

Data Breach 101—

Download "8 Tips to Help Reduce Your Risk of a Data Breach" at www.aahainsurance.org/

Questions? Contact the AAHA Business Insurance Program at 866-380-2242 to learn more about data breach coverage.



8 TIPS TO HELP REDUCE YOUR RISK OF A DATA BREACH

START WITH THE BASICS

1. **Lock and Secure Sensitive Information:** Store in Paper (Printout or Removable Storage Device) or Digital (Email or Cloud Storage) and Remove (Delete) or Destroy (Shred) or Destroy (Shred) sensitive data, or Personally Identifiable Information (PII) like social security numbers, medical record information, medical records, financial records, etc. Store in paper files and/or in removable storage device (e.g., computer disk, thumb drive) may constitute a data breach. Never leave sensitive information unattended. Store in a locked device. Lock up or shut down your device when not in use. Also consider installing an alarm system that alerts you when someone has accessed your premises.
2. **Encrypt Data:** Encryption helps protect the security and privacy of files as they are transmitted or when on your computer. Most encryption tools all backup, mobile devices, text messages and e-mail, and encrypt emails that contain sensitive information.
3. **Control That Remote Access to Your Network:** Remote access to your network should be made through appropriately secured Virtual Private Networks (VPN) connections and multi-factor authentication (e.g. call center or program). In addition to passwords, passwords should be changed on a regular schedule and meet minimum complexity and length requirements.

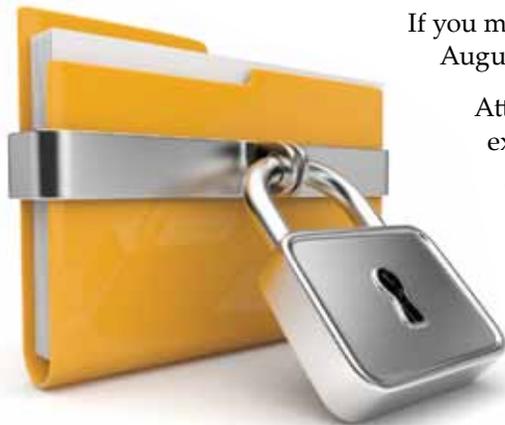
How to Avoid a Virtual Catastrophe

If you missed the AAHA Business Insurance Program webinar on August 23, you can access the recording on our home page at www.aahainsurance.org/.

Attorney Eduard Goodman, Chief Privacy Officer of Identity Theft 911, shared real-life examples of data breaches and how they affect businesses. Check out this webinar to:

- Understand what a data breach is from a regulatory perspective
- Explore how a data breach can occur
- Recognize your privacy and data risk exposures and liabilities
- Identify some basic ways to assess, reduce, and manage the risks

Identity Theft 911 is one of the service providers that The Hartford uses to support AAHA Business Insurance Program clients who purchase data breach coverage. For more information about securing coverage, please call 866-380-AAHA (2242).



BUSINESS INSURANCE



news for you

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Closed Property Claims

The water heater at **Dr. Y's** practice burst, resulting in water damage. Dr. Y's insurance carrier paid \$11,533 to repair and replace the damaged property.

A severe hail and wind storm caused damage to **Dr. Z's** practice. Water damaged both the ceiling and floor tiles and caused the building insulation to fall from the ceiling. The practice's outdoor sign was also damaged. The insurance carrier paid \$51,822 to repair and replace Dr. Z's property.

claims continued on page 2

Workers' compensation coverage provides medical payments, disability, survivor benefits, rehabilitation expenses, and wage replacement for employees who experience job-related injuries or diseases, regardless of fault. Open claims will close after the injury treatment concludes.



Open Workers' Compensation Claims

Employee A sustained an injury while trying to open the practice's laundry room door; Employee A's thumb had caught and pinched between the door and the door jamb. The following week, Employee A could not use the injured thumb. Employee A went to urgent care and was diagnosed with a dislocated thumb. To date, the practice's insurance carrier has paid \$36,958 in medical expenses and indemnity for Employee A.

Employee B was standing on a ladder attempting to lift a wooden board located above Employee B's head. The board fell and hit Employee B, who sustained head, shoulder, and elbow injuries. The practice's insurance carrier has paid \$62,952 to date in medical expenses and indemnity.

During the same work day, **Employee C** lifted a heavy bag into a garbage container and walked a dog that continuously pulled against the leash. Later that day while bathing a dog, Employee C experienced severe shoulder pain. Employee C sought medical treatment for the shoulder injury. To date, the practice's insurance carrier has paid \$73,326 in medical expenses and indemnity.

Employee D was restraining a cat presented for vaccinations. During the procedure, the cat startled and bit Employee D's finger. The injury caused Employee D's hand to swell. Employee D sought medical treatment. The practice's insurance carrier has paid \$37,550 to date in medical expenses and indemnity.

Did You Know?

Employment practices liability policyholders have free access to online training modules—a value of \$5,000—to help educate and train employees.

Courses cover:

- Sexual Harassment
- Discrimination
- Diversity
- Disability (ADA)

Visit www.in2vate.com with your EPL policy number to login.

Closed Workers' Compensation Claims

While walking inside the practice, **Employee E** slipped and fell because of liquid on the floor. Employee E experienced knee pain and swelling and sought medical attention. Employee E was diagnosed with a hyperextended knee. The practice's insurance carrier paid \$46,161 in medical expenses and indemnity.

Employee F pulled a back muscle while lifting a dog, resulting in lower back injuries. The practice's insurance carrier paid \$67,982 in medical expenses and indemnity.

A cat bit **Employee G** on the finger. Employee G required medical treatment. The practice's insurance carrier paid \$16,606 in medical expenses and indemnity.

Employee H was exposed to a rabid patient and required medical attention and immunizations. The practice's insurance carrier paid \$5,780 for treatment and indemnity.

While assisting with a surgery, **Employee I** slipped on liquid on the floor. Employee I's knee twisted, resulting in an injury. The practice's insurance carrier paid \$13,121 in medical expenses and indemnity.

Employee J was restraining a cat presented for vaccinations. During the procedure, the cat startled. While trying to escape, the cat bit Employee J's wrist several times. Employee J required medical treatment. The practice's insurance carrier paid \$6,240 in medical expenses and indemnity.

While bending over, **Employee K** felt a 'pop' followed by severe back pain. Unable to stand, Employee K was taken to the hospital. Employee K was diagnosed with two herniated discs and was treated. The practice's insurance carrier paid \$6,089 in medical expenses and indemnity.



RESOURCE TIP: Download Our Return-to-Work Publication

HUB Risk Consultants and The Hartford worked together to tailor a publication titled, *Return-to-Work, Ability Management Guidelines for Veterinary Practices*. The goal was to help veterinary practices implement an effective return-to-work program that would control claim costs (disability or indemnity) and enhance human resource benefit programs. Visit www.aahainsurance.org/safety.

Future FMLA Rights—FMLA Protection Now

By *Monica M. Fanning, Esq.*

This is a sample of a CNA “Best Management Practices” training bulletin available to employment practices liability (EPL) policyholders. Online training courses are also available. To secure coverage or for more information, contact the AAHA Business Insurance Program.



A federal appeals court in Atlanta recently held that an employee who was not yet eligible for FMLA leave may nonetheless be protected by the FMLA if he or she has announced a future need for such leave. This particular case arose after the employee announced she was pregnant and would need leave around the time of her due date. Employers should be aware of this ruling and keep it in mind when making decisions about an employee who has announced his or her need for future FMLA leave.

The Family and Medical Leave Act of 1993 (“FMLA”) entitles eligible employees of covered employers to take unpaid, job-protected leave for family and medical reasons. To be eligible for FMLA leave, an employee must have been employed for at least 12 months and must have worked 1,250 hours of service during the 12-month period preceding leave.

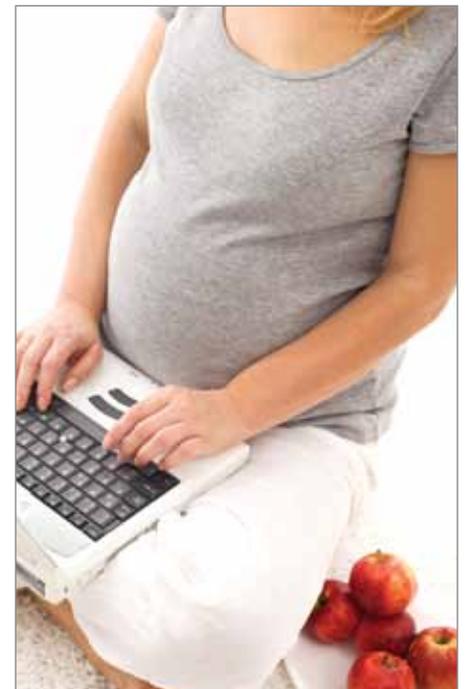
Even though an employee might not yet be eligible to take leave under the FMLA, the Eleventh Circuit, in *Pereda v. Brookdale Senior Living Communities, Inc.*, recently held that he or she might enjoy certain rights under the Act. Kathryn Pereda started working at Brookdale in October 2008. In June 2009, she announced she was pregnant and told her employer she would be taking maternity leave in November 2009. When she announced her pregnancy, she was not eligible to take FMLA leave because she had not worked at

Brookdale for 12 months. At the time of her scheduled maternity leave, however, she would be eligible for leave.

After announcing that she was pregnant, Pereda claimed that her employer started harassing her and giving her poor performance reviews, even though she received excellent performance reviews before announcing her pregnancy. Her employment was terminated in September 2009, eleven months after being hired, and before she was eligible to take FMLA leave. She brought a case, alleging that Brookdale interfered with her FMLA rights and retaliated against her after she requested FMLA leave. The Eleventh Circuit agreed with Pereda, holding that she, a pre-eligible employee, had a cause of action if her employer fired her in order to avoid having to accommodate her with FMLA leave.

As this case illustrates, employers should think twice before making employment decisions about an employee who has announced his or her intention to take FMLA leave. However, employers are not necessarily stuck with problem performers simply because an employee has announced his or her intention to take FMLA protected leave. The court in *Pereda* agreed, stating that regardless of a FMLA status, employees may always be terminated for legitimate reasons such as poor performance or dishonesty.

Be sure to document and address performance and attendance problems when they arise. In addition, do not discuss an employee's FMLA eligibility unless an attorney is present because internal human resources conversations are not protected by attorney-client privilege. Employers would be well-advised to treat an employee the same as any other after he or she has requested FMLA leave. Taking these steps may help employers avoid being pulled into court on allegations that the employer interfered with or retaliated against an employee for announcing his or her intention to exercise future FMLA rights.



Does Your Policy Have These Coverage Features?

Make Sure That Your Business Owner's Package Policy Covers Your Exposures! The AAHA Business Insurance Program offers a comprehensive portfolio for all your business insurance needs—including a practice owner's package (also referred to as a business owner's policy or BOP). The buying power of veterinarians like you in our program has helped leverage a product unique in the industry with veterinary-specific coverage and automatic endorsements at no additional cost. If you purchase your property/liability coverage from a local agent—check that you are insured for the exposures in your industry. In the AAHA Business Insurance Program, you'll enjoy these coverage features:

Your Exposures

The Coverages You Need

1. Spoilage

Spoilage coverage responds to the loss of perishables (such as biologicals) due to a change in temperature resulting from a mechanical breakdown or electrical power failure.

2. Employee Dishonesty

These types of losses can go unnoticed for an extended period of time. Employee dishonesty coverage protects you from financial losses caused by the fraud, embezzlement, or forgery of an employee.

3. Property Damage Caused by Animals in Your Care

Every time you treat a patient, your expensive medical equipment and property are exposed. What if a dog bites an endoscope? Or damages an x-ray machine? Due to the unique nature of veterinary business, this coverage is extremely important. Most standard policy forms do not provide this valuable coverage.

4. Equipment Breakdown

Equipment breakdown coverage provides valuable protection for your equipment exposure. Coverage should include electrical arcing or artificial electrical current as well as mechanical breakdown.

5. Mobile Loss of Income and Extra Expense

If your mobile unit is out of commission for repairs after a covered accident, what about your appointments (i.e. your income)? The loss of income and profits could cause real financial problems. Mobile loss of income and extra expense coverage responds when your vehicle is out of service because of a covered accident and reimburses you for income lost while the vehicle is being repaired or replaced.

We welcome you to call us at 866-380-2242 for a portfolio comparison to ensure that your exposures are properly covered at the best price possible. You may also request a quote at www.aahainsurance.org/quote.

AAHA Business Insurance Program

Call 866-380-AAHA (2242) today for a coverage evaluation.

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**This newsletter contains only a general description of coverages and does not include all the benefits and limitations found in the policies. Coverages may vary. All references to coverage are subject to the policy's conditions and exclusions. The insurance policy and not this newsletter will form the contract between the insured and the insurance company. Loss control content is provided for information purposes only. It is not intended to be a substitute for individual legal counsel or advice on issues discussed in this newsletter. For resolution of a specific legal issue or business concern, consult your attorney.*