

Views

Handle Your Business With

KARE

The Kentucky Chamber Program
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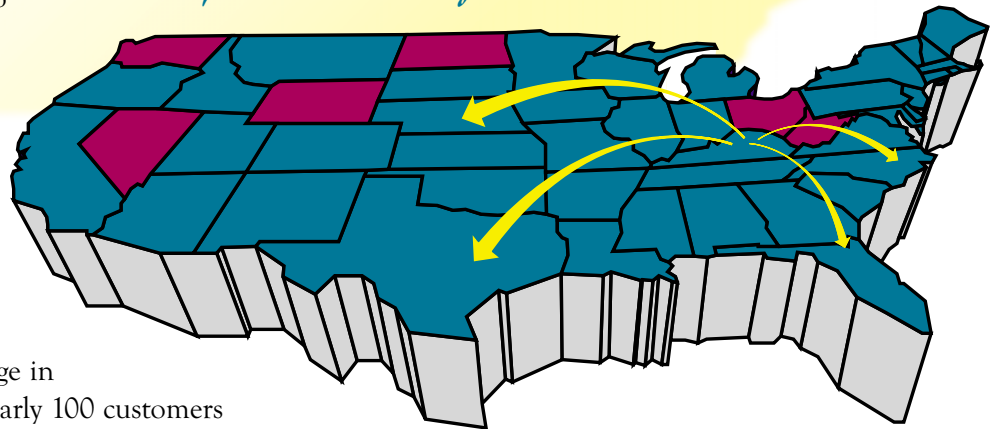
One of the primary reasons KARE converted to a fully insured program with Allmerica Financial was to expand the level of services provided to its customers. Today, our customers can use KARE to cover employees located in other states around the country.

When requested, this coverage is provided by Part Three of the Workers' Compensation and Employers Liability Insurance Policy. To be effective, other states proposed for coverage must be specifically identified in item 3.C. of the Declarations Page of the policy. Since KARE began offering this coverage in November 1997, nearly 100 customers

or her clients' workers' compensation needs with one company makes the process much easier for the insurance buyer."

According to KARE's claims supervisor, John Dischinger, all KARE claims continue to be processed in Louisville whether a loss occurs in Kentucky or California. Furthermore, in order to continue controlling costs and providing enhanced claims services, KARE has access to a

Taking care of all a client's workers' compensation needs with one company makes the process much easier for the insurance buyer.



Other States Coverage Offers Convenience and Flexibility

..... have taken advantage of it. In addition to Kentucky, KARE now provides coverage in 24 other states, and new states are being written each month.

Speaking about the new coverage, KARE's executive director, Ron Bell, states, "It's a real win/win/win situation for the agents, their KARE clients, and KARE. The simplicity and ease with which an agent can take care of all his

national managed care network. This network provides high quality medical services to injured workers. Professional safety and loss control services are also available in other states.

Flexible coverage, local claims services, and nationwide managed care services add up to the type of service KARE clients have come to expect from the KARE program. If you would like more information on how other states coverage with KARE can make doing business easier and less complicated, contact your independent insurance agent today. ■



Workers' Compensation policy is formally known as a Workers' Compensation and Employers' Liability policy. Having a good understanding of how the Employers' Liability part functions is very important to every employer.

the Workers' Compensation law to pursue a legal liability claim related to employment. Without the Employers' Liability coverage, the employer could be uninsured, as CGL policies exclude coverage for most employment-related injuries.

Employment Practices Liability Coverage Designed to Go Where Workers' Compensation Does Not

by George Rupert
Executive Director,
Ins. Mgt. Institute

The limited purpose of the Employers' Liability coverage is basically to protect the insured employer against liability arising from physical injury or occupational illness claims not subject to workers' compensation laws. Once an employer understands the limitations of the Employers' Liability coverage, he/she will want to consider purchasing a separate Employment Practices Liability (EPL) insurance policy.

Employers' Liability vs. Workers' Compensation

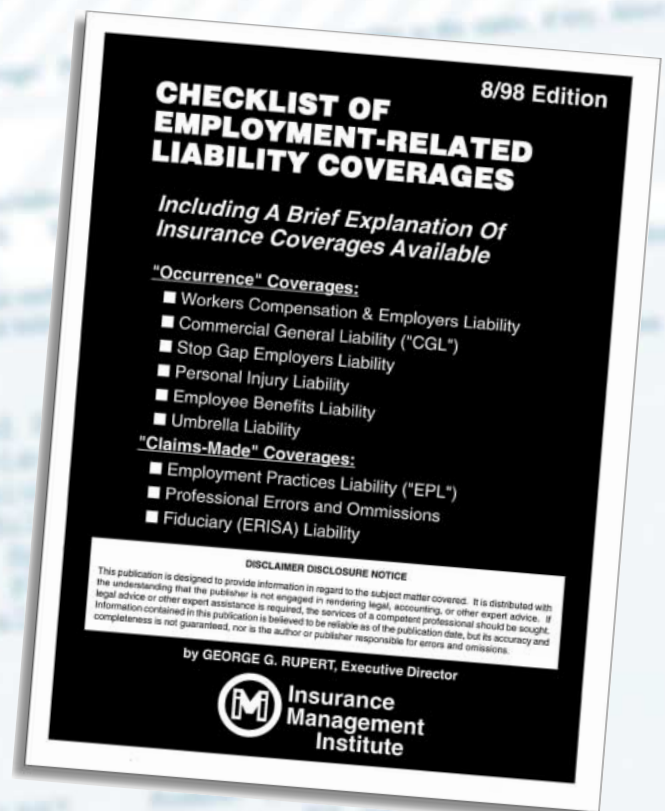
The Employers' Liability part of the Workers' Compensation and Employers' Liability policy resembles a Commercial General Liability (CGL) policy. As with the CGL policy, the Employers' Liability portion treats claims as a third party liability action with the policy paying the employee, dependents, or others only if an employer is found legally liable. This coverage reflects the reality that the Workers' Compensation coverage part does not protect against every potential occupational injury or illness claim.

Unlike Workers' Compensation benefits, which are embodied in law and theoretically collectible on a "no-fault" basis, Employers' Liability coverage can extend beyond the workplace and the direct physical effects of injury to a worker. For example, the Employers' Liability portion of the policy can defend against claims by relatives or dependents who sue for loss of care and services that were once provided by the injured employee. This would include suits brought by relatives for consequential bodily injury such as loss of consortium.

Employers' Liability coverage can also defend against *dual capacity* situations. An example would be an incident in which a worker is injured while using a piece of equipment manufactured by his employer. In this situation, the worker may be able to sue his employer as the manufacturer of the equipment, or as the employer. The dual capacity of the claim may allow the worker to circumvent

But...Employers' Liability Isn't EPL Coverage

The Workers' Compensation and Employers' Liability policy provides coverage for employment-related bodily injuries and occupational diseases, but what about employment-related claims that allege injury, illness, or stress with no physical manifestation of damage to the body? For example, a worker can sue for sexual harassment, ADA or FMLA violations, or other alleged injurious employment practices occurring in connection with the workplace. While the previously discussed Employers' Liability coverage can cover an employer against the consequences of occupational injury or disease to the body of a worker, it will not defend the employer against an employee who alleges discrimination, sexual harassment, or violation of



ADA, FMLA, or other state or federal employment laws—and neither will a commercial CGL policy. The only insurance coverage likely to respond to such actions by an employee is an Employment Practices Liability (EPL) coverage.

An employee manual might have several chapters devoted to maintaining sensitivity toward others' differences, giving equal treatment to all persons, and showing respect to everyone, but it might have little influence on what actually occurs in the workplace. For example, if a worker or supervisor misbehaves, the employer may bear the consequences unless EPL insurance coverage is in place. EPL coverage protects an employer against legal actions arising from such improprieties as inappropriate criticism, demotion, negative evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, termination of an employee, or other adversely applied personnel practices, policies, acts, or omissions. EPL insurance coverage is gaining in popularity, and insurance companies are offering competitive premiums to employers who have or are willing to implement strong EPL risk management procedures. Some EPL insurers also offer risk management services that provide access to loss prevention specialists, helpful literature, and suggested procedures to protect against EPL claims. Because there is not a standard policy form for EPL insurance, coverage terms and exclusions may vary substantially among carriers. For example, coverage for punitive damages, which have been substantial in many EPL claims, is not offered by all carriers.

The Bottom Line on EPL Coverage

EPL insurance coverage should be considered an essential part of most employers' insurance program, as it provides important coverage unavailable in any other form of insurance. The Insurance Management Institute makes available a publication entitled, "Checklist of Employment-Related Liability Coverages," that includes a brief explanation of various insurance coverages available, including EPL insurance. You may obtain a complimentary copy by contacting the Institute at 941/433-4390. ■

George G. Rupert is Executive Director of the Insurance Management Institute (IMI) of Venice and Ft. Myers, Florida; Lexington and Ashland, Kentucky. The Institute specializes in advising employers and associations on workers' compensation and employers' liability, workers' integrated benefits, employment practices liability matters, and alternative markets programs. The Institute does not engage in the sale of insurance products and can be reached at 941/433-4390.

Are You Ready?? *Because Accidents* *Do Happen...*

*by Sue Barber, Manager
Bluegrass Health Network*

What happens in your organization when one of your employees is injured on the job? Do you have procedures in place to handle this situation? Have you educated your employees and prepared your supervisors to act?

To help you get ready to handle work-related injuries, KARE has teamed up with the Bluegrass Health Network (BHN) to provide you and your employees with a professional workers' compensation managed care program.

Benefits of this program include:

- Your ability to direct your employees to a network of occupationally-oriented providers
- Nurse coordination of medical services
- Medical expense review
- A return-to-work plan
- Appropriate medical management



Managed care works because it proactively puts into place components that reinforce prompt, appropriate medical treatment and active communication among all involved parties—the employer, injured worker, provider, BHN nurse coordinator, and the claims adjuster. However, the first step lies with you.

What can you do to make the managed care program work for you?

1. Before an injury occurs, make sure all employees and new hires receive a copy of the BHN employee letter explaining how BHN works.
2. When an injury occurs, consult the BHN Provider Directory and direct the employee to a BHN network provider. For emergencies, the injured worker should be treated at the closest emergency room.
3. Be sure the injured employee presents a BHN employee ID card to the BHN treating physician.
4. Report the injury by completing a First Report of Injury form and mail or fax it to BHN as soon as possible.

For more information on BHN or to request employee ID cards or posters, contact Missy Akers or Rochelle Haines at 800/928-1342. Questions related to specific claims may be directed to your KARE claims adjuster. ■



The following seminars and workshops are produced by the Kentucky Chamber of Commerce. For more information, call 502/695-4700.



12th Annual Human Resources Seminar

September 23–24, Lexington | September 29–30, Louisville

This program will discuss wage and hour compliance, FMLA, ADA, interviewing, termination issues, and employee policy manuals. Cost: \$299 for Kentucky Chamber members and \$399 for non-members.



Sexual Harassment Workshop

September 24, Lexington | September 30, Louisville

Recent court decisions make it more important than ever to expand your knowledge about this complex issue. The half-day workshop will help every employer minimize the risk of a sexual harassment lawsuit, and it will also increase your ability to successfully defend such a suit if one occurs. Cost: \$149 for Kentucky Chamber members and \$199 for non-members.



Title V Seminar

September 30, Lexington | October 9, Louisville

Before completing the negotiation of the terms of your Title V permit, you should attend this advanced program. It will inform you about changes to the Kentucky air toxic rules, new restrictions on emissions of NOX and VOC for the ozone protection program, changes in permit conditions as a result of permit litigation, and discuss the types of periodic monitoring that have been approved by EPA officials. Cost: \$299 for Kentucky Chamber members and \$399 for non-members.



OSHA 30-Hour Program

October 27–30, Lexington

This program will provide you with four complete days of intensive review on current topics in occupational safety and health compliance. Cost: \$795 for Kentucky Chamber members and \$995 for non-members.



Practical Compliance with EPA Regulations

November 17–18, Lexington | December 3–4, Louisville

This two-day course will provide you with practical, cost-effective compliance strategies for the development of a proactive environmental management program. Cost: TBA

KARE

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Who's On Your Money?

Test yourself—do you know whose portraits appear on United States Currency?

Denomination	Portrait
\$1	George Washington
\$2	Thomas Jefferson
\$5	Abraham Lincoln
\$10	Alexander Hamilton
\$20	Andrew Jackson
\$50	Ulysses S. Grant
\$100	Benjamin Franklin
\$500	William McKinley
\$1,000	Grover Cleveland
\$5,000	James Madison
\$10,000	Salmon Chase
\$100,000	Woodrow Wilson



On-Site Drug Testing Growing in Popularity

Modern Technology Makes Testing Fast, Reliable, and Cost Effective

It is estimated that 71% of all drug and alcohol abusers in the United States are employed. With the unemployment rate approaching its lowest level in many years, it's inevitable some substance abusers will slip into safety-sensitive jobs. Identifying and culling such abusers in the hiring phase is a proactive way to help eliminate future employment problems such as chronic absenteeism, unsafe work practices, and low productivity. On-site drug testing is being used today by many business owners and managers across the country to accomplish this task.

In 1992, The National Institute on Drug Abuse (NIDA) convened a panel of small business experts to discuss issues related to drugs in the workplace. NIDA's published report, *The Advantages of On-Site Drug Testing*, concluded that on-site drug testing offers four distinct benefits to an employer:

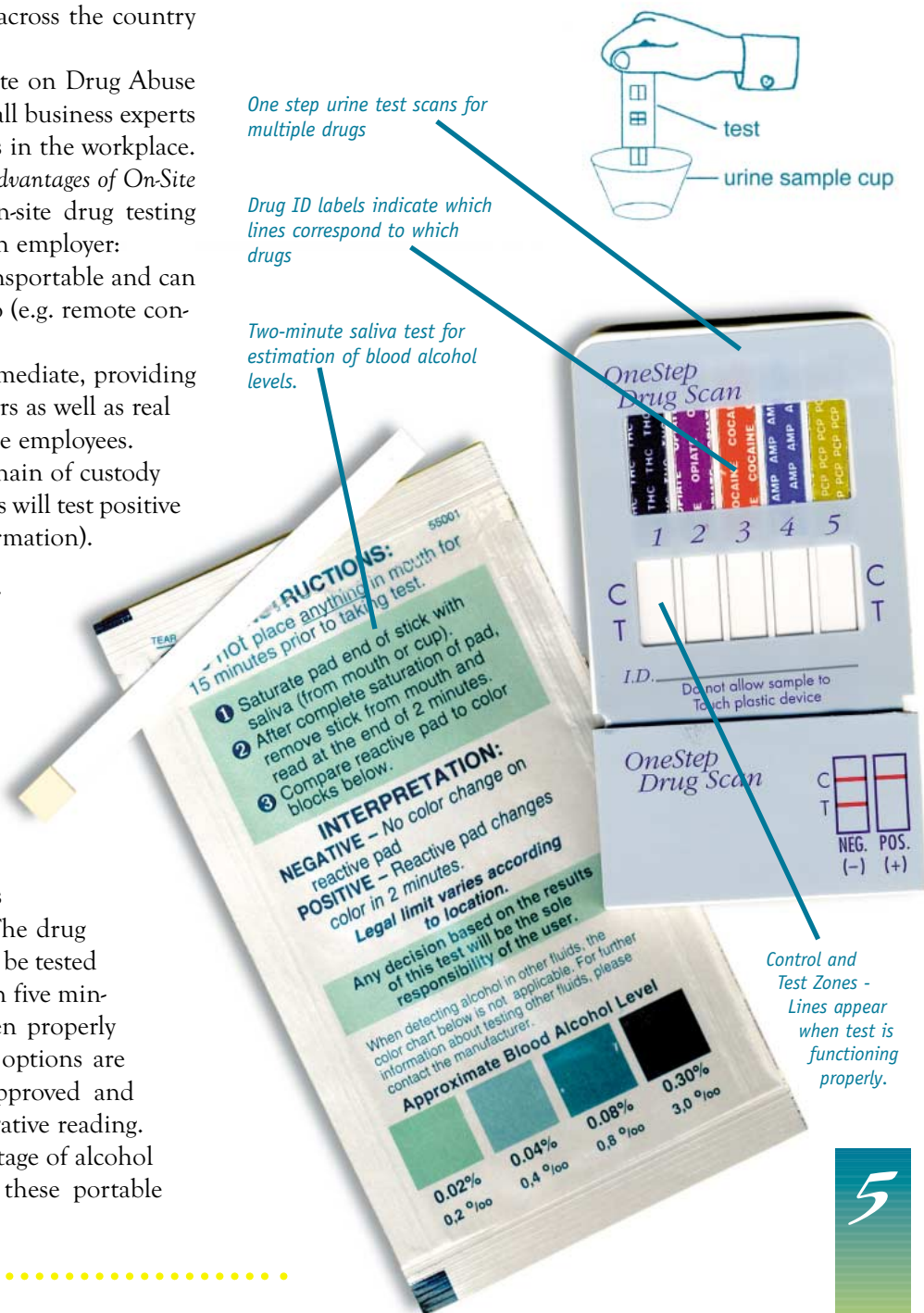
- On-site tests are easily transportable and can go anywhere employees go (e.g. remote construction sites).
- On-site test results are immediate, providing instant detection of abusers as well as real time assurance to drug-free employees.
- On-site tests protect the chain of custody (less than 7% of specimens will test positive and require further confirmation). Since negative results are eliminated, company staff do not have to further process specimens for the laboratory.
- On-site testing saves time and money.

Drug Detection Resources, Inc. (DDR) markets on-site drug screens and alcohol tests that are simple to administer. The drug screens (multiple substances can be tested in one procedure) yield results in five minutes and are 99% accurate when properly administered. Two alcohol test options are available. The first is D.O.T.-approved and provides either a positive or negative reading. The second provides the percentage of alcohol in the blood stream. Both of these portable tests are 100% accurate.

New studies show that small businesses and contractors with fewer than 500 employees are quite susceptible to hiring individuals with substance abuse problems. Because they are reliable, easy to administer, and cost effective, on-site testing kits offer a viable solution for many employers. ■

by Debbie Antle
President
Drug Detection
Resources, Inc.

Debbie Antle is President of DDR, Inc. For more information, call 502/244-3500 or send correspondence to P.O. Box 43896, Louisville, KY 40253-0896.



The summer edition of KARE Views reported on the ten most dangerous jobs in the U.S. Following is a report of the Kentucky jobs with the highest numbers of fatalities in the industries primarily served by KARE, as well as other

KY FACE is located at the Kentucky Injury Prevention and Research Center (KIPRC) in Lexington. Staff members are available to present occupational fatality and prevention information to interested groups, and written materials are available by request. There is never a charge for KY FACE materials or services.

Kentucky's Most Dangerous Jobs

by Ellyn Moon
Project Manager,
KY FACE Project

occupational fatality data for 1994-97, courtesy of the Kentucky Fatality Assessment and Control Evaluation (KY FACE) Project*.

The industry divisions primarily served by KARE (Manufacturing, Services, Wholesale, and Retail) experienced a total of 135 fatalities over the four-year period:

Manufacturing:**

38 (33 male, 5 female),
age range 19-81, mean age 41

Services:

40 (28 male, 12 female),
age range 18-77, mean age 41

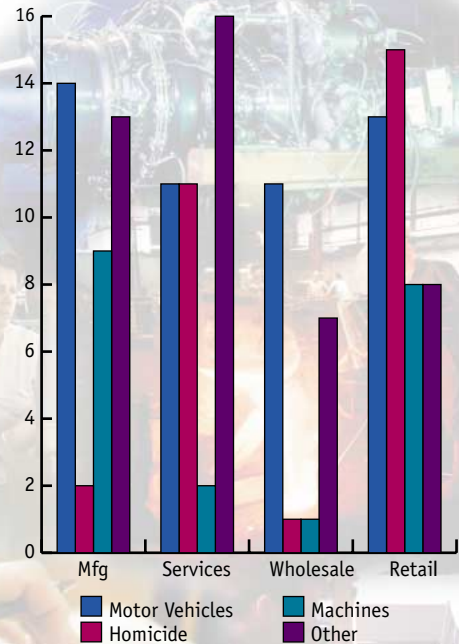
Wholesale:

20 (17 male, 3 female),
age range 22-80, mean age 49

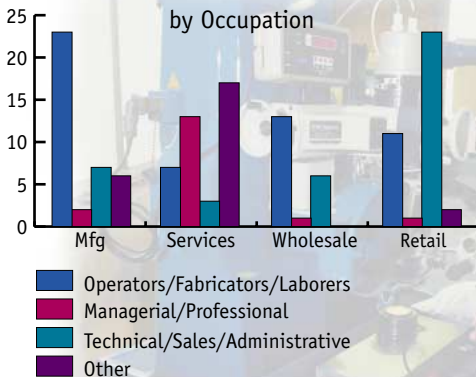
Retail:

37 (29 male, 8 female),
age range 16-81, mean age 39

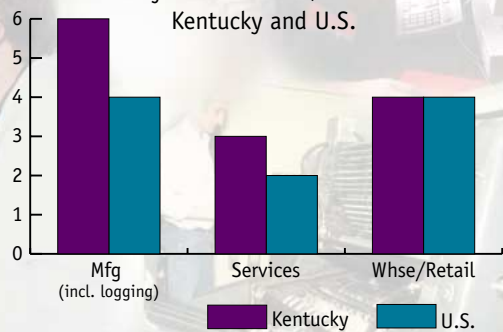
Numbers of Work-Related Deaths by Cause



Numbers of Work-Related Deaths by Occupation



Fatality Rates Per 100,000 Workers Kentucky and U.S.



*KY FACE is funded by National Institute for Occupational Safety and Health (NIOSH) Cooperative Agreement Number U60/CCU409879. To contact the KY FACE Project, call Ellyn Moon at 606/257-4955 or 800/204-3223. You can also visit its Web site (<http://www.kiprc.uky.edu>) for prevention information and detailed reports of occupational fatalities.

** Logging was excluded from this analysis since it is not commonly thought of as a Manufacturing industry and is not one of the industries usually insured by KARE. Logging is included in the chart of fatality rates, because US rates were not available without it.

*** Occupational Safety and Health Standards for General Industry. 1997. 29 CFR Part 1910. Chicago: CCH Incorporated



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