furnishings, cleaning supplies, paints, adhesives, copy machines, photography and print shop chemicals, and pesticides. As such, even clean, attractive, new, or remodeled buildings can still be at risk.

With the pervasive potential for poor air quality, what can you do to make *your* workplace environment safe? Here are some steps you can take:

- Keep a record of all reported health complaints.
- Be alert for clusters of similar health problems. Contact your state or local health authorities to discuss the symptoms and possible causes.
- For help in identifying, correcting, and preventing IAQ problems, visit the EPA's website, www.epa.gov. There you can also obtain free, printable copies of *Building Air Quality: A Guide for Building Owners and Facility Managers* and *Building Air Quality Action Plan*.
- For a health hazard evaluation, contact the National Institute for Occupational Safety and Health (NIOSH) at www.cdc.gov/niosh.
- If you hire a professional company to conduct a building investigation, make sure they have experience identifying and solving air quality problems in situations similar to yours.

By meeting IAQ problems head-on, you'll be taking action that will not only help control potential health hazards, but will also contribute to a safer and more productive work environment.

Retaining Good Employees

Retaining quality employees sometimes requires using fresh, new strategies. One option is offering employees flexibility with their work schedules.

Workplace flexibility gives employees more control over how they do their jobs and, equally important, how they take care of their families. Under such an arrangement, employees themselves determine a flexible work schedule that allows them to complete their jobs well and in a timely manner.

Other valuable strategies evolve when employers take the time to understand what people want out of their careers, identify factors that contribute to employee turnover, review their recruitment strategies, evaluate employee training and development activities, and keep financial benefit plans up-to-date.

A productive workforce is a two-way street. Your every effort to strengthen relationships can go a long way to building and maintaining the right workforce for *your* business.

Protecting Your Company from Disaster

Recent catastrophic events, ranging from natural disasters to terrorist attacks, have clearly demonstrated that the homes, businesses, and communities Americans have invested in over many years can be wiped out in a matter of hours. While there is little you can do to prevent a disaster from striking, there are steps you can take to protect your business from ruin should you be faced with an emergency.

The first step toward protecting your business from disasters involves knowing and understanding the risks you may face. Consider how your business and its operations are vulnerable to disaster situations and investigate what can be done to minimize exposure to these threats. For example, steps may be taken to mitigate potential damage to your facilities caused by certain natural disasters. Depending on the type of disaster likely to strike in your area, you may want to anchor the building's foundation and roof, add fire-resistant siding, move electrical panels and furnaces to upper levels, install smoke detectors, and clear brush from around the building.

Even with adequate time to prepare for a disaster, significant damage to your business and the resulting disruption may be unavoidable. Considering this, insurance has become an invaluable means of protection in light of disasters.

In order to evaluate your insurance needs, conduct a thorough inventory of your offices and equipment. Keeping up-to-date, detailed information about your company's buildings, furniture, and equipment, including quality of materials, original purchase prices, and serial numbers, enables you to prove the value of your business property should it be destroyed or otherwise damaged. This may allow for fast, fair payment from your insurance provider and supply proper documentation for tax deductions claimed on losses.

In addition to standard property and liability insurance policies, business owners may be able to customize an insurance program according to their needs through endorsements, which are provisions that can be added to an insurance policy, at an additional cost, in order to alter or expand the policy's conditions or terms of coverage. In some cases, separate policies may need to be purchased in

order to secure proper protection. Consider customizing your business insurance program with the following:

Business interruption insurance generally provides you with coverage for loss of profit and continuing expenses after a business has been wholly or partially disabled by a natural or man-made disaster.

For organizations that must continue to operate after a disaster (e.g. hospitals, newspapers, and insurance agencies/companies), **extra expense insurance** covers the extraordinary costs of continuing operations. Covered expenses may include overtime wages, extra travel, the costs of working with substitute or make-shift facilities, and the extra costs necessary to expedite repair or replacement of the damaged or destroyed premises.

Certain natural disasters, such as flooding and earthquakes, are not usually covered under property insurance. To be protected in the event of a flood, you must purchase a separate **flood insurance** policy through your insurance agent in conjunction with the National Flood Insurance Program. Coverage for earthquakes can usually be obtained through a separate endorsement.

If a covered peril, such as a fire or tornado, damages your building to the extent that the law requires its demolition or complete renovation, an **ordinance or law endorsement** provides coverage to rebuild or repair your facilities in compliance with the most recent local building codes.

An **accounts receivable endorsement** insures you for any amounts that are uncollectable due to a covered loss, as well as for the costs of collecting the accounts and recreating the records.

If your business handles perishables, a **spoilage coverage endorsement** protects you against losses caused by power and equipment failure, or general contamination resulting from incidents that are beyond your control.

Disasters often occur without warning, but taking the steps to understand your risks and evaluate your insurance needs can help you prepare your business for the unexpected. It is important to periodically review your insurance program in light of your changing business needs. Give us a call for more information.

Did You Know?

Workplace Flexibility Programs

A 2008 study released by human resources consultancy Hewitt Associates revealed that a growing number of employers are offering flexible work arrangements in an effort to attract and retain employees. The most popular flexible work arrangements include job sharing (46%), telecommuting (39%), part-time work (36%), and flextime (31%). Many program sponsors believe that the programs increase employee engagement (66%), improve employee retention (64%), and enhance recruitment (49%).

Executive Pay to Green Initiatives

Executives may be willing to give up compensation to help fund environmental initiatives, according to a 2008 international survey by executive recruitment firm Korn/Ferry International. Results revealed that 73% of executives are willing to sacrifice 1% of their salaries to help pay for green initiatives; 40%, between 1% and 2%; and 3%, upwards of 10%. However, over one-quarter (27%) said they would not offer any compensation to support sustainability initiatives.

International Job Opportunities

Americans are less likely to consider relocating to another country to take advantage of a job opportunity, an international survey by Kelly Services found. While 69% of U.S. workers would consider relocating to a different city to find work, only 37% indicated they would move outside the country to take advantage of a job opportunity, and just 28% said they would consider a country where they are not fluent in the local language.