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• The Corcoran & Havlin Insurance Group has been awarded the 2009 Reader's Choice Award for Best Insurance Agency. This is the 6th time Corcoran & Havlin has been the recipient of this coveted award.



# RISK ADVISOR

Fall 2009

## Corcoran & Havlin Insurance Group

■ An insurance update for financial officers      ■ News, Views, & Current Events      ■ A publication of Corcoran & Havlin Insurance Group

MANAGING YOUR RISKS, PROTECTING YOUR INTERESTS

### Welcome to Corcoran & Havlin's Fall 2009 Newsletter!

In this edition we have provided you with some articles of interest as well as news going around our company. As always, please feel free to contact us with any questions you may have. Happy Fall!

### Curtail Workers' Comp Costs in a Tough Economy

Workers' compensation costs are always a concern for employers—but in today's tough economy, employers should be more watchful than ever. As financially stressed employees grow increasingly worried about their money problems, many are preoccupied and less attentive on the job. This can greatly increase the risk of an injury. Plus, when employees become anxious about potential layoffs, workers' compensation claims may increase as workers look for a way to maintain their income.

This is precisely why employers need to take every possible measure to rein in workers' comp costs right now. Here are a few steps you can take to make sure employees stay happy and claims don't mushroom out of control:

#### Open the lines of communication

Everywhere they turn, employees are hearing bad news about the economy. Consequently, workers are growing increasingly anxious about their job security and financial well-being. Now more than ever, it is absolutely critical for employers to keep the lines of communication open with their worried employees.

However, while it's important to give workers the morale boost they need, it's also important to be truthful. Don't sugar-coat a bad situation. Studies show that employees who work for employers who are truthful, fair and supportive have lower levels of stress, anxiety and depression.

Research also shows that workers trust their immediate boss more than

the company's senior leaders. Therefore, direct supervisors should offer their employees plenty of support right now and immediately address any widespread anxiety or rumors.

#### Keep a close watch on claims

Although employers should always meticulously monitor claims, this becomes even more vital in a rough economy. That's because many workers may attempt to abuse the system when they are feeling financially stressed.



As you scrutinize the amount and type of claims being filed by your employees, keep an eye out for suspicious trends or patterns. This may help you identify potential abuse. If you suspect any type of exploitation, report it immediately.

#### Give employees the right title

If your company has recently gone through lay offs or experienced a reduc-

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## C & H's Commercial Team

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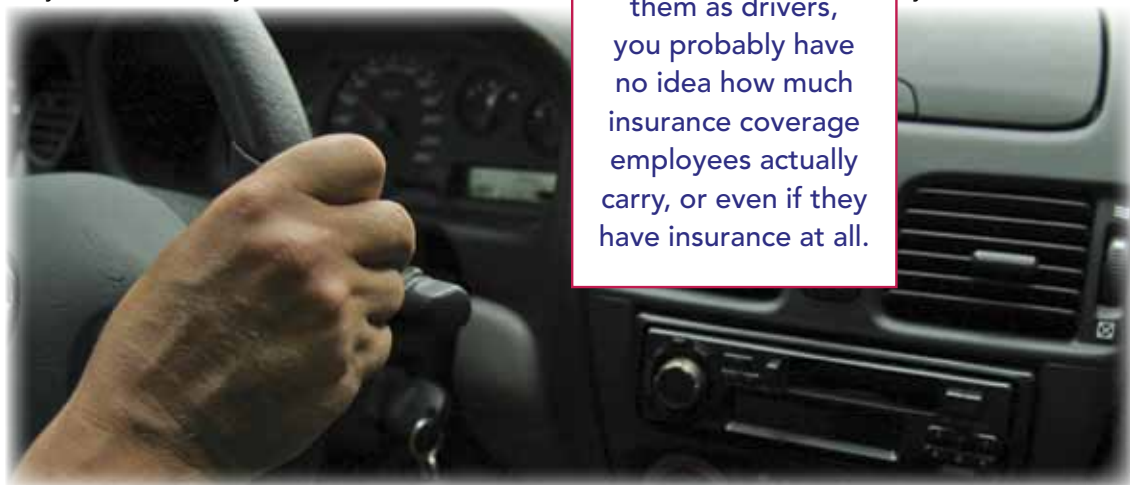
Rick Weden

Jeff Whelan

## Driving Risk: When Employees Run Business Errands

Have you ever sent an employee out to pick up needed supplies? Offered to buy lunch for the crew and asked an employee to pick it up? Unless you only send employees who are insured to drive your company vehicles, you may be putting your business at risk. Your business may also incur liability if you travel on company business and have an accident in a rented car while traveling to meet a client or for other business-related purposes.

Why would your business be at risk? Because if there is an accident that causes damage to a third party and the driver's insurance doesn't cover the full costs, your company may be sued to recover the excess amount. Employees who use their personal cars are generally required by law to have insurance. But unless you hire them as drivers, you probably have no idea how much insurance coverage employees actually carry, or even if they have insurance at all.



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erage, non-owned auto insurance would protect your business from

If you're traveling on company business in a rental car, you're probably covered by your personal insurance or by a policy purchased through the rental agency. But if you're in an accident and cause damage that exceeds the amount of personal coverage you have, an attorney for the injured party would almost certainly seek damages from your company.

### The Solution

The good news is that there's a simple and relatively inexpensive solution: a non-

being responsible for damage costs not covered by the employee's coverage.

### The Bottom Line

Liability claims caused by vehicular damage can run into the millions of dollars. Your business could be at risk if an employee has an accident while traveling on company business. Your company could also be at risk if you or an employee has an accident while driving a rental car on business. Non-owner auto insurance can provide peace of mind and vital protection.

Did you know we had a website? Visit [www.chinsurance.com](http://www.chinsurance.com) to learn more about our company and gain easy access to our employee directory, email, and department information.

## Specialized Insurance Available for Green Construction

Weather patterns have become increasingly erratic over the last several years. Heat waves, droughts, mudslides, and increased hurricane activity have become the norm. In 2004, four major hurricanes pummeled Florida; the Gulf Coasts of Louisiana, Mississippi and Alabama are still recovering from 2005's Hurricane Katrina and its ensuing floods. Between these disasters and increasing attention from politicians and the media, the problem of global climate change has become a major issue. As a result, the insurance industry has begun to devise new products and strategies for dealing with this problem.

Some insurers are beginning to offer specialized "alternative energy insurance" policies. For example, one company is writing policies to cover alternative energy system performance. This policy insures against the risk that a deficiency in the design of alternative energy technology will result in the under-performance of a facility. The company designed it to help owner-operators of facilities meet the needs of lenders concerned about their investments. Another company has broadened its coverage for commercial buildings to include alternative energy systems. It also will insure against loss of income when alternative energy systems suffer damage and extra expenses when the building owner must buy power from the grid while the system undergoes repair.

At least one insurer offers special coverage to encourage commercial building owners to replace destroyed buildings with new ones using green technology. It gives the property owner several green technology options, including:

- Enhanced roofing and insulation materials to reduce heat loss.
- Anticipating less severe and less frequent losses, the same company offers rate credits to green building owners. It has found that most losses in traditional buildings are from electrical fires, heating and air conditioning system fires, and plumbing leaks. The company expects green technology to make these events less likely.
- Another insurer has introduced for commercial building owners a new policy that encourages green building. It features coverage for:
  - The increased cost of green building alternatives
  - The expense of re-engineering and re-certifying green buildings
  - Vegetative roofs, and
  - Additional time to restore operations so that building repairs can include green alternatives.
- Insurers are also educating their clients about the implications of climate change. Recognizing that courts could hold businesses liable for future environmental damage, insurers have worked with corporate boards and officers to encourage planet-friendly business practices. Their hope is that actions taken now will reduce the number and size of future liability insurance claims.
- While only a small number of insurers offer specialized policies for green construction now, the success of these products will encourage other companies to follow suit. Also, as green building technologies become widespread, the desire to attract and retain business will force insurers to compete with policies of their own. Insurance agents can identify companies that offer these coverages and make coverage recommendations to property owners. As businesses and households everywhere take steps to reduce their carbon footprints, make certain that your insurance coverage is keeping up with those steps.

## Corcoran & Havlin Insurance Group Designs and Implements Disaster Recovery Plan.

In 2008 **Corcoran and Havlin** contracted with Agility Recovery Solutions, a highly acclaimed national disaster recovery assistance organization to help design and implement a specialized plan that would enable **Corcoran and Havlin** to remain open for business and ready to serve our many clients at a time when they would need us most.

In early June of 2009, after many months of research and organization we instituted our final plan, with the distribution of materials and disaster recovery protocols to our workforce. On June 4th we conducted our first Emergency Systems Test at our Wellesley office location and passed with flying colors. The plan ties in to our Medfield office as well.



*Pictured right to left are Linda Hooper Office Manager, Jeff Whelan Claims Manager, Jack Keefe President, and Rick Weden Producer, who comprise the Disaster Recovery Plan Design Group.*

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tion in workforce, some workers may have changed positions or taken on additional responsibilities. If this is the case, ensure that your employees' job classifications are up-to-date.

### **Encourage good health**

Companies with wellness programs, fitness opportunities, nutritious food choices and other health-related perks have healthier, more productive employees. Healthy employees are less likely to suffer from illness or injury—which means they are less likely to miss work.

This is why it's so important to adopt some sort of wellness program for your employees and establish a relationship with a qualified occupational medical provider. Find physicians who follow ACOEM (American College of Occupational and Environmental Medicine). Although they may be more expensive, it's well worth the cost. These experts will take time to understand your company's needs and ensure your workers stay healthy, productive and on the job—which will save you untold amounts of money in the long run.

### **Educate your employees about finances**

In our current economic downturn, many of your employees are likely struggling to manage their financ-

es. They don't know where to turn for financial advice and expertise.

To relieve some of their stress, consider sponsoring office workshops and classes about financial matters like reducing credit card debt, investing wisely, securing a home loan and saving for college. This will give your employees the financial guidance they need while ensuring that they stay happy and productive on the job.

In any economy, whether it's up or down, one thing is always clear: every day a worker is off the job, the employer loses money. Although you may be focused on other company problems right now, such as a reduced workforce, dwindling budgets and a decrease in sales, it's important to maintain your focus on workers' compensation issues.

Try to cut back on illnesses and injuries with a wellness program and other health perks. If an employee is injured, do everything possible to return that worker safely to the job as quickly as possible. After all, the longer an employee is out of work, the more difficult it is to get him back to work—and the higher the price tag for the employer.



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