

Common claims

Simple steps to trim your insurance costs.

By Matt Lyon

One of your employees is traveling between job sites when he receives a call on his cell phone. As he leans over to grab the phone, he doesn't see the car in front of him brake and hits the other vehicle from behind at 35 mph.

Unfortunately, this is a common accident scenario. It can result in workers' compensation and auto insurance claims for your business, as well as increased premiums on your insurance policies at the next renewal, lost productivity and lots of paperwork.

When buying insurance, landscapers and their insurance agents often focus on the worst types of claims that could happen. But it's equally important to focus on the scenarios most likely to happen.

These are the types of accidents and mishaps that can drive up insurance costs, strain relationships and hurt

a company's reputation with suppliers, customers and employees.

In a recent review of thousands of claims involving small business customers, The Hartford identified several of the most common categories of insurance claims for landscapers [see the chart to the right].

Consider these common claim scenarios for landscaping businesses.

EMPLOYEE INJURY. Lifting, digging and working with mowers are all in a day's work for landscapers. Given the physical nature of the work, on-the-job injuries can be more severe for landscapers than other industries, costing employers more and requiring longer recovery times.

Back, leg and other general strain injuries are particularly common. Workers' compensation claims can impact a business in multiple ways.

An employer may need to hire replacement help while an injured employee is recovering. Also, since premiums are often based on a company's prior claim experience, a significant claim can trigger a cost increase at policy renewal.



DAMAGE TO PROPERTY. You're completing a job for a client that involves planting several large exotic trees. You have purchased the trees – \$3,000 each – from a nursery where you have a longstanding relationship.

While moving the trees from the nursery's delivery truck to the final planting destination, one of your seasonal employees drives his front loader down a steep hill, and two trees fall off, resulting in split trunks and ruined trees.

These types of claims, commonly known as "property damage as a result of handling," accounted for approximately one in four liability claims for landscaping companies.

While they tend to be less costly and resolution is faster and easier than other types of liability claims, they can impair relationships with both clients and suppliers.

THEFT OF EQUIPMENT. You just bought a new zero-turn mower to increase productivity. While a mower may seem too big to steal, the potential for theft is actually very real. Our review of claims found that theft accounted for nearly three in four property

claims among landscapers.

Smaller, more common tools and equipment, which can be easily hidden and removed from job sites, are more often the targets of theft, but larger equipment is stolen as well. **L&L**

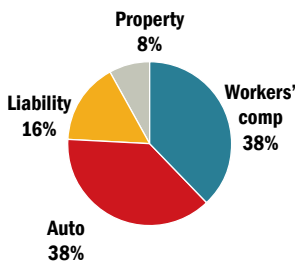
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“On-the-job injuries can be more severe for landscapers than other industries.”



Common claim categories for landscaping businesses



(Source: The Hartford)

Protecting your employees and business assets



The good news is that sound risk management practices can go a long way in reducing claims, which can directly impact your business's operations and cost of insurance.

In addition to engaging your insurance advisor on a regular basis to ensure that you have the appropriate insurance coverage and are adequately protected in the event of a claim, it can be beneficial to enlist his or her guidance establishing appropriate safety policies and procedures.

Creating an environment that emphasizes prevention of injury, property damage and theft through appropriate training, supervision and equipment maintenance, can help protect your employees as well as your business.

Here are several risk management practices to consider and discuss with your insurance advisor:

1 Create written safety policies and procedures and require employees to review them regularly; make sure employees read manufacturer's instructions and take necessary precautions prior to operating equipment.

2 Have your most experienced employees train and supervise your less experienced employees (including seasonal employees) to ensure they adhere to safety procedures. Implement a "zero tolerance" policy for unsafe work practices. Have all driving employees complete a defensive driving program.

3 Require employees to wear protective gear (such as safety goggles or a face shield) when pruning, running spring-trimmers and blowers, or when changing mower and edger blades.

4 Encourage your employees to use hands free devices and take advantage of new technologies to help pinpoint risky driving behavior. Vehicle telematics are becoming increasingly common and serve as a great way to increase safety and fuel efficiency and lower vehicle operating costs.

5 Make sure equipment is inspected daily prior to operation. Remove any unsafe equipment from service until repairs are made, and double-check equipment before returning it to service after repairs have been performed.

6 Lock or temporarily disable heavy machinery (e.g. disconnect a critical part) when leaving it at job sites overnight. Smaller, more common items should be secured and stored in a safe location, such as a lock box.

Many landscapers cite their reputation as their business's #1 asset. Having a good reputation with customers as a result of doing quality can work be your top source of new customers. A focus on risk management and loss prevention can help you maintain a good reputation and minimize accidents and injuries; enabling you to spend more time on those activities that increase customer satisfaction and build business.



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Edited version of this article appeared in the July 2011 issue of Lawn & Landscape.

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