

brokerwise

Brought to you by: **Council of Queensland Insurance Brokers Inc**

Welcome to brokerwise

Within the pages of this quarterly newsletter we plan to bring you a variety of interesting stories, opinions and news items.

in this issue

- A secure business**
... makes more money.
- Liability claims**
...changes in attitude.
- Fleet management**
...useful guidelines.
- Office email**
...send and be damned.
- Financial advice**
...licensed to tell.

Improve security... and prosper

Every business, from the independent shop owner to the multinational company, is a juicy target ripe for the picking by thieves and other predators.

Many people consider crimes against businesses to be victimless crime because monetary losses are usually covered by insurance – although, as night follows day, an insurance payout is often followed by a premium hike.

The reality is that the impact of crime on a business is not just one of financial loss and short term inconvenience. The consequences go far beyond and can have long-term effects on the organisation and its staff both physically and psychologically. Staff members often end up making a claim under Workcover.

External threats.

Security considerations should be an integral part of any business plan and not something left as a reaction after the event. Look at your business through the eyes of a criminal. How easy would it be for someone to break into your premises or even to walk into an office and take your property? How vulnerable are your employees' vehicles in your car park?

You should be particularly concerned if your premises have already been subjected to crime. Once a commercial property has been attacked, it is five times more likely to be targeted again. The successful criminal has identified where some weaknesses are, it is therefore important to upgrade the security at that point. For example, merely replacing a broken window at a point of entry with another similar window is inviting a re-occurrence.

You have not tackled the root of the problem.

An inside job.

What if the threat comes not from outside but from within? What procedures have you employed to stop fraud or theft by your employees?

Providing job satisfaction and ensuring regular holidays for staff is a good start. A happy employee rarely bites the hand that feeds. The combination of fair treatment for all employees, effective screening before hiring and establishing accountability are all forms of internal security which will allow you to focus more effectively on the threat from without.

Eternal vigilance.

Regularly review the points raised because when dealt with, they will assist and support the long-term success of your business. 🦉



...and that's what it's all about!

With all the sadness and trauma going on in the world at the moment, it is worth reflecting on the death of a very important person which almost went unnoticed recently.

Larry La Prise, the man who wrote The Hokey Pokey, died peacefully at age 93.

The most traumatic part for his family was getting him into the coffin. They put his left leg in. Then the trouble started... 🦉



Liability actions. Times are changing.

It seems there is good news ahead for those of us who buy public liability insurance for our businesses and homes.

The recently introduced Civil Liability laws enacted in most if not all states of Australia may already be having an effect on the outcome of court cases. The new laws were designed not only to limit the amount of awards but also to restrict the success of certain types of claims.

In these examples of recent court decisions, trial judges and/or Courts of Appeal have decided in favour of the defendants when the personal responsibility of the plaintiff is obvious and where the risks are clear to all.

- A young plaintiff dived into the ocean and sustained severe injuries and then sued the local council for negligence. Case dismissed.
- A defendant owned and occupied a home and held a garage sale. A woman bargain hunter slipped and

fell on the driveway and sued the owner. Although the Magistrate decided in favour of the injured woman, an Appeal Court reversed the decision highlighting the fact that a crack on the driveway where she fell was obvious and clearly visible and therefore held that responsibility rested with the woman and not with the property owner.

- Another case of a visitor slipping on a steep domestic driveway further highlights the changing attitude of the court. The owner of the property was sued. No fault was found with the construction or maintenance. The Judge highlighting the fact that the driveway, although wet from rain, posed no hidden danger and it was obvious that it would have been slippery under the circumstances. Case dismissed.

These instances of sensible decisions from the courts should eventually impact on the cost of liability insurance as well as providing outcomes that average Australians can understand and respect. 🐼

Monitoring the monitor

Like it or not, electronic mail has changed the way companies around the world do business.

Unlike business telephone calls made or received, e-mail communications are being recorded, catalogued and stored somewhere, often in multiple locations. It's not that e-mail is so much more useful or valuable than phone conversations - the reverse may be true - it's that e-mail is computer data, and data is easy to record, catalogue and store.

Drunk with the power of instant, global communication and cut loose from the rules of capitalisation and sentence structure, we hold back little - even when we have little to say. Our many messages and attachments are preserved

Every week or two brings a news report of another company whose employees have slipped up here or there, leaving electronic trails of tasteless jokes forwarded to a colleague, solicitations from a recently visited XXX website, or leaks of confidential company information. Heads are rolling as employees come to understand that the same things they shouldn't say or do shouldn't be said or done online.

As is often the case, the transgressions of a few may cost the many, with the price being employee privacy. Companies are now monitoring their employees e-mail and Internet usage - indeed, even employees individual computer keystrokes, under "acceptable-use policies" (AUPs), that all but say "leave your privacy behind when arriving at work." The typical AUP allows employees to make "occasional or limited personal use" of company e-mail but warns them to expect no privacy when

they do so. A growing body of case law upholds these policies, and there are no federal or state laws that effectively limit them just yet.

Moves are underway in NSW to introduce a Bill in parliament requiring employers to make employees aware of cyber-snooping. The Bill is to ensure that email surveillance is conducted ethically. Importantly, penalties under the proposed Bill will be criminal and employers may be liable if they cannot show a reasonable suspicion of wrongdoing by an employee.

When the Bill comes in, if the Bill becomes an Act, no doubt its better parts will be adopted by other states. We'll keep you posted. 🐼



Smooth sailing for the fleet

Have a look at all the vehicles parked outside your office. Are they company vehicles? If so, you have a fleet that needs managing.

There are many things to consider when it comes to managing a fleet of vehicles, but one thing business owners often neglect to think about is the company's drivers. However, companies who promote driver safety save money, time and a lot of grief in the long run.

Most companies have established on-the-job safety policies for their workers, yet many of those same companies do not institute safety policies for their drivers. Implementing a fleet safety policy can mean fewer accidents and injuries, less downtime, reduced absences, fewer worker compensation claims and reduced insurance premiums. Creating a fleet safety policy is a crucial but relatively simple process that can minimise your company's potential liability and possibly save lives.

Create a mission statement to affirm the purpose of the policy and designate responsibility for its administration.

Ideally, the company CEO should issue the mission statement, which should emphasise that no one – including senior management – is exempt from the policy.

Set qualifications for drivers of company vehicles.

Criteria should specify jobs that require the use of a company vehicle, as well as minimum age requirements for drivers. Guidelines should also require a good driving record.

Define the violations that can occur with vehicles used on the road and on-site.

Establish and clearly state the penalties for the two types of violations: equipment and moving. Equipment violations involve inoperative lights, expired licenses or inspection stickers, and parking tickets. Moving violations range from running a red light to more serious violations, such as driving under the influence (DUI). Moving violations should incur heavier penalties than equipment violations.

Establish a “no drinking on the job” policy.

Emphasise that driving while impaired will result in harsh penalties, such as suspension or revocation of driving privileges or possible job termination.

Develop strict procedures on accident reporting that a driver must follow should an accident occur.

Develop a rewards program to recognise and motivate employees, especially those who spend a lot of time on the road.

Define what constitutes exemplary driving and then cite employees who meet the criteria with rewards such as letters of commendation or monetary prizes.

Establish a safety review committee to keep track of accidents, violations and penalties.

Clearly define the committee's responsibilities and include representatives from all departments affected by the policy, as well as those responsible for executing the policy.

The bottom line is that in the midst of handling all of the details of managing a fleet of vehicles, business owners need to make sure they do not neglect the most important aspect of any fleet program: the employees. 🐻



Employers beware!

Salary packaging has become a fashionable and flexible way to structure the remuneration of employees. The superannuation guarantee contribution is mandatory upon the employer but it suits some employees to salary sacrifice in order to increase their superannuation contributions beyond the guarantee percentage.

When this choice is made by the employee it can fall upon the employer to offer advice relating to taxation considerations, superannuation product advice etc. and how such implications could impact upon the employees take home pay.

Law changes and new acts of parliament, for example, the Financial Services Reform Act 2003 and the

Corporations Act 2001, particularly define “financial product advice” and those who offer said advice must have an Australian Financial Services Licence which, as expected, requires the holder to conform to certain standards of financial knowledge and education and commit to many other obligations.

It is important for employers to determine whether information offered by them to employees, often in a casual and informal way, could be reasonably regarded as financial advice. If in the affirmative, a visit to their solicitor is advisable to clarify the position as the obligations of these new Acts are indeed onerous and the penalties for transgressors severe. 🐻

By definition...

The Washington Post annually publishes a contest for readers in which they are asked to supply alternate meanings for various words. Here are some of this year's winning entries.

1. Coffee (n.), a person who is coughed upon.
2. Flabbergasted (adj.), appalled over how much weight you have gained.
3. Abdicate (v.), to give up all hope of ever having a flat stomach.
4. Esplanade (v.), to attempt an explanation while drunk.

5. Lymph (v.), to walk with a lisp.
6. Gargoyle (n.), an olive-flavored mouthwash.
7. Balderdash (n.), a rapidly receding hairline.
8. Testicle (n.), a humorous question on an exam.
9. Oyster (n.), a person who sprinkles his conversation with Yiddish expressions.
10. Circumvent (n.), the opening in the front of boxer shorts.
11. Pokemon (n), A Jamaican proctologist. 🐉

But was he insured? Absolutely!

Loaded with timber and leaving a State Forest near Maclean, NSW, the driver of what was once a Kenworth prime mover noticed smoke coming from under the bonnet when he stopped to open the forest gate. He jumped back in

the cab and drove the truck on to the road to avoid setting the forest alight. Although the ensuing blaze virtually incinerated the prime mover, the attached trailer and its load survived intact as the wind was blowing in the other direction. 🐉



wisewords

If you have knowledge, let others light their candles at it.

Margaret Fuller

The really frightening thing about middle age is the knowledge that you'll grow out of it.

Doris Day

In spite of the cost of living, it's still popular.

Kathleen Norris

Be sure ...before you insure!...ask your Council of Queensland Insurance Broker about...

COMMERCIAL AND RETAIL INSURANCE

- Business Property
- Business Interruption and Loss of Rent
- Liability, Money, Glass Breakage
- Burglary
- Machinery Breakdown
- Computer
- Goods in Transit
- Contractors Risk
- Motor
- Tax Probe

LIABILITY

- Public Liability
- Products Liability
- Professional Indemnity
- Directors and Officers
- Employment Practices Liability

PRIVATE AND DOMESTIC INSURANCE

- Home and Contents
- Car, Caravan, Boat and Trailer
- Travel

INCOME PROTECTION INSURANCE

- Long Term Disability
- Sickness and Accident

LIFE, SUPERANNUATION, PARTNERSHIP

- Mortgage Protection
- Key Man
- Term Life
- Superannuation



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