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August 2009

E-Verify system mandatory for some

The government's much criticized E-Verify system, which aims to identify illegal immigrants in the workplace, will become mandatory for any business that wants to do work with the federal government. Department of Homeland Security Secretary Janet Napolitano announced in mid-July that after September 8, federal government will award contracts only to those businesses that use the program.

The E-Verify system uses both Social Security Administration and Department of Homeland Security data to try to verify that a particular worker is authorized to work in the United States. Until now the system was voluntary.

"E-Verify is a smart, simple and effective tool that reflects our continued commitment to working with employers to maintain a legal workforce," Napolitano said. "Requiring those who seek federal contracts to use this system will create a more reliable and legal workforce. The rule complements our Department's continued efforts to strengthen

immigration law enforcement and protect critical employment opportunities."

But not everyone is such a fan of the program. The U.S. Chamber of Commerce has been trying for years to stop the program from being made mandatory. The organization has even filed suit to try to stop the system.

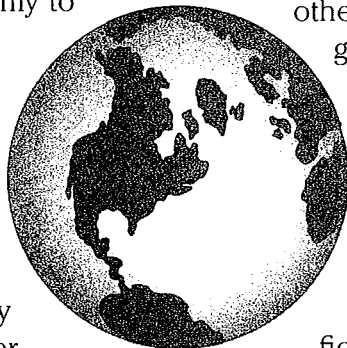
The Chamber of Commerce and other critics say the program is unreliable and has an unacceptably high error rate. The Associated Builders and Contractors point out that even if the system incorrectly identifies a small percentage

of employees as working illegally, it could cause trouble for hundreds of thousands of people.

"While it is true that the error rates in the program have been marginally improved, it is important to point out that even the smallest percentage of error has the very real potential of disqualifying legal U.S. workers from obtaining jobs or forcing them out of currently held positions," the ABC noted in a letter sent to

the U.S. Senate. "You can imagine the havoc this would cause in the lives of those workers and their families."

The change is especially important now, as the federal government's stimulus money begins to flow into the economy. The change means that any business seeking a stimulus contract will have to have all their employees run through the system. ■



INSIDE THIS ISSUE

2 Worries about drugged driving

2 True cost of Fires

3 Bad news on the hurricane front

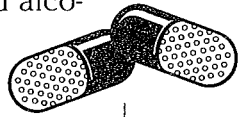
4 Ruling changes employment landscape

Worries about drugged driving

The good news is that there are far fewer drunken drivers on U.S. roads than there were 25 years ago. The bad news is that while many drivers are not driving drunk, a large number are driving while under the influence of drugs.

In 1973, 7.5 percent of drivers on U.S. roads had a blood alcohol concentration of at least .08, the legal limit in many states, according to the National Highway Traffic Safety Administration. In 2007 that figure had dropped to just 2.2 percent. "I'm pleased to see that our battle against drunk driving is succeeding," said Transportation Secretary Ray LaHood. "However, alcohol still kills 13,000 people a year on our roads and we must continue to be vigilant in our efforts to prevent drunk driving."

Previously, the NHTSA only measured alcohol in its roadside



surveys. But in 2007, the agency decided to record the level of drug use among drivers. The survey found that 16.3 percent of nighttime weekend drivers tested positive for drugs. The most common drug was marijuana followed by cocaine, and over-the-counter and prescription drugs. One note of caution on the survey's results is that, unlike alcohol, some drugs can stay in a person's system for weeks after use, which casts some doubt on the scope of the problem.

"This troubling data shows us, for the first time, the scope of drugged driving in America, and reinforces the need to reduce drug abuse," said Gil Kerlikowske, Director of the Office of National Drug Control Policy. "Drugged driving, like drunk driving, is a matter of public safety and health. It puts us all at risk and must be prevented." ■

New York the angriest

MOVE OVER MIAMI, THE UNITED STATES HAS A NEW ROAD RAGE LEADER. AutoVantage's annual survey on road rage has determined that New York jumped two spots from last year and now has the least courteous drivers in the country. Miami didn't even make the top five this year. Dallas/Fort Worth came in second while Detroit, Atlanta and Minneapolis/St. Paul rounded out the top five. The top five most courteous cities in the United States were Portland, Ore., Cleveland, Baltimore, Sacramento and Pittsburgh. ■



True cost of fires

We already know that wildfires can be very destructive and expensive, but a new report from researchers at San Diego State University has concluded that wildfires might be a lot more destructive than previously thought. Matt Rahn, a professor at SDSU, has concluded that the cost of the 2003 wildfires in San Diego County were more than \$2 billion higher than previously estimated.

Surprisingly, actually fighting the fire costs relatively little, amounting to less than 2 percent of the estimated \$2.45 billion. Watershed protection ended up

costing more than fire suppression and emergency costs. The biggest cost was loss of property, accounting for almost half of the total loss. But there were big costs in some somewhat unexpected places. Federal Emergency Management Agency costs accounted for more than 10 percent of total expenses. And unemployment insurance expenses totaled \$400 million.

One big expense of particular importance to business owners was the costs incurred

because of lost business activity. Businesses forced to close their doors because of the fire accounted for almost 15 percent of the losses. The \$365 million in estimated lost business

activity was more than eight times the amount spent on fighting the fire. This statistic should drive home the need for businesses to make sure they have business interruption

insurance to help them get through a disaster like a wildfire. Talk to your insurance representative if you have any questions. ■



Bad news on the hurricane front

With the hurricane season now in full swing a pair of reports show that the United States might not be as prepared for a catastrophic storm as it should be. The Government Accountability Office is reporting that several years after the Federal Emergency Management Agency bungled its response to Hurricane Katrina, the agency is still not adequately prepared for a major disaster. And the Institute for Business & Home Safety is warning that the economic downturn might make any storm that makes landfall more destructive and dangerous.



The GAO report highlights the fact that FEMA's poor response to Hurricane Katrina was largely because of a lack of coordination. "The lack of clarity in response roles and responsibilities among the diverse set of responders contributed to the disjointed response to Hurricane Katrina and highlighted the need for clear, integrated disaster preparedness and response policies and plans," the GAO reports. However, even several years later, "FEMA does not have such a plan."

FEMA responds to more than just hurricanes and as such the GAO report should also worry those who live in areas not likely to be hit by a hurricane. The GAO reports that the agency does not have fully formed plans to deal with 68 percent of the policies it is tasked with implementing, including several

for catastrophic incidents. "As a result, the roles and responsibilities of key officials involved in responding to a catastrophe have not been fully defined and, thus, cannot be tested in exercises," the report concludes.

Another piece of bad news comes from the Institute for Business & Home Safety. The institute is worried that home and business

owners struggling in tough economic times will cut corners in preparing for this year's "average" hurricane season.

"It's a double-edged sword for financially strapped home and business owners this year," said institute president and CEO Julie Rochman. "They don't have funds for protective measures – but they're also ill-equipped to handle the financial impact of a storm."

There is also the possibility that empty, foreclosed homes will make the damage from a hurricane worse than if all buildings were prepared for the storm. Empty, unprotected homes can come apart more easily, creating the possibility of more flying debris. "Any building that is unsecured for a severe storm, in disrepair or unfinished and left open to the elements also means more potential wind borne missiles threatening that neighborhood," the institute said in a statement.

While these added dangers can be a bit worrisome, with proper preparation, any business

can weather the storm. That means physical protection, but also means making sure you have your insurance coverage in order before the storm hits. Talk to your insurance representative about making sure you have all the property and business interruption coverage you need. And don't wait too long to have that conversation, hurricane season is already here and some coverage has a 30-day waiting period before it becomes effective. ■

A surprising gift

NO MATTER HOW MUCH YOU LOVE YOUR JOB IT'S HARD TO IMAGINE GIVING HALF YOUR ESTATE TO YOUR FORMER EMPLOYER. But, according to a report in the Columbus Dispatch, that is exactly what a former employee of State Auto Insurance did. The 25-year employee retired in the late 1970s and recently died at the age of 91, leaving more than \$150,000 to State Auto. According to the paper, the company has no idea why he did it, but they plan to use the money to do charitable work through the company's non-profit foundation. ■



Ruling changes employment landscape

The U.S. Supreme Court's recent decision in *Ricci v. DeSeano* is getting a lot of attention because of its possible implications for President Obama's nomination of Sonia Sotomayor to the nation's highest court. But employers should be aware of its possible implications for promoting and screening their employees.

The case involved a group of firefighters who took a test to determine whether they would be promoted. Those who scored high enough to be promoted sued after the city that administered the test threw out the results saying that too few minority candidates had passed.

The city was worried about violating a federal law that makes it illegal to discriminate against protected groups, even if the discrimination is not done on purpose.

Federal law not only protects minorities and other protected classes from intentional discrimination, but protects them from something called "disparate impact." In this case the two protections were in tension. By allowing the results to stand the city risked being sued for unintentional discrimination. But if it threw out the results it risked being sued for intentional

"reverse" discrimination.

In a 5-4 decision, the court held that the city made the wrong choice in throwing out the results of the test. The court ruled that throwing out the scores simply because too many whites had done well was expressly forbidden by federal law. On the question of disparate impact, the court ruled that once a test has been given the results must be followed unless the employer has "objective" and "strong" evidence that the test was skewed in favor of one group and that they will probably lose in a lawsuit. The only way to throw out results

later would be if the test was

determined to be largely irrelevant to assessing the skills needed for the job or that there were less discriminatory ways of conducting the test.

What this means for employers is that they need to be more careful in designing any tests for promotion and hiring. Once the test is given, it will become legally tricky to reverse course later and ignore the results. So, before you give any test, make sure it is unlikely to have a disparate impact, is relevant to the job and that there is no more neutral way to conduct the examination. It might be advisable to consult with a legal professional if you have any



concerns. And, as always, make sure you have adequate liability coverage and talk to your insurance representative if you have any questions about what your business needs. ■

Texting continues

DESPITE A SEEMINGLY ENDLESS SERIES OF WARNINGS AND A FEW INFAMOUS CRASHES, A LARGE PERCENTAGE OF DRIVERS CONTINUE TO TEXT-MESSAGE ONE ANOTHER WHILE BEHIND THE WHEEL. Vlingo Corporation recently released the results of a survey of 5,000 U.S. consumers that shows that more than a quarter of cell phone users text while driving. As you might expect, the worst offenders are those in their teens and twenties, but the problem extends to older drivers with 13 percent of those older than 50 admitting to texting while driving. Tennessee had the most offenders, with almost half of cell-phone users admitting to texting while driving. Arizona had the fewest, with less than a fifth admitting to it. ■

