



**CORCORAN & HAVLIN  
INSURANCE GROUP**

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# RISK ADVISOR

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# Discrimination in the Workplace

## and the importance of EPL insurance

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You may think it only happens to large corporations, but the reality is that businesses of all sizes are sued by their employees each day. Employment practices liability insurance (also known as EPL insurance or EPLI) offers coverage to employers and protects from claims made by employees declaring discrimination, harassment, wrongful termination and other employee-related issues. Larger companies generally have significant EPLI coverage in place and are well prepared to deal with most employee lawsuits. Small or new businesses are the most susceptible to these employee claims, often due to overlooking the necessity of an EPLI policy.

### What does EPLI cover?

It provides protection from the following kinds of lawsuits, which can be brought forward by current employees, terminated employees and potential hires:

- Discrimination
- Sexual Harassment
- Wrongful termination
- Breach of employment contract
- Wrongful discipline
- Deprivation of career opportunity
- Wrongful infliction of emotional distress

### How can you protect your business?

The first step you can take to lessen the threat of a lawsuit is to treat all of your employees fairly. Nevertheless, even though you may treat everyone equally, you can also be held responsible for the actions and words of your other employees (even vendors and customers). Even if you remain in compliance with laws in regards to overseeing employees, having the added protective layer of an EPL insurance policy is a smart idea.

Lately, employee-related lawsuits have been on the rise. A single lawsuit can cost upwards of \$30,000. If your business has no EPLI in place, this cost will come from your pocket. However, with EPLI coverage in place, those costs relating to the lawsuit would be covered, which includes settlement payments.

To prevent employee lawsuits, you should educate both your managers and employees:

- Create effective hiring and screening programs to avoid discrimination in hiring.
- Post corporate policies throughout the workplace. Employee handbooks should have these policies posted and should be reviewed by all employees to be sure policies are clear to everyone.
- Show employees what steps to take if they are the object of sexual harassment or discrimination by a supervisor. Ensure that supervisors know where the company stands on what behaviors are not permissible.
- Document everything that occurs and the steps your company is taking to prevent and solve employee disputes.

Remember - Employee lawsuits happen every day, and every business is vulnerable.

#### Discrimination

Employment discrimination occurs when an employee or a potential employee is treated negatively because of a personal quality (like race, gender, etc). There are many different types of discrimination and they are all prohibited by laws that are enforced by the Equal Employment Opportunity Commission (EEOC).

#### Types:

- Age
- Gender
- Race
- Ethnicity
- Skin Color
- Mental or Physical Disability
- Pregnancy or Parenthood

#### Examples:

- Excluding potential employees during recruitment
- Denying certain employees compensation or benefits
- Paying equally-qualified employees in the same position different salaries
- Discriminating when assigning disability leave, maternity leave, or retirement options
- Discrimination when issuing promotions or lay-offs

#### Sexual Harassment

As a society, especially lately, we have seen sexual harassment exposed across all kinds of industries. Whether the violation is made by a manager, co-worker, or even a non-employee, if the behavior creates an unpleasant work environment or interrupts an employee's success, it is considered unlawful sexual harassment.

#### Types:

- Verbal or written
- Physical
- Nonverbal
- Visual

#### Examples:

- Staring in a sexually suggestive or offensive manner, or whistling
- Making sexual comments about appearance, clothing, or body parts
- Displaying inappropriate sexual images or posters in the workplace
- Telling lewd jokes, or sharing sexual anecdotes
- Making inappropriate sexual gestures
- Inappropriate touching, including pinching, patting, rubbing, or purposefully brushing up against another person
- Asking sexual questions, such as questions about someone's sexual history or their sexual orientation
- Making offensive comments about someone's sexual orientation or gender identity

**66%**



Two-thirds of all employees are not aware of their corporate Harassment & Discrimination policies. (*Aware.org*)

Number of employees who experienced unfairness on the job and are discouraged from recommending their company to other potential employees. (*Center for American Progress*)





## June is National SAFETY Month

# 10 Tips for Workplace Safety

It's up to business owners and/or managers to ensure that their employees are familiar with and understand workplace safety efforts. These simple tips can make all of the difference:

- 1) Be Aware of Your Surroundings:** This step requires knowing the particular hazards of your job or workplace. Once you've learned these risks, you are able to keep clear of potential hazardous areas, and potential hazardous situations. Also, always be alert of machinery.
- 2) Keep Correct Posture to Protect Your Back:** If you work at a desk, keep your shoulders in line with your hips to avoid back problems. If you're picking things up, use correct form so your back doesn't get hurt. Avoid stooping and twisting. If possible, always use ergonomic designed furniture and safety equipment so everything you need is within easy reach.
- 3) Take Regular Breaks:** So many work-related injuries and illnesses occur because a worker is tired, burned out and not alert to their surroundings. Taking regular breaks helps you stay fresh on the job. One trick to staying alert is to schedule the most difficult tasks when your concentration is best, like first thing in the morning.
- 4) Use Tools and Machines Properly:** Take the proper precautions when using tools, and never take shortcuts. Taking shortcuts is one of the leading cause of workplace injury. It's a huge safety risk to use scaffolding as a ladder or one tool in place of another for a specific job. Using tools the right way greatly reduces the chance of workplace injury.
- 5) Keep Emergency Exits Easily Accessible:** In case of an emergency, you'll need quick, easy access to the exits. It's also recommended to keep clear access to equipment shutoffs in case you need to quickly stop them from functioning.
- 6) Report Unsafe Conditions to Your Supervisor:** Your supervisor needs to be informed about any workplace safety hazards or risks. They are legally obligated to ensure their employees have a safe working environment and will take care of the unsafe conditions and make them safe for you and your coworkers.
- 7) Use Mechanical Aids Whenever Possible:** Instead of attempting to carry or lift something that's really heavy in an attempt to save a sliver of time during your workday, take the extra minute to use a wheelbarrow, conveyor belt, crank or forklift. Too many injury risks are involved with trying to lift something that weighs too much.
- 8) Stay Sober:** Around three percent of workplace fatalities occur due to alcohol and drugs. When a worker's ability to exercise judgment, coordination, motor control, concentration or alertness is compromised, this leads to any number of risks for workplace injury and fatalities.
- 9) Reduce Workplace Stress:** Stress can lead to depression and concentration problems. Common causes of workplace stress include long hours, heavy workload, job insecurity and conflicts with coworkers or managers. Take your concerns about workplace stress to your supervisor to see how they might help you address them.
- 10) Wear the Correct Safety Equipment:** If you're not wearing the correct safety equipment for a task, you may get injured. Depending on the job, equipment like earplugs, earmuffs, hard hats, safety goggles, gloves or a full-face mask greatly reduce the risk of workplace injury.

## intro to: Commercial Crime Insurance



Dealing with the consequences of a crime at your place of business is the last thing any business owner wants to deal with. While it's true that you can't prevent crimes from happening, you can certainly plan ahead to protect your business from future problems. Commercial crime insurance is important for many small businesses, but it is even more important for businesses that deal in cash, checks, online payment systems and credit cards.

Commercial crime insurance is a type of business insurance that works as a fail-safe and is designed to help protect a business from losses due to employee fidelity or third party fraud. It is often overlooked as a necessity - many small business owners feel that they are solidly controlled, but there is always a possibility that these controls can be breached by third parties, or even employees. When these controls fail, your business can be left vulnerable to financial losses. Typically, crime-related losses are not covered by commercial property insurance, so it's imperative you make sure your business is properly protected. Working through these kinds of losses entails time and money, which are resources better spent running your business.

This kind of insurance policy typically provides various types of crime coverages, some of which include:

- Employee dishonesty
- Forgery or alteration
- Theft of money and securities
- Burglary or robbery
- Computer fraud
- Kidnap, ransom, or extortion
- Funds transfer fraud
- Money orders and counterfeit money



These policies can be written as a standalone package or it can be written with your commercial package policy. Having a separate, standalone commercial crime insurance policy gives you the advantage of allowing you to customize coverage for the specific needs of your business. On the other hand, having commercial crime insurance included with your commercial package insurance policy is easier for some business owners since it's one comprehensive policy. It's important to keep in mind that crime insurance isn't something automatically covered in a commercial package policy without specifying its inclusion.

When it comes time to decide if your business needs a commercial crime insurance policy, it's important to remember that employee theft and third party crime and fraud are real possibilities that can threaten your business.

## Agency News



Corcoran & Havlin's President, **George Doherty** recently served as guest lecturer to MBA students at Babson College in Wellesley, MA. George spoke to graduate students on the topic of insurance issues when purchasing or developing real estate.

*Corcoran & Havlin welcomes Dan Curtin, Robert Mattson & Caitlin O'Brien to its Commercial Lines team*

**Dan Curtin** started his career in insurance, when he accepted a full-time position as a Customer Service Representative at the Quincy Mutual Group in 2014. There he specialized in both personal and commercial lines billing, claims, and policy maintenance. Dan is currently working on his CCLP and AINS designations. He graduated from Stonehill College in 2013 with a degree in Criminology. He is originally from Holbrook, MA and now resides in Cohasset, MA.



**Robert Mattson** comes to Corcoran & Havlin with 15 years of experience in the insurance industry. He started his career in personal lines insurance and is now is focused on commercial lines coverage. He has experience in both traditional and non-traditional markets for small, medium and large business operations. Rob is a graduate of Northeastern University. He is a native of the South Shore and enjoys fishing, golfing and mountain biking in his free time.

**Caitlin O'Brien** began her insurance career in 2013 at the Auburn Insurance Agency in Sudbury, MA as an administrative assistant and worked her way up to become the National Accounts Director. In 2015 she received an Associates Degree in Paralegal Studies from Middlesex Community College after attending Framingham State University as an English major in 2013. Caitlin is originally from Pittsburgh and relocated to Massachusetts in 2007.



# Using Drones for your Business



There are a lot of new technologies out there, and companies both large and small are beginning to heavily invest in drone technology to generate business capabilities. If you use a drone or an 'Unmanned Aerial Vehicle' (UAV) for your business, it's a smart move to get it insured. UAV technology isn't always perfect, and insuring yours may save you a lot of money down the road if an accident were to occur.

While commercial UAV insurance is not currently required in the U.S. for drone users, this doesn't invalidate the legal & insurance concerns when it comes to operating a drone for your business. There are many risks when it comes to UAV operation to both your business and the general public. Drones can injure people on the ground and cause serious damage to property. Even the most skilled drone pilot can sometimes be no match for poor weather or UAV malfunction. In addition to protecting your assets if something were to go wrong, your business partners and customers will likely require you to have some kind of insurance for your drone before they'll do business with you.

Beyond the clear risks of property damage that could result from unruly drones, many states have, or are in the process of, passing legislation aimed at addressing privacy concerns. How you collect & use data with your drone (and who has access to that data) are other big concerns. As drone use becomes more common, the number of 'invasion of privacy' claims continues to rapidly grow.



To protect your business from privacy related claims (as well as other liability exposures) you need to analyze your current insurance policies to certify you have acceptable coverage. This evaluation should go over the extensiveness of your business's liability policies and be done with the help of an insurance agent. If it's determined that your company's liability policies aren't expansive enough to cover your drone, then you should consider purchasing UAV coverage. The types and amounts of coverage you need will vary based on several factors, such as:

- **Your drones:** The more expensive your drone or fleet of drones, the more coverage you need to protect your investment. Likewise, more expensive onboard equipment requires more extensive coverage.
- **The type of work you do:** Businesses that rely heavily on drone operations will need more coverage. A filmmaker, for example, might need more coverage than a real estate firm.
- **Customer requirements:** Customers often have varying insurance requirements. Some customers or municipalities might require you to have a certain amount of coverage in order to award a contract.

## Accidents Covered:

- Loss or damage to the UAV and associated equipment
- Coverage for aircraft operators, including other non-pilot, on-ground crew
- Manufacturer Product Liability
- Third Party Legal Liability
- Premises Liability
- Aviation and Premises Medical Payments
- Fire Legal Liability
- Independent Contractors Liability
- Personal Injury
- Advertising Liability
- Fellow Employee Coverage
- War, Hi-Jacking and Terrorism
- Damage to Premises You Rent
- Your Property & Office/Studio Contents

## Common types of coverage:

- **Drone liability:** covers costs related to property damage or injuries caused by commercial UAV operation
- **Drone hull:** covers costs of physical damage to a UAV
- **Onboard components:** covers costs of physical damage to a drone's onboard accessories, such as cameras or DSLR
- **Ground equipment:** covers costs of physical damage to ground equipment used to operate the drone, such as ground stations, laptops, UAV cases, remote controllers
- **Non-owned drone liability:** optional liability coverage designed for businesses that operate UAVs that they do not own
- **Personal injury liability:** covers libel, slander, violation of privacy, and copyright infringement claims related to commercial drone operation

# Understanding Commercial Auto Policies



If you have auto insurance coverage for your business, it's important to be familiar with (and understand) the basic elements that make up your commercial auto policy.

## THREE BASIC PARTS OF A COMMERCIAL AUTO POLICY:

- **Physical Damage Insurance:** Includes collision & comprehensive coverage.
- **Liability Insurance:** Includes bodily injury, property damage, and uninsured/underinsured motorist coverage.
- **Other Coverage:** Includes medical payments, labor and towing, rental reimbursement, and auto loan/lease gap coverage.

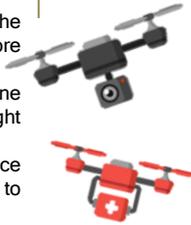
## SPECIFIC THINGS COVERED:

- **Collision Insurance:** This pays for damage done to your vehicle if you hit another vehicle, another vehicle hits you or your vehicle rolls over, regardless of who is at fault. This type of coverage may be required if you finance or lease your vehicle.
- **Comprehensive Insurance:** This pays for the damage done to your vehicle from causes other than an accident. These causes include flood, theft, vandalism, earthquakes, fire and damage caused by animals.
- **Liability Insurance:** This covers bodily injury to others and property damage to another vehicle if you are found to be at fault in an accident. Bodily injury will pay others' medical costs and lost wages, as well as your legal expenses if you're faced with a lawsuit due to an accident.
- **Uninsured Motorist Coverage:** This will pay for your injuries or property damage if you are hit by an uninsured driver.
- **Underinsured Motorist Coverage:** This will protect you if the at-fault driver doesn't carry enough liability insurance to cover your loss. However, if you live in a no-fault state, each driver's auto policy responds to their own losses.

## OPTIONS & ADD-ONS

*(Beyond the basic components, you can customize your policy with these coverages, also called endorsements):*

- **Roadside Assistance:** Protects you when you encounter a problem that may not be covered under your typical commercial auto policy. Such problems could include flat tires, locking your keys in the car or flat tires.
- **New Vehicle Replacement Cost Coverage:** If you have a total loss, this coverage will replace your new vehicle with a new or comparable vehicle. It also provides gap coverage, which is any amount that you may owe, above your car's actual cash value.
- **Hired Auto Physical Damage with Loss of Use Coverage:** Covers comprehensive and collision damage to a rented or leased vehicle, in addition to any other contractual obligations to the rental or leasing company.
- **Auto Loan or Lease Coverage:** If your vehicle is a total loss after an accident, this will cover the difference between the unpaid amount on the loan or lease and the actual cash value of the vehicle.
- **Expanded Towing:** Provides towing coverage that goes beyond what is covered in your standard business auto policy. It covers things like towing, minor roadside repairs and jump starts.



- **Rental Reimbursement:** Pays for a rental car up to the limits of your policy so you can have transportation after an accident.
- **Medical Payments or Personal Injury Protection Coverage:** Pays for medical expenses if your health care insurance (or your passengers') doesn't cover the costs.

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