



A Message from Dennis

No one likes buying insurance. Well, at least no one I have met. Sure, people like insurance when it pays off, but no one likes paying the premiums.

So let me help you understand this a bit better. If a premium seems high, it is because what is being covered has a substantially higher likelihood of occurring, kitchen fires in a restaurant, for example. Good commercial insurance will protect your company from severe financial loss.

Insurance is a tool — a tool that allows you to run your business, own the building, equipment, and so on with peace of mind. Most of us have worked too long and hard to see what we have built go up smoke, literally and figuratively. It protects you from commonly experienced losses including property damage, theft, liability and employee injury. Without it, you risk going out of business.

That's why we ask a lot of questions about your business. That's why we offer suggestions about specific activities in order to reduce risk. Bare bones policies may save you dollars in the short run, but it could cost you *everything* should a loss not be properly covered. We call this loss prevention.

So take care and pay attention. After all, what do you have to lose? Hmm ... how about everything.

~ Dennis

How An Employee-Vendor Scheme Cost One Employer \$4.5 Million

A public utility employer recently found itself the victim of employee theft that cost the employer \$4.5 million.

Three years ago, an employee in the purchasing department began making fraudulent purchases of office supplies through the employer's vendor, reselling the supplies, and pocketing the money. The employee hid the purchases by using several different accounts and requesting that the vendor ship the items directly to the recipient, rather than to the employer's warehouse.

The scheme came to an end when another employee detected suspicious purchases and reported them to a manager. The employer immediately began an internal investigation, and then brought in the FBI when the employer discovered that some of the fraudulently purchased office supplies were sold out of state.

The district general manager sent a message to employees stating that the employer's failure to conduct appropriate audits or to recognize and address "numerous warning signs" of wrongdoing enabled the fraud scheme. He also announced the implementation of several new purchasing procedures designed to prevent future fraud, and asked employees to continue their vigilance in reporting any unusual workplace practices. (Henry Brean "\$4.5M office supply scheme inside Las Vegas water district draws FBI inquiry," www.reviewjournal.com Apr. 28, 2016)



TIPS: Preventing this type of fraud requires employers to establish detailed checks and balances, along with regular compliance evaluations. Organizations must keep detailed lists of their assets, including office equipment and supplies and conduct regular reviews to reconcile what is purchased with what is distributed.

It is also important to require two signatures for all purchases, and enlist a third party to perform audits.

Do not overlook the importance of employee orientation on theft. When all employees understand the proper procedures for reporting theft, it is unlikely that wrongdoing will go unnoticed.

How To Assess Risks & Threats to Your Organization

According to a recent study by the American Red Cross, 94 percent of small business owners believe a disaster could seriously disrupt their business within the next two years. To plan for recovery you must understand what risks threaten your organization and employees.

Evaluating and negotiating the risks inherent to doing business is an everyday task for the leader of an organization. Although risk takes many forms, it is often overlooked in terms of disaster or business interruptions. Threats that could bring an organization to its knees are rarely considered, analyzed or mitigated. However, it is proven to be less costly to invest in disaster mitigation than recover from one after the fact.

Taking the time to analyze these threats ahead of a disaster provides the opportunity to establish cost-effective mitigation plans and prevent small problems from becoming major business interruptions.

Fortunately, the process of assessing risk doesn't have to be difficult, time consuming or arduous. This guide will help you put a plan into action and provide you with a useful evaluation your entire organization can look to for guidance. [Download Guide](#). (Source: Agility Recover Blog, April 11, 2016)

Workplace Injuries

BOSTON--([BUSINESS WIRE](#))--Workplace injuries and accidents that cause employees to miss six or more days of work cost U.S. employers nearly \$62 billion in 2013, the most recent year for which statistically valid injury data is available from the U.S. Bureau of Labor Statistics (BLS) and the National Academy of Social Insurance, according to the 2016 Liberty Mutual Workplace Safety Index.

The 10 leading causes of the most disabling work-related injuries account for more than \$51 billion, or 82.5 percent, of the total cost of \$62 billion.

Overexertion injuries cost businesses \$15.08 billion in direct costs and accounted for nearly a quarter of the total cost burden. Same-level falls

were ranked second at \$10.17 billion (16.4% of burden). Falls to a lower level ranked third at \$5.4 billion (8.7%) and being struck by an object or equipment ranked fourth at \$5.31 billion (8.6%).



“Workplace accidents impact employees’ physical, emotional and financial wellbeing. They also financially burden employers, who pay all of the medical costs related to a workplace injury, together with some portion of an injured employee’s pay,” said Debbie Michel, General Manager, Liberty Mutual’s National Insurance Casualty operation.

“Beside these direct costs, workplace injuries also produce such indirect costs for employers as hiring temporary employees, lost productivity, quality disruptions and damage to a company’s employee engagement and external reputation.”
(<http://www.businesswire.com/news/home/20160114006142/en/Workplace-Injuries-Cost-U.S.-Companies-62-Billion>)

Bob Wants You To Know . . .



Have you talked to your staff about cyber protection — emails that could be problems because they contain malware, viruses etc., leaving checks or other sensitive information in plain sight?

Have you conducted the required annual sexual-harassment meeting and posted your harassment policy where everyone can see it?

We need to make sure we are communicating with our staff, even if that staff is one or two people because not knowing can cause your business a lot of financial damage.

Remember: a joke may seem funny, but usually the last laugh goes to the lawyer.

As Grandma said, “An ounce of prevention is worth a pound of cure.”

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