



Hausmann | Johnson I N S U R A N C E

700 Regent Street
PO Box 259408
Madison, WI 53725-9408

Phone: 608-257-3795 Fax: 608-257-4324
www.hausmann-johnson.com

Commercial Lines News Fall & Winter 2009

*OSHA Recordkeeping
Mandatory Auto Changes
Reducing Workplace Back Injuries
Has Your Business Risk Changed
Retirement Options for Key Employees
We Insure Condominium Associations
Coverage Coach Q&A
New Wisconsin Law Regarding EPLI*

Recording Injuries and Illnesses:

WASHINGTON — The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) is initiating a national emphasis program (NEP) on recordkeeping to assess the accuracy of injury and illness data recorded by employers. #CPL_2_09.08

In October, OSHA released its newest emphasis program which is record keeping. OSHA will conduct random inspections oriented toward evaluating companies' OSHA 300 logs. It is important to note that according to the instructions of this new program, two conditions will result in the expansion of a records only inspection into a wall to wall inspection. These conditions are:

1 - The existence of a number of ergonomic-related injuries (musculo-skeletal disorders); and,

2 - Presence of "company policies which may have the effect of discouraging recording of injuries and illnesses". In other words, cash-based safety incentive programs.

Hausmann-Johnson Loss Control is available to help you prepare for such an OSHA inspection. Call Rich Johnston, our Director of Safety, Health and Wellness Services, at 608-252-9613; or, email Rich at rich.johnston@hausmann-johnson.com.

Hausmann-Johnson Insurance, Inc.
Phone: 608-257-3795
Fax: 608-257-4324
URL: www.hausmann-johnson.com

Mandatory Auto Changes Effecting Every Auto Policy

Included in the recently passed State of Wisconsin Budget Bill were several mandates for auto coverage. There are different effective dates, with the first one applying to policies that renew 11/01/2009.

1. (UM) Uninsured Motorist / (UIM) Underinsured Motorist:
 - a. UM/UIM coverage is mandatory (may no longer be rejected)
 - b. Minimum limits 100,000 / 300,000 / or 300,000 (CSL) Combined Single Limit
2. Medical Payments:

Insured may reject coverage; but, if accepted, must be \$10,000 minimum limit
3. Umbrella:
 - a. Carriers must provide written offers of UM and/or UIM
 - b. Insured may reject UM and/or UIM coverage

Other changes effective at later dates are:

Jan. 1, 2010:

Auto Minimum Liability limits of \$50,000/100,000/15,000 or Combined Single Limit of \$100,000

June 1, 2010:

Mandatory Auto Insurance – All drivers must have insurance and be able to show proof of coverage while in the vehicle

Reducing Workplace Back Injuries

Back injuries are cited as the most common reason for absenteeism in the general workforce after the common cold. About 75% of adults are estimated to experience a back injury in their lifetime. Such injuries may occur in any type of business, including service industries. Lifting boxes and files, moving furniture and stretching to reach supplies are activities in service industries that can trigger back injuries. However, most injuries occur in professions where lifting and moving objects make up most of a worker's activities. The good news is that about 80 percent of back injuries are short in duration and result in no permanent disability. Below are several tips for reducing lifting related injuries in the general workplace:

- Reduce the weight of the object being lifted
- Reduce the size of the container being lifted
- Install variable height grips or handles on moving containers
- Use lift trucks
- Elevate conveyor belts to reduce bending
- Use hand trucks or wheeled carts
- Eliminate slippery floors
- Limit ramp slope to less than 10 degrees
- When possible, push rather than pull

Reducing workplace back injuries has multiple benefits for a business. First, it keeps employees safe, healthy and on the job. Secondly, it reduces the frequency of workers compensation claims. Fewer claims have the potential to reduce a firm's insurance premiums; an important outcome in today's challenging economic environment.

Has Your Business Risk Changed?

When renewing a business policy, it is important that we collaboratively take a fresh look at your firm's risk exposures. For example if your business has grown, *coverage limits* may not be adequate. Or, changes in the nature of the business may mean that *additional types of coverage* should be considered. As an example, here are some basic questions pertaining to property insurance that should be asked of your management team in advance of a policy renewal:

Does the business own or lease property?

What is the current value of the property used in the business?

Does the location of the property make it susceptible to special hazards (e.g. high crime area, flood or earthquake exposure)?

Is your business involved in storing or moving goods?

How would different types of property losses impact the firm's ability to get the business back up and running?

This is by no means a complete list of questions for all coverages. However, we start with property since this coverage may help uncover the areas of income and liability exposure that need to be addressed.

In this business world, things can change quickly. A collaborative pre-continuation meeting is a great opportunity to assess how your business is growing and changing. We can then fine tune an insurance program to match your risk profile.

Retirement Options for Key Employees

As a business owner, it is understood that your key employees are integral to the firm's success. Helping provide for their retirement can further strengthen loyalty and productivity. Below are some sample benefit options that can support the long-term financial objectives of your business and its key employees:

Annuities - Establishing individual retirement arrangements funded by annuities is an option for small business owners.

Disability Income Insurance - This insurance coverage can replace a portion of an employee's earnings in the event of a disability.

Life Insurance - Life insurance is a flexible insurance tool that can supplement an employee's retirement strategies.

Long Term Care Insurance - Long term care insurance can help to protect an employee's retirement assets.

Retirement Plans - Reward and attract talent to your firm by offering a wide range of group retirement products and services.

In addition to handling all of your firm's property-casualty insurance, we can also meet its individual and group retirement benefit needs. If you don't presently have group employee benefits with us, give us an opportunity to review your current program. We're sure we can offer a better combination of price and service than your current agent. Why wait? Call our life insurance specialist, Rob Squires, today at 608-252-9659 to schedule an appointment for a no obligation review.

We Insure Condominium Associations!

Many of our customers own condominiums as either primary or secondary residences. Some may even be a member of their association's board of directors. In light of this, we thought it appropriate to let them know that our agency can also insure their condominium association. We have the experience and insurance carrier markets for this class of business and can deliver comprehensive and cost effective insurance solutions. Whether the association is just a few units, or large and complex with exercise facilities, swimming pools, spas, saunas, playgrounds, etc., our agency has a coverage plan that fits. For more information, call us and ask for one of our Select Account Managers.

Advice from the Coverage Coach

In this issue of our newsletter, the Coverage Coach answers the following question from a commercial property-casualty customer: *What is "claims made" coverage?*

Coach's response is as follows: There are two types of liability coverages: "occurrence" and "claims made". With "claims made" liability coverage, your current insurer handles claims made during the policy's coverage period. This type of policy is most prevalent in areas such as Professional Liability Insurance, where there can be many years between an occurrence and the recognition of damage or bodily injury. For example, it could be years after an architect designs a building before part of the building collapses and the building owner sues the architect claiming that the collapse was the result of errors in the design. With a "claims made" policy, the insurance carrier providing professional liability coverage at the time the claim is made must cover the claim (assuming the insured is liable).



The information, suggestions and techniques contained in this newsletter are offered as informational items only, and this agency makes no warranty of any kind, expressed or implied, as to the accuracy of the information or its fitness for a particular purpose.

***New Wisconsin Law Regarding (EPLI)
Employment Practices Liability***

The number of discrimination cases has more than tripled in the United States over the past decade with the majority of these being filed against employers. Employment issues make up 30% of all civil litigation in the US.

Awards have been expanded by new legislation in Wisconsin. Under Senate Bill 20, complainants may now seek Compensatory and Punitive Damages in addition to the awards previously allowed. Prior to this new legislation, complainants were entitled to indemnification for items such as attorney fees, back pay, or reinstatement.

Employment Practices litigation is expected to increase due to the additional awards. If you don't currently have Employment Practices Liability Coverage, we do recommend that you purchase it.

In today's economy, an Employment Practice lawsuit that is not covered by insurance can be devastating to any company.

Under the new law, Compensatory and Punitive Damages are limited to:

Employer with 100 or less employees - \$50,000

Employer with more than 100 and less than 201 employees - \$100,000

Employer with more than 201 but less than 501 employees - \$300,000

These amounts are subject to a Consumer Price Index (CPI) adjustment on July 1 of each year beginning on July 1, 2010.

Please call your Hausmann-Johnson agent at:
608-257-3795



**Hausmann-Johnson Insurance, Inc.
700 Regent Street
PO Box 259408
Madison, WI 53725-9408**

