



Insurance Loss Control Association

ILCA E-News

May 1, 2007

President's Message:

Fellow ILCA members and loss control professionals:

2007 Conference plans are progressing!

- Ergonomics
- Industrial Hygiene
- OSHA
- Flammable Liquids
- Thermal Imaging
- Eye Protection
- The Certified Loss Control Specialist Designation (CLCS)
- Hexavalent Chromium, Respiratory Issues

--a few of the topics to be included in the

2007 Annual Conference of the Insurance Loss Control Association!

We are looking forward to seeing everyone in Lexington, Kentucky on October 29-31, 2007! Be sure and mark your calendars.

Thanks to Lossing Coxeter, 2007 Conference Chair, for all the work involved.

More information below!

Some recent changes:

Single membership fee:

We have adopted a single membership fee regardless of the number of members from any particular company. It remains at \$65. There is no better opportunity for growth and education available. Managing the variable fee structure, which was instituted approximately a year ago, has become cumbersome to both members and administrators. Thank you for your understanding. Thanks to Bruce Ayrton for handling the financial issues.

Newsletters:

We have adopted a single newsletter plan. HELP and eNews will be merged into a single publication distributed electronically via e-mail. Hey, it's the electronic age! ILCA eNews will be distributed routinely to our membership. We welcome your comments and input. We are always looking for articles appropriate to our profession.

Thanks to Jack Williams for all the effort on newsletter issues!

Sponsorship/advertisers:

You will see logos and links to our sponsors and advertisers on upcoming newsletters. To our sponsors, thank you so much! Your assistance and support are greatly appreciated! Website ad space is available. Website banner ads can be arranged. We welcome your inquiry!

My thanks to everyone on the executive committee, steering committee, past officers committee and Betty Ayrton, our administrative coordinator, for their help and efforts in so many areas.

ILCA continues to be an outstanding opportunity for professional development! Membership dues and conference fees are very economical! The conferences are chock-full of excellent speakers and topics. Check the website regularly for updates covering the 2007 conference and for additional information on membership. If you are already an ILCA member, pass the word. If you are looking for an opportunity for professional development, we hope to welcome you and your staff aboard!

See you in Lexington!

Barry Reutter, ALCM, CSP, CPCU, CPSI
President, Insurance Loss Control Association

Web Site Updates

Our new web host and web site manager is doing a great job. Thanks to Paul Vance for his assistance serving as our liaison on website issues. We will soon begin the upcoming annual membership renewal as well as the conference registration. Joining ILCA or renewing your membership can be fully accomplished online! The conference registration will also soon be available through the website. We are working on updating some of the information on our website and will keep you posted about ILCA issues and conference plans. Check the website regularly.
www.insurancelosscontrol.org/

2007 Annual Conference

**October 29-31, 2007
Hyatt Regency Lexington
Lexington, KY**



On behalf of the Insurance Loss Control Association, we invite you to join us for the

2007 ILCA Annual Conference
At the
Hyatt Regency in Lexington, KY

We are sure you will find this year's program informative, educational, and worthwhile, as well as an opportunity to network with fellow members of the insurance loss control profession.

Invite Your Underwriters!

This year we want to follow up on something that began over the last two years--servicing our underwriters. Be sure to invite the underwriters at your company. We have had several underwriters attend the conference over the past couple years with very positive feedback. This gives them the opportunity to learn a bit more about the technical side of some of the operations that they insure. A bit of technical background will assist them in understanding reports from their loss control counterparts. Pass the word!

We look forward to seeing you in Lexington!

Hotel Location-- Lots to Offer!

Hyatt Regency Lexington
401 West High Street
Lexington, KY 40507
Information about the hotel:
www.lexington.hyatt.com

The Hyatt Regency Lexington



The Hyatt Regency Lexington is located in the heart of downtown Lexington. The hotel has complimentary hard-wired high-speed internet access, an indoor pool, a health facility and complimentary overnight self-parking.

Need Your Help!

Just a heads up. When registering for the conference in October, please make reservations at our conference hotel if possible. They have offered us a very competitive room rate, and we have committed to them for a specific number of room-nights. If we meet our quota, the association saves on conference room costs and other fees. When you reserve your rooms at the hotel, be sure and mention that you are with the ILCA conference so that you obtain the special room rate. Thanks for your support. The Hyatt is a great hotel! You will enjoy!

Lexington, Kentucky!

Horses and history! Lexington is known for Horse and Riding Enthusiast activities such as Keenland Race Course, Thoroughbred Center, Kentucky Horse Park, and the American Saddle Horse Museum. For those interested in historical sites, Lexington has "Ashland," the former home of an American statesman, Henry Clay. This is a National Trust Historic Landmark. And be sure to visit the Mary Todd Lincoln House. There are many other historic areas to explore since Lexington is over 225 years old. And music! The city has a wide variety of live music including Jazz and Blues.

Lexington shopping

Interested in shopping? Lexington has downtown shopping areas, including Victorian Square, which is a renovated block of Victorian Buildings, various antique shops, and an eclectic mix of shops around the University of Kentucky. There are also several malls in and around Lexington, including the largest mall in Kentucky, Fayette Mall.

Make it a vacation with your spouse and come for the weekend as well. Your boss called--you deserve a little R&R!

Reservations by Phone

Make your reservation now!

Call the Hyatt Regency Lexington at their toll free number at their toll free number at 1-800-233-1234.

Special Room Rate

Be sure to request the Insurance Loss Control Association 2007 rate of \$105.00 plus tax (single/double/triple/quadruple occupancy are the same rates).

Please Note:

Rooms are blocked from October 29-31, 2007. The group rate will be honored three days pre/post conference, based on availability. Yup, bring the family!

Reservations must be made by October 5, 2007 in order to receive the ILCA discounted room rate.

Mark Your Calendar

Reserve the dates and mark your calendar to attend ILCA 2007. Look for more details on the ILCA website at www.insurancelosscontrol.org.

Thanks to our vendors and sponsors!

Please visit the ILCA Website. Follow the links to our Vendor Directory for info about these companies and their services:



Midwest Technical Inspections, Inc.

5555 Arlington Drive East
Hanover Park, IL 60133
Toll Free: (800) 451-5621
Phone: (630) 894-4110
Fax: (630) 539-4526

Insurance Systems, Inc.

81 The East Mall, Suite 101
Toronto, ON
Toll Free: 1-877-777-2231
Phone Number: (416) 249-2260
Fax Number: (416) 249-8935



**TranStar
Technical Services, Inc.**

3225 Shallowford Rd #230
Marietta, GA 30062
Toll Free: 1-800-993-2990
Phone Number: (678) 236-9005
Fax Number: (678) 236-9014

ISI Insurance Services

P.O. Box 458
Chalk Hill, PA
Toll Free: 1-800-837-8506
Phone Number: (724) 329-1525
Fax Number: (724) 329-1529



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Loveland, CO 80538
Toll Free: 1-800-223-2310
Phone Number: (970) 593-9888
Fax Number: (970) 278-0621



We all need the proper balance in life.

The following article appeared in the December 2006 edition of *Risk & Insurance* magazine. Reprinted with permission.

Implementing Safe Cell Policies

In the eyes of the law, cell phones and driving don't mix. Still, the number of cell users behind the wheel continues to grow.

BY MICHAEL THOMA

On your next commute, count the number of drivers on cell phones weaving across lane boundaries and failing to react quickly to brake lights and obstacles. You probably won't have any trouble spotting at least a handful of distracted drivers. At any given moment on U.S. roads, there are nearly 1 million drivers holding handsets to their ears, according to the National Highway Traffic Safety Administration. The number grows when you add the people speaking on hands-free devices, which, research has shown, are no less distracting. Driver cell-phone use continues to increase each year, and this problem is more than an annoyance. It is dangerous.

Cell-phone users are 500 times more likely to get into an accident than nonusers, and a study published in the *New England Journal of Medicine* found that the risk of having an accident while conducting a call was equivalent to the risk of driving drunk. Distracted drivers cause nearly \$40 billion in damages each year, and the Harvard Center for Risk Analysis estimates that the use of cell phones by drivers may result in approximately 2,600 deaths, 330,000 injuries and 1.5 million instances of property damage in the U.S. each year.

When the driver distracted by a cell phone is your employee, your business may be liable for any damages or injuries they cause. If an employee uses a cell phone to conduct business while driving, or takes a personal call in a business vehicle at the time of an accident, an employer can be held vicariously responsible for damages. This has been established in a number of cases, from Florida to Hawaii, where employers were found negligent for either tacitly endorsing cell-phone use while driving or not implementing cell-phone safety policies. In most cases, juries have not favored careless cell-phone users or the companies that fail to enforce safety policies, and plaintiffs have been awarded multimillion-dollar verdicts or settlements.

One of the largest awards came in a Florida case from Miami-Dade County, *Bustos v. Leiva*, where an employee driver rear-ended another car that had stopped in traffic. The defendant initially denied that he had been using a cell phone just before impact, but subpoenaed phone records indicated otherwise. The jury awarded the plaintiff, a 78-year-old woman who required permanent bedside care as a result of the accident, more than \$20 million from the driver's employer — the largest personal injury verdict in Miami-Dade County's history at the time. The parties eventually settled for \$16.1 million.

EASY TARGETS FOR JURIES

Employers should not assume that their responsibility ends after their employees are no longer on the clock. The productivity-stretching qualities of mobile devices have also expanded the timeframe for employer liability. Numerous cases have established that if an employee is conducting business outside normal working hours — even simply checking office voicemails while driving — employers can be held at least partly responsible for accidents.

Smith Barney settled with a family of a motorcyclist killed by one of its brokers making cold calls on the way to a personal dinner. In another case, it was after 10 p.m. when an attorney for a Virginia law firm struck and killed a pedestrian while the attorney was talking on her cell phone with a client. The attorney's firm, Cooley Godward, was named as a defendant in the case, and the firm eventually settled with the victim's family for an undisclosed amount. A worker for a Georgia-based construction company on his way into work reached over to a hands-free, dash-mounted phone to check voicemail, and caused an accident that left another driver seriously injured. The company settled for \$4.75 million. The time of the call or accident is irrelevant.

It has become standard practice for litigators to secure cell-phone records in auto accident cases today. Certainly, phone calls are not the only distraction for drivers who often split their focus on the road among music, conversations with passengers and hot beverages. You name it, and chances are that someone has tried to do it while driving. But cell-phone usage, like a blood-alcohol level, is easily documented and generally frowned upon by juries. Drivers distracted by their cell phones make easy targets.

STEERING CLEAR OF RISK

The exposure for employers of distracted drivers can be greatly reduced if the company implements an effective cell-phone policy. It can be a relatively simple fix from a risk management perspective, especially when compared with the costs of litigating these cases. The absence of a policy can also tip the scales for insurance companies that may increase the price of a company's auto policy, or not underwrite the coverage at all.

Here are **five tips** to keep in mind as you develop a cell-phone policy:

Define safety. A cell-phone usage policy begins with a company's definition of safe cell-phone practices. Some companies educate employees on the dangers of cell-phone use while driving and advocate the use of hands-free devices. The evidence is mounting, however, that the cell-phone conversation itself, not simply the act of holding the phone, is what actually causes the most distraction. Experts say that the brain functions required for driving are the same ones used for conversing. In this light, many companies have followed the lead of Exxon Mobil and UPS in banning all use of cell phones while driving.

Balance productivity and risk. A strong cell-phone safety policy doesn't necessarily mean that employee productivity is lost while on the road. Many policies simply require that drivers pull off the road to a safe location before taking or making calls.

Inform and remind employees. The policy itself can be issued in letter form that employees must sign, either at the time when cell phones or vehicles are issued, or as a supplement to the employee handbook. A policy-reminder label can be applied to company-issued cell phones and fleet-vehicle interiors. Employees should be informed that any traffic violations or liabilities involving the use of a cell phone while driving will be their sole responsibility.

Consistently enforce policies. As with all policies, consistent enforcement of cell-phone guidelines is critical. Employees who regularly receive calls from superiors who are navigating through traffic, or that are expected to take calls during their own commutes, are essentially being told to ignore the cell-phone policy. Juries will make a distinction between policies that are actively enforced and those that are implemented without conviction. Violations of the policy should be documented and met with disciplinary action, and employees that misuse company-issued devices and vehicles should have equipment and vehicle privileges revoked. It may seem disproportionate to discipline someone for using a cell phone while driving, but keep in mind the multiple studies that show that the activity is equivalent to driving under the influence.

Keep abreast of changing laws. Of course, your policy must comply with all local and international laws where you do business. A number of states and municipalities have restricted the use of handheld cell phones by drivers, and the practice is regulated or illegal in more than 40 countries worldwide. Varying and evolving ordinances have compelled most businesses to stay ahead of lawmakers by banning cell-phone use by employee drivers altogether.

As the number of cell phones continues to grow — 225 million U.S. subscribers by last count — and as attention-grabbing services like mobile e-mail and video become more prevalent, businesses should take steps to make sure employee drivers keep their focus on the road ahead.

Cell-phone safety policies should originate with risk managers who must take an active role in enforcing and updating the policy so safety becomes the primary focus for all concerned.

The author, **MICHAEL THOMA**, is assistant vice president of Global Technology Underwriting for Travelers. He can be reached at riskletters@lrp.com.