



Pro-File

Workplace and safety tips brought to you by the Insurance and Risk Management specialists at Alamo Insurance Group

DID YOU KNOW

Business interruptions are becoming more common and more damaging to a greater number of businesses across the world. According to a recent survey conducted by Zurich Financial Services Group and the U.K. Business Continuity Institute, the incidence rate of business interruptions is 13 percent greater than last year.

Read below for more details on the results of this survey.



Market Conditions Continuing to Fluctuate

As industry experts closely monitor all factors, the state of the insurance industry continues to be in flux, and will likely stay that way into 2012.

What is most confusing for business owners is the difficulty of forecasting future insurance costs as experts try to project whether the market will harden or not.

What is clear is that risk management, loss control and safety continue to be crucial to the success of any business insurance package,

regardless of market conditions.

Now is a good time to evaluate your business's risk management plan as a whole, double-checking to make sure everything is in place for the new year.

Using all the resources available to you from Alamo Insurance Group, we can help you keep costs down and ensure your business is protected.

Injury and Illness Rates Declining

There is good news to report on the efforts of safety and injury prevention in the workplace. For the seventh year in a row, the U.S. Bureau of Labor Statistics has reported a reduction in occupational injuries and illnesses.

Thanks to the efforts of workplace safety and wellness programs, these numbers have experienced a steady decline since the first year the North American Industry Classification System started publishing occupational injury and illness rates in 2003.

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Business Interruptions More Common and Costly

The importance of sufficient business interruption planning and safeguards for your company's future well-being can't be emphasized enough, as demonstrated by the results of a study recently conducted by Zurich Financial Services Group and the U.K. Business Continuity Institute.

The study, which surveyed 559 companies from 62 countries across 14 different industry sectors, found that an overwhelming 85 percent of companies have experienced at least one supply chain disruption so far in 2011, up from 72 percent reported last year. The fact that this large of a majority reported a disruption only partially through the year is reason for pause to reflect on your own business's interruption and contingency plans.

Forty percent of the survey's respondents reported that the cause of their business's disruption originated from below their original supplier. This number demonstrates the need for planning that accounts for both the breadth and depth of your supply chain.

The cause of the reported business interruptions were mainly weather or catastrophe related. Adverse weather contributed to 51 percent of the interruptions, IT or telecommunications outages contributed to 41 percent, transport network disruptions contributed to 21 percent, and earthquakes and tsunamis contributed to 21 percent.

Organizations in the financial services industry reported their most common source of interruption to be IT or telecommunications outages. Product quality incidents were the most common source of interruptions for manufacturing companies. Adverse weather most commonly affected companies in the retail and wholesale, IT and communications, transport and storage, and government sectors.

As a result of business interruptions, many parts of a company's operations can be affected. Forty-nine percent reported a loss of productivity as the primary consequence of their business's interruption, while 38 percent noted an increase in the cost of working and 32 percent found that it led to loss of revenue, customer complaints and impaired service outcomes.

Consult with Alamo Insurance Group today to prepare your business's contingency plans and protections for 2012.

Injury and Illness Rates Declining

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In 2010, there were 3.5 cases of injury or illness per 100 workers. That totaled 3.1 million injuries and illnesses for the year. While this number is still higher than desired, these rates are the lowest level ever reported.

The industry sectors with the highest rates of incidence deserve close attention for prevention efforts. The health care and social assistance industry sectors had the highest rates of incidence at 5.2 cases for every 100 workers. As the public need for health care services rises many jobs are being created, posing a risk and opportunity for business leaders. Leaders need to ensure that employees are trained on the job thoroughly to best prevent costly injuries.

Public sector workers had a rate of 5.7 cases for every 100 workers, more than 60percent higher than private sector rates. For this reason, it is apparent that more attention needs to be paid to training and safety for government workers.



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