



Pro-File

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## DID YOU KNOW?

Employers who fail to pay the required amount in workers' compensation premiums could face fines and jail time. A New York employer found out the hard way this month by lying about the number of employees he had. The employer was fined \$1.6 million in addition to being ordered to serve a nearly four-year jail sentence.



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## Analyze All of Your Risks

Not only are companies today less willing to take risks to benefit their business because of the global economic downturn, but according to a new report by Lloyd's, businesses are also less aware of what risks lie ahead of them. Companies are focused on their short- and medium-term goals to keep afloat during tough economic times, but the report illustrated that they are doing this at the cost of carefully assessing their longer-tail hazards.

For example, the Lloyd's study found that businesses today see environmental and natural disaster risks as low priority; that is, they are spending less money to protect them against these risks in an effort to tighten up company budgets. However, CNN reported recently that so far in 2009, insurance companies paid four times more in claims for vehicles, homes and buildings damaged by fire

and storms than they did in the first half of 2008.

There are four key parts to managing risk, and it is important for you to follow all steps to achieve your financial goals.

- Identify potential exposures through analysis;
- Implement control measures to exposures in a cost-effective way;
- Decide which risks you can afford to assume in-house and which you will need to transfer to a third party; and
- Manage your exposures by developing a strategic action plan, which includes a disaster recovery plan.

## Safe Driving Legislation Still Hot in September

As accidents continue to happen due to the risky actions of motorists, states across the country are pushing legislation to help keep the roads safe.

Lawmakers at both the state and federal level are focused on passing legislation to prohibit text messaging behind the wheel. Oregon, New Hampshire and Illinois recently joined 14 other states that banned texting and driving. Ohio, Florida and New York may be the next states that join the list. The U.S. Senate just introduced a texting ban at the federal level, and Transportation Secretary Ray LaHood announced earlier this month that he would support the ban of texting and driving at a federal level.

Texting legislation is not the only safe driving issue striking lawmakers. New York state legislators recently introduced a bill that would authorize the use of red-light devices in four more counties across the state. This legislation is aimed at encouraging safe driving practices.

In addition, the Federal Highway Administration did a study showing that signs warning drivers about potential traffic cameras are effective in preventing crashes, and several cities around the country are taking note.