The Importance of Having Insurance in a World of Increasing Risk Exposures

By Chuck Gould

It’s an age-old principle that’s worth repeating. After all, as the world gets more complex, simple advice is refreshing.

The insurance business is an industry that offers consumers many choices. The variety of options available today can be both overwhelming and confusing. A good agent will take the time to discuss your options with you, gauge your risks and help you confidently make informed decisions.

I like to focus on bigger-picture exposures – the risks of accidents, damage, etc. that have the potential to cause serious financial harm. When these exposures can be addressed with a modestly-priced insurance product or risk management technique, the decision making process becomes much easier. This works best with low frequency, high-severity events, (i.e. car accidents or house fires) and can be applied to many areas of insurance.

“The variety of insurance options available today can be both overwhelming and confusing.”

For the homeowner, this means having high limits of liability – especially if you have a significant risk like a pool. Having high limits of liability means that your insurance company – not you – will pay a high percentage of the cost for an accident or tragedy. Make sure your house is insured for its full replacement cost so if you need to rebuild, you can. If you don’t own a home, you should consider purchasing renters insurance. If anything happens to your apartment, it can cover the cost of replacing your possessions, a temporary place to live if your current apartment is uninhabitable, or moving expenses if you are forced to leave before your lease is up.

Oftentimes renters insurance can be combined with auto insurance for just a little more than the auto insurance alone.

I recommend looking into high liability limits for your automobile policy as well. Statistics indicate that at some point, you will be involved in an accident that involves injuries.

Distracted driving is at an all time high – one moment of inattention is all it takes for a driver to veer off course and cause an accident. (For tips on preventing distracted driving, see page 2.) Having high liability limits on your auto policy means that if the accident involves pricey medical bills or if you are taken to court over the accident, you’ll be covered.

It’s also worth considering uninsured and/or underinsured motorist coverage. Those policies protect you even as a pedestrian or bicyclist.

Next time you are reviewing your insurance, keep this principle in mind. Transferring the risk of potential high severity claims to an insurance company will save you both headaches and money in the long run. For more information on how OneGroup can help you choose which coverages you need, give us a call today.

Don’t Risk a Lot to Save a Little

For the homeowner, this means having high limits of liability – especially if you have a significant risk like a pool. Having high limits of liability means that your insurance company – not you – will pay a high percentage of the cost for an accident or tragedy. Make sure your house is insured for its full replacement cost so if you need to rebuild, you can. If you don’t own a home, you should consider purchasing renters insurance. If anything happens to your apartment, it can cover the cost of replacing your possessions, a temporary place to live if your current apartment is uninhabitable, or moving expenses if you are forced to leave before your lease is up. Oftentimes renters insurance can be combined with auto insurance for just a little more than the auto insurance alone.

I recommend looking into high liability limits for your automobile policy as well. Statistics indicate that at some point, you will be involved in an accident that involves injuries. Distracted driving is at an all time high – one moment of inattention is all it takes for a driver to veer off course and cause an accident. (For tips on preventing distracted driving, see page 2.) Having high liability limits on your auto policy means that if the accident involves pricey medical bills or if you are taken to court over the accident, you’ll be covered.

It’s also worth considering uninsured and/or underinsured motorist coverage. Those policies protect you even as a pedestrian or bicyclist. It’s important that business owners consider high liability limits, too. The difference between what you’ll pay for a lower or higher limit is often a small and manageable percentage. Ask your broker or agent about broad coverage, and don’t overlook things like professional liability and employment practices liability. These policies provide valuable risk management, legal defense and claims handling for when something goes awry in your business. When it comes to company-owned vehicles, even if your business does not have one, you should still consider hired and non-owned auto coverage. You as the owner can be held liable for an accident caused by an employee using a personal or rental vehicle on company business.

Next time you are reviewing your insurance, keep this principle in mind. Transferring the risk of potential high severity claims to an insurance company will save you both headaches and money in the long run. For more information on how OneGroup can help you choose which coverages you need, give us a call today.
Safe Driving and How It Lowers Your Premium

By Barbara Poirier

Distracted driving is the leading cause of car accidents. On average, nine people are killed and 1,000 are injured every day at the hands of a distracted driver.

Unfortunately for today’s drivers, popular belief holds that multitasking and productivity go hand-in-hand. However, that’s not reality when it comes to driving. Multitasking simply switches our attention from one task to another, and when you’re operating a motor vehicle, multitasking equals distracted driving.

Driving distractions generally fall into three categories: manual, visual, and cognitive.

**Safe Driving Reminders:**

- Respond to any text messages or phone calls that need answering.
- Determine the correct address and/or route on your GPS.
- Finish eating/drinking.
- Finish your personal grooming.
- Make all adjustments to mirrors, music and/or temperature selection.
- Make sure all children, pets or passengers are secured.
- If driving an unfamiliar vehicle, take time to get acquainted with the car.
- Clean your vehicle (a clean and organized car helps prevent distractions).

- If something needs your attention and can’t wait, PULL OVER and then deal with it.
- Remember to practice driving safely and follow the rules of the road.
- Take breaks to stretch your legs, check phone calls, text messages and voice mails, clear your mind and refocus before getting back behind the wheel.
- Don’t drive drowsy or emotional; wait until you are rested or calm, or ask someone else to drive.

**Defensive Driving Courses will Lower Your Premium.**

Enroll in OneGroup’s today.

Defensive driving not only makes you a safer driver – it entitles you to a discount on your insurance. OneGroup makes it easy.

The course provides a 10% reduction for three years on the following personal auto policy coverages: liability, no-fault (PIP) and collision. You’ll also benefit from a reduction of up to four points on your driver’s license toward revocation or suspension. The course is a great review of both time-tested safe driving tips and current NYS vehicle and traffic laws. To enroll or to learn more, contact Jacob N. Rashford, CISR (AZV) using the contact information below:

Jacob N. Rashford, CISR (AZV) | 315-280-6330 | JRashford@OneGroup.com

**Starting a Business Construction Project Soon? Understanding Contractual Risk Transfer to Make Sure Your Business is Protected**

By John Schmitt

Winter is over – now it’s construction season. No matter what time of year it is, if you are renovating or having a new building constructed, make sure you take the necessary steps to protect your business.

Once you decide to expand and you have the architect and contractor on board with your plans, you’re ready to move forward. Then, you need to have some conversations with your attorney and insurance agent to make sure they review the contract you will soon have in place.

Sometimes we see clients accept a “prop” for work to be performed by the contractor. In many cases these proposals spell out the type of work to be performed, the price, and the start/finish date. They often do not include any agreements to protect you as the project owner for the acts, omissions or negligence of the contractor or their subcontractors. This makes for an incomplete contract.

The state of New York has unique Labor Laws (LL 240 & LL 241) that can make you, the project owner, responsible for injuries to the contractors’ employees when they are injured on your project. Even though you hired a contractor you feel is qualified to perform the work and the contractor is responsible for safety while construction is ongoing, you can still be sued according to these New York Labor Laws – simply for being the project “owner”.

It is imperative to have a written contract that protects your interests and your business. While the contract will contain multiple important provisions and conditions, and should establish the responsibilities of each party in the contract, a critical point we want to make sure you are aware of is the need for contractual risk transfer. When this critical part of the legal agreement is missing or poorly stated, the project owner can be highly likely to end up paying for the negligence of the contractor he or she hired.

There are three important areas to address in your contract:

1) A solid hold harmless and indemnification requirement to protect your business.
2) Detailed insurance requirements by line of business (including limits and coverages you are requiring the contractor to have in place).
3) A safety requirement establishing that the contractor is responsible for safety on the job site – not you as the owner.

This is where you need to have a discussion with your attorney and insurance agent to get their input on these critical parts of the agreement. Do this before you execute the contract and allow the project to begin.

...a critical point we want to make sure you are aware of...

Make sure you review any written agreement you get from the contractor. Never simply accept a proposal to do work. Give us a call at OneGroup to help you navigate through this process, so you don’t find out when a claim is presented to you that you may have to pay for the negligence of a contractor you hired.

Stop Blaming Employees

P. Codere

Continued from page 4

- Who set the pace at which the employee worked?
- Who set the rules by which the employee works?

Blaming an accident on an employee’s carelessness is an excuse that managers sometimes use to hide errors in the systems they’ve built. That is not an indictment of managers; only the systems they build. It’s the same whether we’re talking about quality, productivity or safety. The way we do business (i.e. how we go about hiring our people, how we train them, what machines we use and how fast we run them) determines how much product we generate, how many flaws or defects are in that product, and how many people we’ve injured in the process.

When you’re looking for better safety results, look at the system you’ve built that’s generating those results.

This was part of a multi-article series on managing risk and increasing workplace safety. Stay tuned for Paul Codere’s next installment in our July newsletter.

Paul Codere is a Vice President of Risk Management Services at OneGroup. He can be reached at 518-952-7971 or PCodere@OneGroup.com.

John Schmitt is a Construction Risk Specialist at OneGroup. He can be reached at 315-558-6789 or JSchmitt@OneGroup.com.

Barbara Poirier is a Personal Lines Client Advisor and Team Leader at OneGroup. She can be reached at 518-952-7971 or BPOirier@OneGroup.com.

Jacob Nashford is a CISR (AZV) | 315-280-6330 | JRashford@OneGroup.com

*Notice that your cell phone falls into ALL three categories of driving distractions.*
Two Factors that Influence an Employee’s Benefit Elections

Do you know which plans your employees would prefer?

By George Gomez

National health benefit surveys confirm that most employers offer more than one medical insurance plan option. Providing multiple options allows employers to better balance their overall health plan costs and recognizes that one size does not fit all when it comes to benefits.

Surveys\(^{(1)}\) also confirm that PPO (preferred provider organization) plans are still the most popular health plan option nationwide, with 48% of participants electing this option. However, an increasing number of employers are introducing lower-cost HMO (health maintenance organization), EPO (exclusive provider organization) and High Deductible Health Plan (HDHP) options in their annual benefits menu. According to Benefitfocus\(^{(2)}\), roughly 70% of employers offer (or plan to offer) some form of HDHP in 2018—a ten percent increase from last year’s data.

What we’ve found is that an employee’s health plan selection is mostly influenced by his or her age and income.

“...an employee’s health plan selection is mostly influenced by his or her age and income.”

The 2018 annual employee benefits report from Benefitfocus confirms that older employees opt for higher-cost PPO plans, while younger employees may choose lower-cost options. (This trend is demonstrated by the chart to the right.) After all, age and health care requirements statistically go hand-in-hand. ACA–compliant plans cover adult preventive care benefits at 100%, so it makes sense that a younger, healthier millennial, for example, may choose a HDHP plan and take advantage of lower premium contributions. They often anticipate low plan utilization and scheduled annual wellness visits.

The data also shows that income is key driver in the employee’s health plan election. An older baby boomer with a health risk would be more open to choosing a more expensive PPO option when that coverage is supported by that person’s annual income.

Age and income statistics may help employers predict their employees’ elections, but it is important to remember that ultimately, employees will choose the plans that fit their individual, unique circumstances. Each person has different needs when it comes to medical coverage. It is incumbent on employers to structure these plans accordingly and to effectively communicate the options they’ve made available. That way, their employees can make informed decisions when open enrollment comes around.

---

\(^{(1)}\) Kaiser Family Foundation/Health Research & Education Trust Employer Health Benefits Survey  
\(^{(2)}\) Benefitfocus 2018 The State of Employee Benefits

George Gomez is Vice President of Consulting at OneGroup. He can be reached at 212-284-9029 or GGomez@OneGroup.com.
An Expert’s Tips on Providing Exceptional Customer Service
How Customer Service Can Help Your Business Stand Out

By Julie Dragulski

Whether a business sells, produces, serves or entertains – all businesses have one thing in common: customers. Without customers, a business is nothing; it won’t survive. So what can you do to distinguish your business from the competition? Take care of each customer like they are your #1 customer.

Always be friendly and courteous.

At times this may be difficult, like when a customer catches you at a bad time or you perceive them as an “interruption” to your day. You must learn to be flexible, put on your game face, smile and take care of his or her needs. Remember, you are there for them. They have needs and questions and are looking to you for the answers.

Listen and ask probing questions.

This allows you to better understand your customer’s needs. You may be able to take care of the issue yourself, you may need to refer them to someone who can provide them with better assistance, or you might not know the answer immediately – that's OK. If you don’t know, tell them! It’s acceptable to admit it but let them know when you will get back to them with a solution or the information they are seeking. Make sure it’s in a timely manner.

Continually educate yourself on every aspect of your products and services.

This will provide you with more tools to answer your customers’ questions.

On the flip side, don’t “show off” all your knowledge on a subject.

Be prepared to speak at the customer’s level. Speak in laymen’s terms and don't use acronyms or industry slang. It will confuse the customer and make them feel inept for not understanding your explanation. Even speaking in laymen’s terms, your response may confuse them. Be sure to ask if they have additional questions or need more clarification.

Finally, don’t doubt yourself.

Compared to the customer, you are an expert in your field and this is why they are reaching out to you for help and advice. Be humble and approachable. Present confidence, not arrogance. Above all, treat your customer with respect.

Excellent customer service will allow you to stand out from the others in your industry. Customers will want to do business with you. At OneGroup, our motto is: One Company. One Focus. One Team. One Mission: To serve each client as our ONE Client.

Stop Blaming Employees for Poor Safety Results
Refocusing on Processes for Success

By Paul Coderre

Companies spend countless hours managing their quality systems and their production processes. Poor quality drives away customers and increases production costs through scrap and rework. In conjunction with quality improvement, manufacturers and service organizations alike organize, reorganize; streamline and chop in an effort to eliminate redundancies and inefficiencies from the production process. All this is done in an effort to reduce the cost of producing, distributing and selling in such a way that allows a company to survive, grow and ultimately thrive.

While countless hours and billions of dollars are being invested in both the quality and productivity processes within companies, a third element of waste has received (in many companies) very limited attention. Safety, when qualified with a positive or negative, describes how well an organization is managing costs. Positive safety manages the costs associated with anything that goes wrong in manufacturing products or delivering services.

After all, an accident is an outcome of the way you do business. Many managers consider accidents as something that happens outside of the manufacturing process. They tend to “blame” employees for not following instructions or being careless. This is where the fun begins.

When an accident is blamed on an employee’s carelessness, I always ask a few pertinent questions:

- Who hired that employee?
- Who trained that employee?
- Who provided that employee with the machine or tool they use to do their job?
- Who bought the building the employee is working in?
- Who is responsible for supervising the employee on a day-to-day basis?

Continued on page 5
Keep Your Eyes on the Road and Your Hands on the Wheel
Safe Driving and How It Lowers Your Premium

By Barbara Poirier
Distracted driving is the leading cause of car accidents. On average, nine people are killed and 1,000 are injured every day at the hands of a distracted driver.

Unfortunately for today’s drivers, popular belief holds that multitasking and productivity go hand-in-hand. However, that’s not reality when it comes to driving. Multitasking simply switches our attention from one task to another, and when you’re operating a motor vehicle, multitasking equals distracted driving.

Driving distractions generally fall into three categories: manual, visual, and cognitive.

MANUAL is anything that takes your hands off the wheel:

- Eating or drinking
- Smoking
- Adjusting vehicle controls
- Texting*
- Talking on your phone*

VISUAL is anything that takes your eyes off the road:

- Looking at passengers
- Changing the radio station
- Adjusting the navigation system
- Searching for items in the vehicle
- Texting*
- Talking on your phone*

COGNITIVE is anything that takes your focus away from driving:

- Driving with high emotion (sad, angry, etc.)
- Singing along with your radio
- Talking to passengers
- Texting*
- Talking on your phone*

*Notice that your cell phone falls into ALL three categories of driving distractions.

Cell phones are a problem for all drivers, regardless of age. Keeping your full attention on the road will help ensure everyone’s safety.

Protecting yourself from others:

Distracted drivers suffer from inattention, slower response or reaction times and problems staying in their lanes. Watch for erratic driving and keep your distance. If you notice a driver with his head down toward his lap, it is likely he is texting and driving. Be observant and consider taking a driver safety course to refresh your driving knowledge. These courses are most often referred to as Defensive Driving Courses or Motor Vehicle Accident Prevention Courses. Completion of an approved course entitles you to a discount on your insurance. See the box below for more information on OneGroup’s Defensive Driving offerings.

### Defensive Driving courses will lower your premium.

Enroll in OneGroup’s today.

Defensive driving not only makes you a safer driver – it entitles you to a discount on your insurance. OneGroup makes it easy.

The course provides a 10% reduction for three years on the following personal auto policy coverages: liability, no-fault (PIP) and collision. You’ll also benefit from a reduction of up to four points on your driver’s license toward revocation or suspension. The course is a great review of both time-tested safe driving tips and current NYS vehicle and traffic laws. To enroll or to learn more, contact Jacob N. Rashford, CISR (AZV) using the contact information below:

Jacob N. Rashford, CISR (AZV) | 315-280-6330 | JRashford@OneGroup.com

Before You Hit the Road

- Respond to any text messages or phone calls that need answering.
- Determine the correct address and/or route on your GPS.
- Finish eating/drinkings.
- Finish your personal grooming.
- Make all adjustments to mirrors, music and/or temperature selection.
- Make sure all children, pets or passengers are secured.
- If driving an unfamiliar vehicle, take time to get acquainted with the car.
- Clean your vehicle (a clean and organized car helps prevent distractions).
- If something needs your attention and can’t wait, PULL OVER and then deal with it.
- Remember to practice driving safely and follow the rules of the road.
- Take breaks to stretch your legs, check phone calls, text messages and voice mails; clear your mind and refocus before getting back behind the wheel.
- Don’t drive drowsy or emotional; wait until you are rested or calm, or ask someone else to drive.

While You’re on the Road

- Eating or drinking
- Smoking
- Adjusting vehicle controls
- Texting*
- Talking on your phone*

Starting a Business Construction Project Soon?
Understanding Contractual Risk Transfer to Make Sure Your Business is Protected

By John Schmitt
Winter is over – now it’s construction season. No matter what time of year it is, if you are renovating or having a new building constructed, make sure you take the necessary steps to protect your business. Once you decide to engage and you have the architect and contractor on board with your plans, you’re ready to move forward. Then, you need to have some conversations with your attorney and insurance agent to make sure they review the contract you will soon have in place.

Sometimes we see clients accept a “proposition” for work to be performed by the contractor. In many cases these proposals spell out the type of work to be performed, the price, and the start/finish date. They often do not include any agreements to protect you as the project owner for the acts, omissions or negligence of the contractor or their subcontractors. This makes for an incomplete contract.

The state of New York has unique Labor Laws (LL 240 & LL 241) that can make you, the project owner, responsible for injuries or damages caused by the contractor or their subcontractors. This is a critical point we want to make sure you are aware of...

Make sure you review any written agreement you get from the contractor. Never simply accept a proposal to do work. Give us a call at OneGroup to help you navigate through this process, so you don’t find out when a claim is presented to you that you may have to pay for the negligence of a contractor you hired.

There are three important areas to address in your contract:

1. A solid hold harmless and indemnification requirement to protect your business.
2. Detailed insurance requirements by line of business, indicating limits and coverages you are requiring the contractor to have in place.
3. A safety requirement establishing that the contractor is responsible for safety on the jobsite – not you as the owner.

This is where you need to have a discussion with your attorney and insurance agent to get their input on these critical parts of the agreement. Do this before you execute the contract and allow the project to begin.

By Paul Coderre

Stop Blaming Employees
P. Coderre
Continued from page 4

- Who set the pace at which the employee worked?
- Who set the rules by which the employee worked?

Blaming an accident on an employee’s carelessness is an excuse that managers sometimes use to hide errors in the systems they’ve built. That is not an indictment of managers; only the systems they build. It’s the same whether we’re talking about quality, productivity or safety. The way we do business (i.e. how we go about hiring our people, how we train them, what machines we use and how fast we run them) determines how much product we generate, how many flaws or defects are in that product, and how many people we’ve injured in the process.

While you’re looking for better safety results, look at the system you’ve built that’s generating those results.

This was part of our multi-article series on managing risk and increasing workplace safety. Stay tuned for Paul Coderre’s next installment in our July newsletter.

John Schmitt is a Construction Risk Specialist at OneGroup. He can be reached at 315-558-6789 or JSchmitt@OneGroup.com.

Paul Coderre is a Vice President of Risk Management Services at OneGroup. He can be reached at 518-952-7971 or PCoderre@OneGroup.com.

---

One Company. One Focus. One Team. One Mission: To serve each client as our ONE client.
Don’t Risk a Lot to Save a Little
The Importance of Having Insurance in a World of Increasing Risk Exposures

By Chuck Gould

It’s an age-old principle that’s worth repeating. After all, as the world gets more complex, simple advice is refreshing.

The insurance business is an industry that offers consumers many choices. The variety of options available today can be both overwhelming and confusing. A good agent will take the time to discuss your options with you, gauge your risks and help you confidently make informed decisions.

I like to focus on bigger-picture exposures – the risks of accidents, damage, etc. that have the potential to cause serious financial harm. When these exposures can be addressed with a modestly-priced insurance product or risk management technique, the decision making process becomes much easier. This works best with low frequency, high severity events, (i.e. car accidents or house fires) and can be applied to many areas of insurance.

“The variety of (insurance) options available today can be both overwhelming and confusing.”

For the homeowner, this means having high limits of liability – especially if you have a significant risk like a pool. Having high limits of liability means that your insurance company – not you – will pay a high percentage of the cost for an accident or tragedy. Make sure your house is insured for its full replacement cost so if you need to rebuild, you can. If you don’t own a home, you should consider purchasing renters insurance. If anything happens to your apartment, it can cover the cost of replacing your possessions, a temporary place to live if your current apartment is unlivable, or moving expenses if you are forced to leave before your lease is up. Oftentimes renters insurance can be combined with auto insurance for just a little more than the auto insurance alone.

I recommend looking into high liability limits for your automobile policy as well. Statistics indicate that at some point, you will be involved in an accident that involves injuries. Distracted driving is at an all time high - one moment of inattention is all it takes for a driver to veer off course and cause an accident. (For tips on preventing distracted driving, see page 2.) Having high liability limits on your auto policy means that if the accident involves pricey medical bills or if you are taken to court over the accident, you’ll be covered.

It’s also worth considering uninsured and/or underinsured motorist coverage. Those policies protect you even as a pedestrian or bicyclist. It’s important that business owners consider high liability limits, too. The difference between what you’ll pay for a lower or higher limit is often a small and manageable percentage. Ask your broker or agent about broad coverage, and don’t overlook things like professional liability and employment practices liability. These policies provide valuable risk management, legal defense and claims handling for when something goes awry in your business. When it comes to company-owned vehicles, even if your business does not have one, you should still consider hired and non-owned auto coverage. You as the owner can be held liable for an accident caused by an employee using a personal or rental vehicle on company business.

Next time you are reviewing your insurance, keep this principle in mind. Transferring the risk of potential high severity claims to an insurance company will save you both headaches and money in the long run. For more information on how OneGroup can help you choose which coverages you need, give us a call today.

In This Issue:
Distracted Driving
What Influences Benefits Elections?
Exceptional Customer Service
Stop Blaming Employees for Poor Safety
Contractual Risk Transfer

Chuck Gould, CPCU, is a Business Risk Specialist at OneGroup. He can be reached at 607-432-2022 *117 or CGould@OneGroup.com.