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HR That Works™ is a risk management tool designed to help you to avoid defending employee claims. Key products that come with HR That Works™ include:

- Personnel Forms
- Employment Law Compliance
- HR Audit
- Lawsuit Free
- Employee Handbook
- Employee Knowledge Survey

Contact our office immediately to learn more!

Home Office Liabilities

Virtually every architectural and engineering firm is now networked via the Internet to employees, clients, subconsultants, contractors, vendors and other business partners. Designers share messages and documents, transfer files, and carry on virtual meetings and conferences from across the hall, across the street, across the state, across the country or even around the world. Wireless Internet transmission and mobile devices have untethered the workplace.



With the emergence of the virtual design firm come new liabilities and risks.

As technological capabilities continue to grow and improve, the virtual design firm has emerged in which principals, designers and other employees work out of their home offices, sometimes on a full-time basis. Even employees in traditional brick-and-mortar firms are regularly conducting company business at home, on the road and at the neighborhood coffee shop.

Without question, the Internet has been a boon to productivity and business growth. Architects and engineers can serve their clients effectively whether they are in the corporate office or at their computer in their extra bedroom at home. What's more, design firms no longer must rely upon

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PROFESSIONAL CONCEPTS
INSURANCE AGENCY

Home Office Liabilities

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the local talent pool or relocate a new hire to put together their core staff of employees. Designers and other staff can live anywhere there is a high-speed Internet connection.

With the emergence of the virtual design firm, however, come new liabilities and risks. The courts are grappling with these liability issues and precedents have barely been set in many areas.

Emerging Liabilities of the Home Office

It is virtually impossible to avoid the new liabilities associated with



It is virtually impossible to avoid the new liabilities associated with telecommuting.

telecommuting. Some firms find it necessary to offer perks such as the ability to work from home in order to attract the best up-and-coming designers. Other progressive entrepreneurs afford themselves and their staff the luxury of working at home for most if not all of the work-week. Still others seek to minimize office space and expenses by letting em-

ployees work at home. More and more senior designers and principals at large traditional firms also keep a fully-wired home office.

So what are the liability issues associated with today's so-called virtual organizations? Let's look at four broad categories of home-office issues every firm should consider: safety, security, management and insurance.

Safety Concerns

Before allowing employees to work from their homes, consider inspecting the proposed home office to make sure it is safe for both the employee and the company. Under OSHA standards, employers are responsible for providing a safe workplace for all employees,

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In Search of Greatness

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I finally finished reading Good to Great again, ironically while I was riding the Amtrak to Chicago.

The train came exactly on time (and arrived exactly on time). The Amtrak employees were delightful, and I had plenty of room and peace to reflect, read or work. I couldn't help but think, "The airlines have left a serious gap in the travel industry, rail has a chance to be great again." Then I started thinking what it would take to make the train experience great instead of good. Upgrade to the snack car would be in line (but how cool—a snack car, staffed by a charming person! Not a rolling cart filled with marginal food tended by a crabby flight attendant.)

But then I thought, maybe it doesn't need to be great, maybe it's good enough. And it would probably take a lot of energy to take this to the level of people served by airlines.

Jim Collins wouldn't agree:

"Yes, turning good into great takes energy, but the building of momentum adds more energy back into the pool than it takes out. Conversely, perpetuating mediocrity is an inherently depressing process and drains much more energy out of the pool than it puts back in...The real question is not "Why greatness?" but "What work makes you feel compelled to try to create greatness?"

This is an interesting questions to ponder as we continue to reinvent our companies and our services.

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and that can include those who work from home. Further, any employee accident that occurs while working at home must be reported using the appropriate OSHA forms. Note, too, that these “workplace” accidents are likely covered by workers’ compensation laws.

- When inspecting a home-office setup for an employee, consider:
- Are furnishings and equipment ergonomically designed and arranged to minimize work-related injuries?
- Is the computer monitor and keyboard properly placed to avoid carpal-tunnel syndrome, eyestrain and other common computer-caused maladies?
- Does the desk chair provide comfort and support?
- Is electrical and phone wiring safe, adequate, surge-protected and positioned to avoid trips and falls?
- Is lighting sufficient for the work involved and positioned not to cause glare and eye strain?
- Are smoke detectors, fire extinguishers and other safety equipment installed?

Some risk managers contend it is best for the employer to provide all office equipment (computer, monitor, fax, printer, copier, scanner, telephone, and so on) for the telecommuter’s home office. In that way, your company avoids responsibility for damage to employee-owned equipment. Plus, you have more control over whether the equipment is in safe working order and the workspace is ergonomically designed.

While you can supply ergonomically designed equipment such as desks, chairs, keyboards, wrist pads and

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Reduce Your Exposure to Home Burglaries

U.S. residences were burglarized more than 1.5 million times in 2008, according to the latest FBI studies. Nearly 65 percent of the thefts occur during the day because people are often not at home during the weekday. Proper home theft prevention ideas and techniques, however, can reduce the odds of a home burglary. Consider the following loss control techniques to reduce your chances of suffering a home burglary.

- Invest in a burglar alarm with a central monitoring station. Research indicates that homes without security systems are about three times more likely to be broken into than homes with security systems.
- Property identification programs are another deterrent to burglary. Many of these programs involve the use of stickers on which your driver’s license number is imprinted. These are then placed (and become permanently imprinted) on all valuable personal property, making it more difficult for burglars to pawn the property.
- Safeguarding dwelling components such as doors and windows make it tougher for burglars to enter the home. Many home security experts recommend all exterior doors be 1 3/4-inch thick solid wood, metal, or composite material. Strike plates on door jams are typically installed with 1/2-inch screws; however, these should be replaced with 3-inch long screws so that locked doors cannot be kicked in easily. Doors should also have deadbolt locks, with at least a 1-inch throw and a reinforced strike plate with 3-inch screws.

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footrests to help prevent physical ailments, you cannot guarantee that a home-based employee will use such equipment properly. Likewise, you cannot be certain that telecommuters will take appropriate breaks to rest their hands, eyes and backs. Accordingly, you should provide at least basic ergonomic instruction and/or training for all telecommuters. Be sure to document these training efforts.

Security Issues

Security is overlooked when setting up a home office. Employees, their equipment and their work are no longer protected by the physical and electronic security barriers in place at the company's main office. You'll likely need to set up new security policies and procedures to compensate for this heightened exposure.

As a general rule, you should prohibit anyone other than the employee from using company equipment at the home office. At a minimum, make sure company-owned computers are password-protected with a sign-on procedure and insist that the employee keep that password confidential. If an employee is using a personally-owned computer, ensure that access to the company network is password protected and all company documents are stored in password-protected files.

Check with your information technology professionals regarding the most secure way to hook-up telecommuters to your company network. Firewalls, virus scanners and similar security measures between telecommuters and your internal network will provide added layers of safety. Make sure that telecommuters keep their virus-protection software up to date, whether they use company or personal equipment.

Company Computers for Personal Use

It is unrealistic to prohibit at-home workers from using company equipment at their home for personal reasons – that's almost impossible when the employee works in a company office. However, you can demand that employees follow reasonable guidelines.

For example, when it comes to company computers, you should put limitations on the employee's personal use of company-owned hardware and company-licensed software. Likewise, employees should not install personal software programs on a company computer, not download non-business files from discs or the Internet, and not open or forward attachments from personal e-mails.

Document management is another important component of security. Identify the types of documents you expect the telecommuter to create and deliver in hard copy, and those to be transmitted electronically. Have employee work files backed up, preferably on a company or other offsite hard drive.

Telecommuters tend to rely on e-mail as their primary method of communication. A great deal of that e-mail tends to be written informally. It may contain personal comments, jokes, jargon, and – from a professional liability standpoint – any number of taboo words such as “certify” or “guarantee.” While all

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employees need to be reminded that e-mail must be treated as important documentation, telecommuters working from the comfort of their home may need such reminders more frequently.

Be aware of software licensing requirements when setting up a telecommuter's computer. In many cases, your firm does not own the software it uses; it pays a licensing fee to do so. Violating licensing agreements by burning duplicate copies of software or using pirated software is illegal. If an employee installs illegal software on a company computer, or if the employee does company work on a computer loaded with illegal software, the company could face a costly risk exposure.

Consider the physical security of the home office as well. Can it be secured from the rest of the house with locks? Should a security system be installed? How will sensitive company documents be stored and protected from theft, fire or other disasters? Would it be wise to have a fireproof safe or file cabinet located at the home office? Are electronic files backed up at the company office or other location? These are all viable concerns for any design firm.

Management of At-Home Workers

Telecommuting requires a great deal of trust between supervisor and subordinate. Unless a company plans to make frequent or unannounced visits to the employee's home office, it is virtually impossible to provide close supervision of work hours and habits. If a manager feels an employee cannot be trusted to self-manage his or her workday, then perhaps telecommuting should not be considered.

Because telecommuters sometime feel like they work alone and set their own rules, quality control can become an important issue, especially when it comes to drawings, proposals and reports. The key is to have a policy for work review and ensure it is properly enforced. Determine which materials need to be checked by a supervisor or peer before they are issued. Track the quality and quantity or work closely and address any perceived problems immediately. As long as the telecommuter is performing job functions to high standards and maintains adequate communication, you shouldn't be too concerned whether they do it from 9-5 in a three-piece suit or from 4-12 in pajamas, house robe and slippers.

Insurance Requirements

Telecommuting raises important insurance issues that affect both the employee and the company. For example, you will likely have situations where a client, fellow employee, independent contractor or a supplier's representative visits the telecommuter at home. The employee's homeowner's insurance needs to cover the potential of someone being injured at the home office, or on the property where the office is located. If the employee's current homeowner's policy does not provide adequate protection, the company should consider paying for increased coverage. Be sure to investigate workers' compensation insurance issues as well.

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Note that your firm will likely have to amend its business property insurance schedule to identify the location of equipment used by telecommuters. Make sure the policy covers equipment housed offsite or travelling between your office and the telecommuter's home office.

If the telecommuting employee uses his or her own equipment, determine whether it is properly covered by insurance. Does the employee's homeowner's policy protect the equipment even though it is used for business purposes? If an additional premium is required, the company should likely pay it.

Most employees use their private auto for commuting. What happens during a commute is not a company's responsibility. However, if an employee works mostly at home, something as simple as a trip to the office supply store could be considered business travel. It is advisable, therefore, to check into the necessity of coverage for employees' use of an auto not owned by the company. If an employee has an accident while driving on company business, or what could be construed as company business, the company will be a likely target for a claim or lawsuit.

Proceed Cautiously

While some of the precautions covered here may seem a bit like overkill for an informal telecommuting arrangement, the associated risks should not be taken lightly. You are well advised to develop standard policies regarding telecommuting, whether full-time or part-time, permanent or temporary. Set minimum requirements for home office set-up and equipment. Any telecommuting policy should clearly state that the agreement is not an employment contract and does not preclude any existing contract or employment-at-will provisions between the company and the telecommuter. Finally, we can help you examine your insurance needs and search for appropriate coverage.

The preceding article is provided for informational purposes only. Before taking any action that could have legal or other important consequences, speak with a qualified professional who can provide guidance that considers your own unique circumstances.

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