

GRAHAM ADVISOR

NOTES FROM THE PLAYBOOK

The Graham Company recently announced the appointment of six new employees across the company, which is a testament to the firm's continued growth. If you've been doing business with us for a while, then you've probably heard us mention our commitment to technical training and development. What we talk about less often is the leadership training we provide in tandem with technical training to our employees. Our Leadership Development Program ensures that the firm is not only growing, but growing sustainably.

The customized program goes beyond classes to one-on-one coaching and group sessions that tackle an array of topics. While most companies only offer this type of training to a select group of employees, we offer it to the entire organization because every person has leadership responsibilities at the company. We also are firm believers that by offering these tools to all, that the firm's next generation of leaders will rise to the top. This investment in our employees ensures that our clients continue to receive the highest standard of service and benefit from our action-oriented approach to risk management.

If you're interested in learning more about our technical and leadership training and development approach or any other topic discussed in this issue, please contact me or the authors at feedback@grahamco.com.

MICHAEL J. MITCHELL
CPA, CPCU
Vice Chairman



Accidents Happen in the Workplace *Steps to stopping a potential insurance claim in its tracks*

As a property owner or manager, your sales or leasing agents, facilities engineers and maintenance personnel are at risk for being injured while performing tasks associated with their roles every day. A routine property tour on a rainy day can suddenly take a turn for the worse when a sales agent slips and falls in a puddle of water on the lobby floor or a mundane light bulb replacement turns into a facilities engineer losing his balance on a ladder after stretching a little too far.

There are strategies to control the occurrence of incidents, but the truth remains that accidents will happen in the workplace. Property owners can reduce workers' compensation costs by focusing on prevention and implementing policies and procedures that help stop a potential insurance claim.

Concentrate on Prevention

The first step in reducing workers' compensation costs is for property owners and managers to identify potential ways employees can be injured. The top three preventable workplace incidents are overexertion, slipping and tripping, and falling from heights, according to the National Safety Council. Other potential incidents include reaction injuries (caused by slipping and tripping without falling), falling-object injuries, walking-into injuries, repetitive motion injuries and vehicle crashes.

The next step is to evaluate your loss history to

identify trends and focus on those areas as your first priority. Here are some examples of what it looks like when a property owner or manager takes steps to mitigate risk:

- Employees are trained the proper way to lift objects (i.e., lifting with legs instead of the back, utilizing equipment and lean practices) and required to follow weight restrictions on how much they can lift alone.
- Properties ensure nonslip rugs are placed in entranceways and maintenance areas, enforce the use of signage to indicate slippery areas or conditions, and train employees on the proper management of spills. These measures also help prevent accidents for visitors or guests.
- Safe driving policies are defined and safe-driver training is provided.
- Employees have access to ladders of varying sizes to use depending on the job, and certain tasks that require working at heights (i.e., window washing) are outsourced.
- Uneven walkways are marked and workspaces are uncluttered.
- Employees are provided proper ergonomic equipment (i.e., workstations).
- Employees are encouraged to stretch throughout the workday.

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ASK THE EXPERT



Dina Daniele on the property and casualty marketplace for property owners.

Q: What is the current state of the property and casualty insurance marketplace?

A: The insurance marketplace is best described as “soft” as insurance carriers continue to reap the benefits of an extended tranquil period with no natural catastrophic losses and a relatively stable economy compared to the recent past. During this upcoming renewal period, buyers will notice the landscape of carriers and brokers has decreased due to recent mergers and acquisitions. Although individual insurance program structures, exposures and losses will ultimately determine cost and coverage, most buyers should expect relief in pricing at renewal.

There are many factors that impact the insurance market, such as interest rates, inflation, merger and acquisition activity, economic growth, medical costs, regulations and natural disasters, all of which are difficult to predict. The good news is, even with a catastrophic loss, the marketplace is poised to be soft in 2017 as insurance carriers have experienced several profitable years.

Q: How can business owners prepare to negotiate the best property pricing with insurance carriers?

A: Before approaching insurance companies, buyers should do their homework and come prepared to negotiate. Buyers should complete proper analysis to model properties and segregate them by location, age, construction type, and concentration, with a particular emphasis on catastrophic-exposed properties.

On a portfolio basis, buyers should be able to substantiate their property values. In addition, they should have clear documentation on construction aspects of the properties, as well as capital investments and protective measures they have completed on those properties. Your insurance broker should negotiate property loss prevention services with carriers and make human element recommendations, such as implementing a no-smoking policy or hiring a 24/7 security team.

Even if you have customized disaster recovery plans for all your properties, you should review them closely to ensure the plans are up to date. An effective disaster recovery plan can result in better pricing on business interruption insurance.

One measure that commercial property owners can take to remove some of the volatility of premiums is utilizing alternative funding mechanisms for their property insurance. By taking on more risk, property owners will, in turn, purchase less insurance from the marketplace and be in a position to level out large increases or decreases caused by market conditions. These strategies typically are utilized for larger portfolios that can withstand higher deductibles and have a spread of risk; however, these alternate funding mechanisms are not without risk. As a result, property owners should focus on sound risk management techniques to protect their properties from loss. Your insurance broker can provide guidance on risk management best practices.

If you would like to learn more, contact Dina Daniele, CPCU, Vice President - Marketing Manager at The Graham Company, at ddaniele@grahamco.com or 215.701.5314.

GRAHAM SIGHTINGS

Experts in the News



Mark Troxell and Jeff Spatz on preventing the dangers of highway work zones

AGC Constructor Magazine, July/August Issue



Jim Marquet and Mark Troxell on the hidden risks in a rebounding economy

CFMA Building Profits, September/October Issue

Awards & Recognitions



The Graham Company ranks No. 64 on *Business Insurance's* 100 Largest Brokers 2016 List

Must-Read Content on the Risk Matters Blog



Management Liability Insurance Coverages 101 - by Nick Cushmore

Preventing Elopement in Nursing Homes - by Carl Bloomfield

OSHA Electronic Injury Reporting Rule Changes - by Deanna Herman

Join the Conversation



Follow us on Twitter @TheGrahamCo, and we'll deliver daily insight to keep your employees safe and your business thriving.

SAFETY ZONE

Implementing a Workplace “Stretch-and-Flex” Program

Whether working on a construction site or in a cubicle, employees are constantly overexerting their muscles. The daily wear and tear leaves workers in pain and discomfort and at risk for musculoskeletal disorders while costing businesses the loss of staff resources and revenue. If implemented correctly, a workplace stretch-and-flex program provides numerous benefits that can keep staff members healthy and in good condition to perform their job responsibilities, including increased flexibility, improved employee perception of physical and mental well-being and decreased claim costs.

A stretch-and-flex program has the most success when it is tailored to the muscle group involved in completing a task. Traditional stretching is best suited to jobs that require large body motions, such as construction work, and should be performed once or twice a day with each pose held for 20 to 30 seconds. Comparatively, jobs that involve small muscle movements, such as data input, benefit more from frequent stretching breaks that can be practiced for 60 seconds per hour throughout the day.

It is strongly encouraged that a professional design the programs to ensure the safety of the workers and to maximize the benefits and that the program is properly carried out by well-trained instructors to help mitigate injury, maximize benefits and encourage consistent participation.

If stretch-and-flex programs are not mandatory for employees, the ergonomic benefits of the program will be difficult to determine, but a compulsory program could lead to issues with union representatives. Be sure to include these representatives in the conversation when discussing the implementation of a stretch-and-flex program.

Lastly, while a stretch-and-flex program can be effective, it is also important to follow the “hierarchy of controls.” This includes eliminating, substituting or engineering out hazards wherever possible; being sure effective safety and hazard policies are in place by way of administrative controls; and properly training staff on equipment, safety policies and any hazards.

If you are interested in learning more about “stretch-and-flex” programs, contact Alan Mar, Senior Safety Consultant at The Graham Company, at amar@grahamco.com or 215.701.5316.

It can be challenging to train employees when they are spread across multiple locations. There are the obvious ways to reach employees, such as webinars and regional meetings, but studies show the culture of the organization has the most influence on employee behavior.

Top-down buy-in and an emphasis on working smart and safe makes a difference. Ask yourself these questions about your organization to determine the emphasis on safety in the workplace:

- Are managers held accountable for loss performance?
- Are incident rates reported and highlighted? How much safety is included in new employee training and orientation?
- Are near misses tracked and investigated?
- Have you performed a Job Safety Analysis of each function?

Develop and Implement Incident Protocols

You can implement the best loss mitigation strategies in the world, but employees will still get injured in the workplace. The manner in which the incident is handled can give your business a leg to stand on if a claim is filed. All too often, organizations are forced to pay for frivolous and exaggerated workers' compensation claims due to the lack of an internal investigation and related documentation.

Your goal should be to have 80 percent of claims reported within three days of an incident. This can be done through a clearly communicated strategy for investigating incidents. Incident protocols should be customized to your organization and include items such as step-by-step instructions on how to respond to an incident, whom to report the incident, what way and how to document an incident (i.e., an Incident Report Form) and when to conduct an investigation.

Complete an Investigation

A point person within your organization, such as the property manager, risk manager or other member of your claims team, should be designated to quarterback incident investigations and the investigation should begin immediately after an incident is reported.

Regardless of perceived liability, a properly executed incident investigation collects all the facts, identifies causes and contributing factors and offers a follow-up plan for corrective action. For example, after completing an investigation, it may be decided maintenance personnel needs a training session on properly lifting heavy items or the proper procedures for preparing potentially slippery surfaces on days that rain is forecasted.

Keep Comprehensive Records

Ideally, the information gathered during an investigation should be recorded on an Incident Report Form (see sidebar for example). The claims team is responsible for checking the information provided in the completed Incident Report Form against important documents, such as lease agreements, vendor contracts, maintenance records, cleaning logs, construction contracts, etc. The retention of important documents is critical, as they have the power to make or break a case. Often, the first notice of a claim comes by way of a lawsuit years after the incident has taken place. At that point, an organization's ability to conduct a thorough

investigation is somewhat limited, having to rely heavily on its own record keeping to build a defense.

Handle Claims Aggressively

Many states allow an employer to direct employees to certain medical providers. This is often accomplished by having a predetermined panel of physicians. Ideally, you would have met with these physicians and they would have knowledge of the type of work performed by your employees. Once the claim is submitted, you should not be shy about aggressive claims handling. It is when claims are left unchecked that malingering and escalating costs occur.

It's important to remain in contact with physicians to have a clear picture of the nature of the injury and modifications the employee may need when it comes to their duties. Physicians can help assess if there are "light" duties the injured employee can be cleared to perform during the treatment and healing process.

The bottom line is accidents happen even when you take all the right measures to prevent workplace injuries. By focusing on proper incident reporting and investigating practices, as well as handling claims aggressively, you can help prevent excessive workers' compensation costs from piling up, demonstrate to your employees you care about their health and well-being and get the care injured employees need so they can return to work as soon as possible.

General Incident Protocols for ABC Property Management Company

- 1 → Obtain care for the injured (when applicable)**
- 2 → Secure the scene (i.e., alert maintenance personnel to immediately block off the area with proper signage)**
- 3 → Notify the appropriate management personnel**
- 4 → Work with the Claims Team to conduct an incident investigation**
- 5 → Complete an Incident Report Form and submit it to the Claims Team**

To learn more, please contact Kevin Smith, Vice President and Real Estate Division Leader at The Graham Company, at ksmith@grahamco.com or 215.701.5323.



EXECUTIVE ANNOUNCEMENTS

The Graham Company Recognizes Zurich for Superior Claims Performance

The Graham Company presented its 14th annual Excellence in Service & Partnership Award to Zurich North America Claims. The prestigious award was presented to Zurich Claims in recognition of its overall claims performance in 2015. Members of the Zurich North America Claims Team attended a ceremony on May 11, 2016.



The Graham Company Announces New Hires

The Graham Company recently hired six new employees to support the firm's growth.

“As the company expands, we continue to cultivate the next generation of employees that are committed to our clients’ success, which is evidence of our perpetuation plan in action,” said Ken Ewell, President and COO of The Graham Company. “Our people have always been our greatest asset, and we are excited to welcome several new employees to support our growth goals.”

New employees include Ian M. Mitchell, Producer; Tanya N. Pecorari, Producer - Manufacturing and Distribution Division; CJ Mooney, Producer - Professional and Financial Services Division; Michael J. Avato, Technical Development Production Associate; Michael W. Rymal, Associate Claims Consultant; and Robert J. Whartenby, Account Analyst.

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