

Help us save some trees—
Sign up on our website to
received the BDI Newslet-
ter & monthly news briefs
via email.

BDI Quarterly Newsletter

BRET DIXON INSURANCE

SUMMER 2009

Beware of Workers Compensation Inspections (IL)

We have recently learned that the Illinois Workers Compensation Commission (IWCC) has been cracking down on non-compliant businessowners downstate, particularly in the Madison and St. Clair counties. In recent years, we haven't heard much about IWCC inspectors working too far outside of the Chicagoland area, but that seems to be changing.

All Illinois businesses are required to carry Workers Compensation coverage. Employer may be fined up to \$500 for each day without the insurance, with a minimum fine of \$10,000. Additionally, corporate officers may be held personally liable and/or sent to prison.

In most instances we've learned about, the IWCC inspector has been a little more lenient than they had to be, hitting non-compliant businesses with \$500 or \$1000 fines. Still, these are fines you wouldn't want to pay and going without workers comp coverage is an unnecessary risk. So what will a IWCC inspector be looking for? One of these posters (<http://www.bretdixonins.com/images/IL%20Workers%20Compensation%20poster.pdf>), a required posting in your business informing employees that you do carry workers compensation coverage to protect them and what their rights are as employees. If you have workers comp coverage, your policy information will be filled in at

the bottom of the form. When we send you out your policies, this form should be toward the back of the policy with your information prefilled in by your insurance carrier. If you can't find it or have lost your policies, you can contact us and we will resend you one.

If your business isn't based in Illinois, that doesn't mean you're off the hook. We just haven't heard about any unusual enforcement of the rules in your states. Indiana and Missouri have similar legislation regarding mandatory workers compensation coverage, and the posters for those states look similar as well.

Don't wind up like the business All Good Dogs Pet Care in Evanston, IL, who recently made a little bit of history for all the wrong reasons. The business, with dogwalkers in six nearby suburbs failed to secure workers comp coverage for its employees. Four individuals filed work comp claims against the company. Two were found to be eligible for compensation, but the employer had not paid any benefits and was without insurance. The IWCC warned them to get coverage, ASAP, but the company failed to respond to written warning or appear for their hearing. So, in conjunction with the City of Evanston, the IWCC had the business shut down.

Important Changes to Loss Control Compliance

For many years, Illinois Casualty has tried to distinguish themselves from other carriers by being proactive with their loss control requirements. Whereas all other companies require you to have your hoods and fire suppression inspected or cleaned every six months and your extinguishers every 12 months, Illinois Casualty goes to the extent of wanting copies of your receipts of that service. Their logic was twofold: they want to make sure their policy holders are aware of the requirements and second, they want to be able to pay you in event of a claim. If they have copies of your service contracts, they know you're in compliance, and they can pay you a little quicker.

However, the most complaints we get about ICC is that they flood you with paperwork—past due notices, cancellations, etc... And a lot of times, you've had the work done, but a copy of the receipt hasn't gotten to them yet.

Good news—enough of you have spoken and they've listened. If your policy has renewed or been written since January 1st you will no longer be required to provide copies of service receipts except at the time of a claim. If your policy hasn't come up for renewal in that time, it will change over at your next renewal.

If you were among those who wanted to be free from the barrage of paperwork, your wish is granted, but it's important

that you understand this change completely. The regular service of your equipment is still required. In the event of a loss involving your hood & ducts, fire suppression system or extinguishers, you will still have to show proof that you were in compliance. You just won't be asked for documentation now until the time of a loss.

Service on hoods and suppression system is required every **183 days**. Many people are under the (mistaken) assumption that you have until the end of the 6th month, even if that works out to be 190 or 200 days. Example: If your equipment was last serviced on January 9th, then 183 days later would have been July 11th. If your contractor isn't scheduled to service your equipment until July 28th, then you're going to be out of compliance. Any losses incurred during that time can potentially be denied.

Service on extinguishers is required every **365 days**.

These service requirements aren't the doing of one or two insurance companies. They are code mandated by the National Fire Protection Association, and all insurers have these guidelines in their policies.

It is strongly suggested that you find the portion of your property policy that discusses Protective Safeguards and familiarize yourself with these requirements, as they can greatly effect the coverage that is in place.

Bret Dixon Insurance

P.O. Box 205

Bethalto, IL 62010

Indiana Cracking Down On Alcohol Retailers

During the past two years, undercover Indiana State Excise officers accompanied by 19 and 20 year olds have made stops at alcohol-selling establishments under a program aimed at gathering information about problem areas. Although no violation notices were issued during the first rounds of checks, that is now changing. According to Jennifer Fults, a state excise police spokeswoman, undercover agents and their underage companions will return to establishments that failed the first round of checks. Any new lapses will result in violation notices and fines.

The excise police, who work under the Indiana Alcohol & Tobacco Commission, would not identify businesses visited previously or where they're headed in coming months to avoid tipping off violators.

Fults did share some general information about the first wave of tests. In Clark, Floyd and Harrison counties, officers and minors conducted 140 checks on businesses. Roughly one in five sold to minors since the survey began in April 2007. In Clark County, for instance, 15 of 75 businesses checked by the undercover crew sold to underage buyers. In Floyd County, the operation documented 13 of 58 businesses that failed the check. Only seven checks were done in Harrison County, but three of those completed illegal transactions. Compliance rates varied dramatically around the state. Shelby County had the highest rate of illegal sales at more than 77 percent. Clay County had the best compliance, with less than 4 percent illegal sales, records showed.

St. Louis Puts Smoking Ban Discussion Out for the Summer

After taking testimony at a third crowded hearing, St. Louis city Alderman Gregory Carter extinguished any hopes of City Hall acting on a smoking ban proposal this summer. Carter, chair of the aldermanic Health Committee, postponed voting on the measure until after the board returns from its summer break in September.

The delay comes amid further questioning from tavern owners and aldermen about the effect a smoking ban would have on small businesses. Several also pointed to a recent amendment to the plan - allowing smoking on casino floors - as unfair.

Carter insists the proposal is not dead, but the extra time will, he said, let aldermen craft a bill that would be more palatable to both sides of the issue. "You can't shove this down the throats of individuals in the city," Carter said.

The bill, which would outlaw smoking in restaurants and most other indoor businesses, would only go into effect if St. Louis County passes similar legislation. First, though, it would have to pass the Health Committee and then the full Board of Aldermen. Other Missouri communities such as Clayton, Ballwin and Arnold have already passed smoking bans and the city of Kirkwood is currently considering one as well.