

YOUR INSURANCE RESOURCE

Cut your costs

INSURANCE COSTS ARE INCREASING—
HERE ARE A FEW TIPS TO KEEP THEM DOWN
IN FOUR VITAL CATEGORIES.

WITH INSURANCE COSTS poised to rise, now is the time to keep your costs down as much as possible. John Hodapp, CPCU, senior vice president of Hortica Insurance & Employee Benefits, shares some ways landscape contractors may be able to lower costs on four main types of insurance.

1 Workers' compensation—

It's likely that workers' compensation is a large percentage of a landscape firm's overhead. There are some things companies can do to keep the number of claims at a minimum. The key is a safety culture, Hodapp says.

He recommends "tailgate safety meetings," which are short meetings, often held right before crews go out in the field. "The topic can be closely tied to whatever they're doing on the job site that day so the information is fresh in their minds," Hodapp says. "For instance, you can talk about team lifting for heavy objects or lifting with the legs when you're lifting on your own."

Companies also should pay attention to credits that may be available for drug-free policies. Larger companies should form a safety committee, typi-

cally made up of four to six members and consisting of both management and non-management employees. A safety committee is responsible for reviewing accidents and near-misses and recommending corrective procedures.

If a claim needs to be filed, Hodapp says it's best to be proactive and handle it right away as opposed to letting the situation drag on. "It's always best to show empathy and let the employee know the situation is being cared for," he says. "You're not taking blame, you're just taking action. When employees do return, a 'return to work' program should already be in place."

2 Auto insurance—

The effort to keep auto costs down starts well before employees are even driving your vehicles. "The best predictor of future driving is previous experience," says Hodapp. "Employees should not have DUIs or have been cited for careless or reckless driving. One or two minor violations in the last three years might be OK, but if it's anything beyond that, you might want to assume that driver might be more likely to be involved in future accidents."

Business owners also should ask their insurance



companies about a credit for vehicles not being utilized in the winter, Hodapp says. Also consider asking the insurance company to put on a defensive driving course for all employees. Distracted drivers are too often the cause of serious accidents. Cell phone use should be limited to minimal use of hands-free devices in uncongested areas. Texting while driving should be prohibited.

Finally, operators must make sure every load is properly secured. Large insurance claims often result when unsecured cargo spews from trucks.

3 Property insurance—

With equipment, the mantra is "reduce loss, reduce cost," says Hodapp. "Avoid leaving equipment on job sites overnight and if you can't, at least fence it in. Also focus on anything that will make the equipment less desirable to steal. That includes making your equipment look like it belongs to your company with painting, logos and making sure the company's unit number is emblazoned on the equipment, installing interlocks, and putting the VIN number in more than

the one place the manufacturer put it."

4 General liability—

With general liability insurance, focus on managing claims costs. "This includes transferring risk to responsible third parties," Hodapp says. For example, make sure subcontractors have proper insurance.

Though it may be tempting, one thing business owners shouldn't do is lower liability insurance to try to save a few bucks. "You're betting the farm," Hodapp says. "In even the most safety-conscious companies, accidents still happen."

Companies should document changes and bring them to the attention of their insurer. Improvements won't save money if the provider doesn't know about them. "Make your insurance company understand why you deserve a better price," says Hodapp. "If I'm the underwriter and one company has a written safety program, a safety committee and a good plan to prevent theft and another company doesn't, it's obvious which one will get a better price."