



Winter Weather Can Affect Your Business

Winter weather is unpredictable and can have a significant impact on your business. While maintaining business operations is always at the forefront of your mind, it is important to consider employee safety as well. You should have policies and procedures in place before bad weather hits so your company and employees are as prepared as possible.

Driving on Company Time

A major concern regarding winter weather is employees who drive a company car or vehicle as part of their workday. All vehicles should be given a safety check by a mechanic before the bad weather hits, and they should also be equipped with emergency materials, such as a snow scraper, blanket, first aid kit and flashlight. In addition, employees should be instructed to dress properly for the weather, including a hat, scarf and gloves, or have extra clothing on hand in case of a breakdown or accident.

To protect your company against liability, any employees who may drive in bad weather on company time should be trained in safe, cautious driving techniques and what to do in case of an accident. Also, consider employees who drive as part of their commute—it may be wise to educate them on cautious winter driving techniques to ensure their safety while driving to and from work.

Navigating Employee Pay

Pay issues can arise when weather forces your business to close for any length of time or prevents employees from making it to work even if your business remains open.

For nonexempt (typically hourly) employees, you are only required to pay them for the hours they work. Thus, if your business opens late, closes early or closes for an entire day, you are not required to pay them for any time missed.

If an exempt (typically salaried) employee works any part of the day, you must pay them for a full day. If your business remains open, but an exempt employee cannot come in due to weather conditions, this is considered a personal reason, and you do not need to pay them.

One option to ease the loss of a business day or any missed productivity is to ask exempt employees to work from home. You may consider offering a telecommuting option during inclement winter weather, even if your business remains open, so employees can avoid the dangers of driving in the extreme cold or snow.

Be Prepared

Employees should be informed of your company policies related to inclement weather—safety, attendance and pay-related. You should have an established communication method to inform your employees of a business closing or delay. When bad weather is coming, address all your policies again, remind employees of communication channels to address attendance and plan for the worst potential outcome to ensure your company is prepared.

For more risk management guidance, contact us today.



Electronic Vehicles Present New Insurance Challenges

With many federal and state governments pushing for lower carbon dioxide roadway emissions, electric vehicle (EV) demand is expected to soar during the next decade. This has commercial fleet owners wondering what a world without gas- and diesel-powered vehicles might look like, particularly when it comes to the potential exposures EVs could create.

The following are unique factors that could make insuring EVs costlier than standard automobiles:

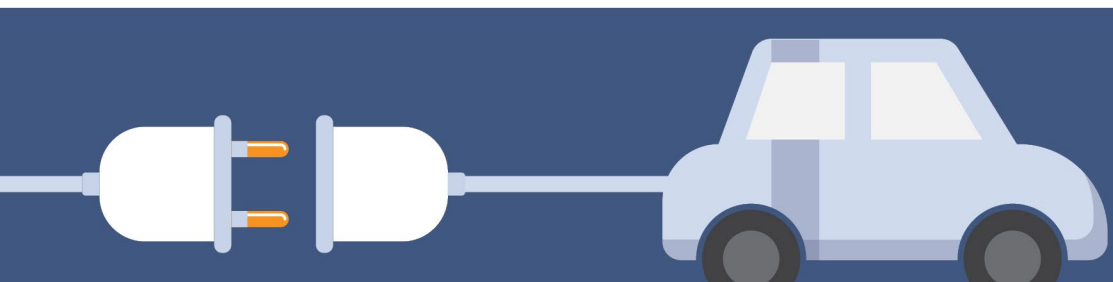
- **Cyberthreats**—Like most new cars and trucks, EVs offer connected car technologies, such as Wi-Fi, data sharing and semi-autonomous systems that leave them vulnerable to cyberthreats. However, the public charging stations EVs rely on to recharge their batteries add another layer of risk because they may serve as an entry point for malware attacks, data theft, system outages, bugs and glitches.
- **Battery problems**—Battery manufacturing defects can lead to large-scale vehicle recalls, putting fleet owners at an increased risk of business delays. Additionally, under certain conditions, lithium-ion batteries that power EVs can ignite or explode.
- **Pedestrian accidents**—One selling point of EVs is they run quieter than gasoline-powered vehicles. Unfortunately, this lack of audible engine noise may also put pedestrians at greater risk of being hit if they fail to hear an approaching EV.

Several other concerns will need to be addressed before EVs become scalable, including:

- **Scarcity of repair shops and parts**—Very few auto shops can handle EV repairs, so it may be difficult to find timely service.
- **Costlier repairs**—Most EV parts cost significantly more than parts for gas-powered vehicles.
- **Extreme weather concerns**—It's unclear how much of a role extreme weather will play in EV battery performance. Under severely hot temperatures, batteries, on rare occasions, have been known to ignite or explode. Under cold temperatures, batteries hold their charges for a shorter period of time.
- **High voltage hazard**—A number of high-voltage electric cables run throughout the body of EVs. When an accident occurs, exposed cables could cause serious injury to passengers or first responders trying to free crash victims from damaged vehicles.

Although it probably won't happen overnight, EVs seem positioned to dominate roadways sometime in the near future. Commercial fleet owners who start thinking about EV insurance challenges today will be better positioned to thrive in a post-fossil-fuel landscape.

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Americans bought nearly **450,000 EVs in 2021**—an **83% jump from 2020**.