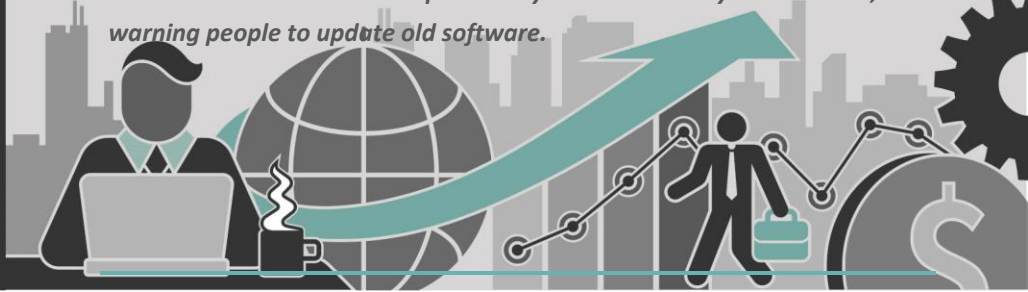


JULY 2017

P&C PROFILE

DID YOU KNOW?

According to British security officials, the May 2017 global ransomware attack that affected over 200,000 computer systems came from North Korea. The hackers are believed to be a hacking group known as Lazarus—the same group that targeted Sony Pictures in 2014. The Department of Homeland Security and the FBI have also issued an alert to businesses about another possible cyber attack led by North Korea, warning people to update old software.



IN THIS ISSUE

- **New Study Demonstrates the Dangers of Talking While Driving.** A new study has shown that even a simple conversation can be a serious distraction while on the road.
- **Congress Considers Flood Insurance Reforms.** Congress is considering a number of changes to the National Flood Insurance Program before it's reauthorized later this year.
- **DOL Withdraws Joint Employment and Worker Classification Guidance.** New changes to joint employer and worker classification guidance could have significant consequences on legal protections and benefit eligibility for employees.

New Study Demonstrates the Dangers of Talking While Driving

It's commonly known that smartphones, entertainment systems and other electronics can be a dangerous distraction to drivers. However, a new study from the University of Iowa found that simple conversations can also cause unsafe driving conditions.

The study used eye tracking equipment to analyze where subjects were looking and how long it took them to focus on a new object. Some subjects were also asked true or false questions at the same time in order to simulate a simple conversation. Data collected from the study found that subjects who answered questions took twice as long to focus on a new object than those who were asked no questions.

Although engaging in conversation seems simple, it involves a number of complex tasks that the brain must handle simultaneously. Even if the topic of conversation is straightforward, the brain has to absorb information, overlay what a person already knows and prepare to construct a reply. And, although this process is done extremely quickly, it can also slow down reaction times and lead to a dangerous accident on the road.

The best way to keep your employees safe while driving is to encourage them to eliminate or turn off all potential distractions, including their cellphones and any hands-free accessories they may use to make a call. You can also consider including language about safe driving practices in your workplace safety policies.

Provided by:

Alamo Insurance Group



Preventing Workplace Violence

As reports of shootings and other violent incidents become more common, workplace violence is a topic that no business can ignore. According to the U.S. Bureau of Labor Statistics, workplace homicides rose 2 percent in 2015, the latest year for which data is available. Additionally, the number of workplace shootings increased by 15 percent.

The best way to address potential acts of violence at your business is to be prepared to act before, during and after an act of violence occurs. Here are some programs you can use to ensure the safety of your employees and customers:

- Pre-employment screenings—Background checks can help identify candidates who have violent histories.
- Security—Security systems can ensure that only employees have access to certain areas.
- Alternative dispute resolutions—Techniques like facilitation and mediation can help solve a conflict before it escalates.
- Threat assessment teams—A designated team can work with management to assess the potential for violence and develop an action plan.

Congress Considers Flood Insurance Reforms

The National Flood Insurance Program (NFIP) is one of the few ways to get insurance coverage for flood risks, and the program is set to expire later this year. However, Congress is currently examining a number of possible changes to the NFIP before it's reauthorized.

One of the most important topics regarding the NFIP is its financial stability. The program is currently \$24 billion in debt as a result of rising claims costs and severe weather events, and some lawmakers believe that the program needs substantial reforms in order to remain viable.

The following are some of the changes that are being considered to the NFIP:

- Making private flood insurance more available to consumers
- Limiting payments to properties that flood repeatedly
- Reducing taxpayer subsidies for flood insurance
- Creating financial incentives for flood mitigation

DOL Withdraws Joint Employment and Worker Classification Guidance

The U.S. Department of Labor (DOL) recently withdrew administrative interpretations regarding joint employment and the classification of workers as employees or independent contractors. These withdrawals can have significant consequences on legal protections for employees and eligibility for benefits.

- Worker classification—Employers will need to satisfy tests established by the courts—such as the economic realities test—when classifying workers.
- Joint employment—Joint employment can only be established when an employer has direct control over another employer's workplace.

To learn more about what these withdrawals could mean for you, contact Alamo Insurance Group and ask to see our comprehensive compliance bulletins, "DOL Withdraws Joint Employer Guidance" and "DOL Withdraws Worker Classification Guidance."