



# RISK ADVISOR *Winter 2015/2016*

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## Group Disability Insurance *by Brian Foley*



Studies show that working-age adults are more likely to suffer from lengthy disabilities in any given year than they are to die. Unless it is offered through their employer, most adults have little, if any, disability insurance coverage.

## BIG NEWS!



Corcoran & Havlin has been awarded the 2015 Reader's Choice Award for the 12th year in a row! Not only did we win as a local favorite, but because of customers like you, we were also awarded the title of Regional Favorite!



employees will be disabled for 3 or more months during their careers.

Source: U.S. Social Security Administration, Fact Sheet, February 2013

### ***What is group disability insurance?***

Group disability insurance provides income protection for employees as well as cost-saving management strategies for employers. Most employers offer salary continuation plans for disabled employees. Group disability premiums are typically a fraction of the cost of continuing an employee's salary.

### ***Is group disability insurance really necessary?***

Lost time and medical costs are on the rise, and the risk of disability is greater than most employers and employees realize. Consider these statistics:

- Over 36 million Americans are classified as disabled.
- Three in ten workers entering the workforce today will become disabled before retiring.
- An illness or accident will keep 1 in 5 workers from working for at least a year sometime during his or her career.
- Americans have a 50% chance of becoming disabled for 90 days or more between the ages of 35 and 65.
- Disabilities affect one-fifth of Americans (over 60 million people).
- A disabling injury occurs every 8 seconds at work.

The possibility of becoming disabled is very real for working Americans, and so are the financial consequences and costs associated with employee absence. Group Disability plans are a relatively inexpensive employee benefit and can be designed to be wholly tax deductible to the business. Please contact Brian Foley at [bfoley@chinsurance.com](mailto:bfoley@chinsurance.com) or (781) 997-0473 to discuss group disability insurance and determine if it is the right choice for your organization.



## Will Your Business Survive A Winter Emergency?



25% of businesses that shut down due to an emergency never open again. Good emergency response and continuity plans will make your organization a survivor! Prepare now and build a continuity plan that works for you!

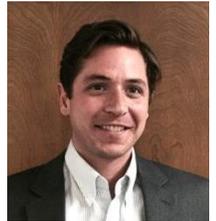
- ✓ Designate an employee to monitor and alert your team to approaching severe weather.
- ✓ If you rely on back-up power such as a diesel generator, test your system and contract with fuel suppliers for emergency deliveries.
- ✓ Replenish energy supplies (water, food, batteries, flashlights, first aid items, blankets, etc.)
- ✓ Test all life Safety equipment (fire extinguishers, carbon monoxide detectors, fire and smoke detectors, sprinkler systems, fire escapes, etc.)
- ✓ Update employee contact information and other sections of your company's continuity plan.
- ✓ Remind employees about key plan points including post-event communication and work procedures.
- ✓ Provide all employees with a paper copy of the plans.
- ✓ Review emergency shutdown and start-up procedures, such as electrical systems.
- ✓ Conduct simulations of your emergency response and continuity plans.

## Meet the Newest Members of the C&H Commercial Team!



As some of you may know, our Commercial Lines Manager Virginia Handerhan retired this year. Virginia has had a long and storied career as an insurance professional and we are very happy for her to experience this new adventure. We have completed our search for Virginia's replacement and are pleased to announce the hiring of **Denise Donohue** as Virginia's successor to the Commercial Lines Manager position. With over 25 years of insurance experience, Denise most recently served as the Operations Manager of the Cavallo & Signoriello Insurance Agency. Denise carries a CIC and an AAI designation and is working towards her CRM designation.

C&H recently welcomed **David J. Greenaway** as the new Risk Placement Officer. David began his financial services career in 2007 and was most recently Senior Client Manager at William Gallagher Associates in Boston. He has worked on the agency side of the industry for many years, specializing in the administration of both traditional and non-traditional risk management programs for small, medium and large business operations. Originally from Medfield, MA, David is a graduate of the University of Massachusetts, Amherst, and is currently pursuing his Associate in Risk Management designation.



**Jeffrey Hoisington** was newly added to our team as a Commercial Lines Account Manager. Jeff began his insurance career in 2007 with the Norfolk & Dedham Group and moved onto Lemire Insurance Agency before deciding to expand his knowledge in the insurance industry by joining the Corcoran & Havlin Insurance Group. Jeff currently resides in the Metrowest area with his wife and two children.

## Winter Slips and Falls: A Few Ways to Keep Your Premises Safe

The perils of winter pose a safety hazard to visitors of your business. Customers, employees, and other visitors are at risk for fall related injuries. You may be liable for any falls that occur on your business premises. Therefore, proper snow and ice removal is imperative to reduce fall risk and other injuries. The best way to stay on top of this is to have a plan.



Have an outline of the areas they are to treat and times the work needs to be done by. Next, make sure deicer and sand are used and that all walkways and parking lots are shoveled and plowed. Continue to deice and sand during and after a winter storm. Lastly, pay close attention to your business entryway. Excess water from boots and melted snow get tracked inside the building and pose as an indoor fall hazard. Use door mats for individuals to wipe off excess snow and absorb melted snow/ice. Utilizing these tips will greatly reduce your risk of injury to your employees and other guests.

## Contractors Beware – Construction Defect Claims

General or specialty contractors aim to complete projects, on time, on budget, and, most importantly, safely. If, however, the work done on those projects is found to be defective, your business can be exposed to construction defect claims. Defects can arise when a contractor's workmanship is called into question, either by construction regulations or the owner's expectations. Construction defect claims can affect a contractor's reputation, its profits, and its ability to maintain insurance coverage.



If a construction defect results in a law suit, the company's insurer has the responsibility to protect the business and cover any legal costs. These fees can be very expensive and create problems for a business with a history of defect claims. With most damages or defects being found long after the project is completed, a large claim can cripple a business if it doesn't have the right risk management plan.

Construction defect claims are challenging because most court interpretations of commercial general liability policies do not view defects as accidental occurrences. While this can vary state-to-state, legislation has been passed to broaden the interpretations of coverage in such circumstances. The litigation process, scope of damages, and varying statutes of repose are all factors that contribute to the challenging nature of construction defect claims.

No business can completely prevent construction defects. By working with your insurer to check business coverage and contracts, implementing a comprehensive quality control program, and controlling claim-related costs, you can better protect your business from potential claims. This will ensure the minimization of both financial and also reputational damage.

## 5 Ways to Help Employees Beat the Winter Blues



- 1. Sunlight!** Encourage employees to go out for lunch rather than eating at the office.
- 2. Vacations!** Pass around a company calendar to get staff excited about better, warmer days.

- 3. Coffee!** Switch that old coffee maker to a Keurig and order some exciting flavors.
- 4. Clean your work area!** Performance improves when your space is clean and uncluttered. Encourage employees to breath new life into their space so they'll be able to breath new life into their work. ;)
- 5. Make them aware of local classes!** Help employees discover a new hobby. Instead of going home after work, take that class you've always wanted to.

## EDITOR'S LETTER: Denise Donohue

### Snow Expert? Don't Bet On It

Last winter was one for the record books (110 inches in Boston!). The most interesting (and troubling) part was that almost everyone became a "Snow Removal Expert". I noticed many professionals such as residential painters, vinyl siding contractors, and landscapers were offering their services for snow removal from the roofs of homes. The problem is that 9 times out of 10, they were not insured properly.

Most General Liability insurance policies contain a snow removal exclusion. Unless those contractors purchased the snow removal coverage, they are not covered for any property damage or bodily injury they may have caused. This leaves the homeowner in a tough situation.

I hope that we don't have a repeat of last year. However, if we do, my advice is to consider asking anyone you contract for a Certificate of Insurance to confirm the snow removal contractor carries general liability protection for any activities related to snow removal. Here's to hoping for a mild winter and not having to worry about this.



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