
SOLUTIONS

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The McLaughlin Company

Creative Risk Management

Reducing the Risk of Workplace Violence

The occurrence of violent incidents in the workplace is on the rise. Murder is the third leading cause of death in the workplace and the leading cause of death among female employees.

Nevertheless, many employers are slow to recognize the risk. Sixty-five percent of employers responding to a recent survey conducted by the New York based American Management Association said they did not have policies in place for educating employees on what to do in the eventuality of an occurrence of workplace violence.

One-fourth of those who had actually dealt with violent incidents said that early warning signs were ignored by both the victim and the organization.

There is a growing tendency to hold employers responsible for the consequences of this violence.

OSHA inspectors have been told to make use of Section 5(a) (1) of the Occupational Safety and Health Act to cite workplaces where criminal activity endangers workers.

An employer that takes action may have to defend a wrongful termination or discrimination claim.

However if the employer fails to act and a worker is injured by a co-worker, the employer may face not only an OSHA citation, but tort liability under state law for "negligent retention" of a dangerous employee. It is a good idea to have a written company policy that forbids harassing, intimidating, threatening, or assaulting fellow employees. The policy should clearly state that discipline will be swift and severe for employees that violate this policy.

Strong management commitment and involvement of supervisors and employees is essential to reduce the risk of workplace violence:

- train employees in proper emergency response procedures;
- ban all weapons from company premises, including employee vehicles parked in company parking lots;
- use card keys and sign-in procedures to limit access;
- install visual monitoring systems and additional lighting;
- ban former employees and off-duty employees from the workplace. (Many workplace assaults are committed by former employees or off-duty employees who are stalking female employees or supervisors.)
- institute an Employee Assistance Program;
- train supervisors in what to look for and how to report potential workplace violence.

Employers have long recognized the importance of providing a safe and healthful working environment for their employees. Now they must be prepared to expand that awareness to address the problems of workplace security hazards.

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How to Prevent A Computer Calamity

Life is filled with stress. In this article we will try to help you minimize a stress factor which -- for many of us -- didn't even exist a few years ago - lost computer data.

Of course, not all problems can be avoided, but it is possible to greatly reduce your risks without spending a lot of money. Here are some hints for preventing computer disasters:

GOOD HOUSEKEEPING Mechanical breakdown is a common cause of computer problems. Good housekeeping will extend the life of your equipment and reduce mechanical problems. Keep the computer and its surrounding area clean and free of dust. Clean debris from between keys with tweezers. Brush off every surface, nook and cranny. Use cotton swabs to clean cracks and crevices. Discourage smoking around the computer. Keep customer files and manuals on the desk or bookshelf, not on the computer where they may interfere with cooling air flow. Never rest sodas or coffee on your computer.

DIAGNOSTIC PROGRAMS Running the DOS CHKDSK routine, the MS/PC DOS disc diagnostic program and other diagnostic programs can alert you to potential problems before they turn into major disasters. Run DOS DEFRAG to reorganize your hard drive for best performance. If these programs indicate the existence of a problem, have the computer serviced immediately. Hardware problems only get worse if you wait.

PROTECTING INFORMATION Install an anti-virus program to detect and remove viruses transferred to your computer or diskettes. Invest in a surge protector or uninterruptible power supply to minimize damage caused by electrical variances. Remove all magnetic items like paper clip holders from the area near your hard drive and diskettes.

FIRE PREVENTION This is a key component of any disaster prevention plan. Automatic sprinklers are a part of a good fire prevention plan, but be sure to keep plastic covers handy to protect your computer. In the event of a

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fire or accidental discharge of the sprinkler system, equipment should be shut down and covered with plastic.

INFORMATION BACKUP Avoid the expense and grief of data loss by always making backup copies of your data files. Floppy disks and tapes are cheap; duplicating months -- or years -- of work is not. Store the backed-up data files off premises. Remember, if you have an EDP loss, all insurance can give you is money. Insurance cannot give you the time you need to research, recreate and re-input your lost information.

SOFTWARE BACKUP Make backup copies of important programs. The importance of this element cannot be overstated. If you do nothing else, back up your programs. Store backup diskettes or tapes in a safe place away from your premises.

HARDWARE BACKUP Make arrangements to use alternative or replacement hardware should yours go down for any length of time. Having several PC's in the office helps. If you have a mini system or only one PC be sure others are available for use. Possible sources include your vendor or the local computer store.

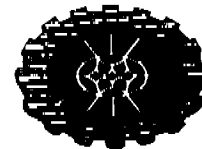
These are the basic elements of disaster prevention and recovery for computer related incidents. Insurance should be your last line of defense. No plan will work unless it is implemented. Make sure your staff knows that it is important that they follow these procedures.

Solutions is a service of The McLaughlin Company and Creative Risk Management - offering you timely and creative solutions to all of your INSURANCE and RISK MANAGEMENT NEEDS.

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The Right Employee Assistance Program Can Help You Avoid Legal Problems

Employee Assistance Programs provide invaluable assistance to employees facing physical, emotional, and mental difficulties. These programs refer individuals suffering from these problems for diagnosis and treatment. They also save employers money and help them provide a safer working environment. (See related article on workplace violence.)

According to a recent study of the U. S. Department of Health and Human Services, EAP's reduce absenteeism of affected employees by 66 percent, cut health care costs by 86 percent and reduce the cost of work-related accidents and workers' compensation claims.

These benefits come with a relatively small price tag. The cost of Employee Assistance Programs range from \$35 to \$60 per employee per year.

There is a down-side. EAP's create the possibility of lawsuits by employees alleging malpractice, breach of confidentiality, discrimination, or harm done to others such as an assault by an employee whose hostility was unsuccessfully treated.

However, if programs are structured properly, most of these legal problems can be prevented.

Contract with an Outsider Companies can either run the program themselves or contract with outsiders. Choosing an outsider is usually less expensive and provides good protection against legal liability if something goes wrong. Bear in mind, however, that you may still be held liable for negligence in choosing the program. Demand - and retain in your file - evidence of the professional competence of the firm you choose.

Never force an employee to use an EAP Forcing an employee to use an EAP may result in charges of harassment or intimidation. Instruct supervisors to only call a worker's attention to an EAP, but never to insist that it be used.

Privacy Do not set up an expectation of complete privacy. Make it clear to your employees that information given to an EAP will not be absolutely confidential. Booklets describing the program should state that the company has the right to personal information from the

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EAP counselor. A core problem with structuring an EAP involves the area of worker privacy. State laws differ on the degree to which confidential information shared in a therapeutic setting is protected as "privileged communication" but it is wise to make clear what is and is not going to remain secret. However, make sure that access to this information is limited to top management. It should not be allowed to fall into the hands of line supervisors.

There are a number of vendors selling EAP services and there is wide variance in contract terms. Following are some features you want to be sure are included in any contract that you sign:

- The EAP assumes all liability stemming from diagnosis and treatment.
- The EAP and those to whom it refers patients must carry adequate malpractice insurance.
- The EAP guarantees that it meets performance and certification standards, conducts regular audits of practitioner qualifications and will provide the employer with written reports of these reviews.
- The EAP undertakes to comply with the Americans with Disabilities Act and other laws protecting the handicapped, and indemnifies the employer in case of any violations of those statutes.
- The employer referring workers to the EAP can get patient records on demand, without providing any business justification for getting the data.

In the next issue of SOLUTIONS:

Collision Damage Waivers Should you accept or reject the CDW?

Reducing Premises Liability With courts enforcing a greater standard of care, business owners must take an aggressive approach to the reduction of premises liability.

Flexible Benefits Programs Controlling benefits costs while allowing employees to choose the benefits that meet their needs

Covering Increased Costs Resulting from Ordinance or Law

Sometimes local zoning and building codes and requirements of the Americans with Disabilities Act can force drastic changes in plans to rebuild after a loss. These changes can result in substantial increases in reconstruction costs. Writing insurance on a replacement cost basis will not take care of these increased costs. Replacement cost valuation excludes any increase in the cost of repair or reconstruction resulting from any change in ordinance or law.

The following types of insurance are available to cover these additional costs:

Demolition Insurance covers the cost of demolishing the undamaged part of a building which must be torn down as a result of non-compliance with current codes and major damage to other parts of the premises.

Contingent Liability from Operation of Building Laws Insurance covers the value of the undamaged portion of a building which must be demolished.

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Increased Cost of Construction Insurance covers the increased cost of reconstruction to bring the building into conformity with current laws.

Demolition and Contingent Liability from Operation of Building Laws Insurance are usually written together. It should be considered whether a building is insured on an actual cash value or replacement cost basis. Increased Cost of Construction Insurance may be written separately, but usually only as excess of replacement cost.

Older buildings are more likely to present a problem with respect to these risks. However, there could be problems even with brand-new construction. Several years ago, after a new hotel in Boston began operating, there was a fire which disabled the primary electrical service in the building. The emergency generators came on automatically. However, the fire was able to penetrate the vault housing those generators and render them dysfunctional within 11 minutes. Following the fire, the building code was changed to require substantially more (and more expensive) protection for the emergency equipment. In addition, the operation of the provisions of the Americans with Disabilities Act may serve to increase the cost of re-construction when it is determined that the plans must include accommodations not present in the original construction.