



TAKING STOCK

Preventing Workplace Violence During the Holiday Rush

In a 24-hour span in September 2018, three separate workplaces were targeted by active shooters. One person died, while several others were injured.

Incidents of workplace violence are, unfortunately, not uncommon. In 2016 close to 17,000 workers in the private sector experienced trauma from nonfatal workplace violence. Their injuries required days off from work. There were also 500 workplace homicides that year, which was the highest number since 2010 (see Figure 1) and accounted for 10% of 2016's fatal occupational injuries.

While workplace violence can occur in all industries, there are some occupations that carry an elevated risk. Workers at retail outlets, bars, and restaurants are among those more prone to becoming victims of violence due to the premises' easy and public access and constant personal interactions.

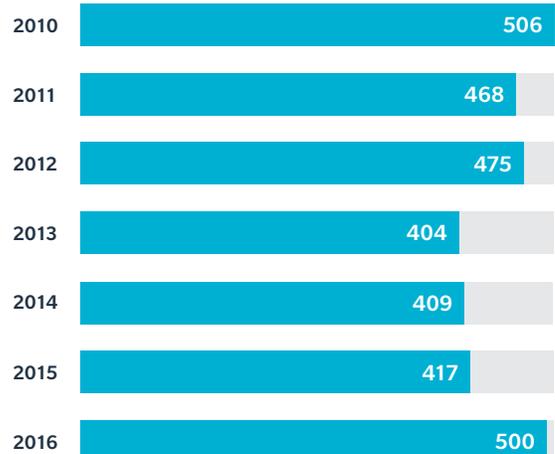
With the holidays around the corner, risks increase. Financial worries and domestic conflicts tend to be magnified, while increased workloads pile stress on workers. Further, increased traffic in retail locations paired with alcohol consumption can up the risks.

FIGURE

1

Workplace homicides

SOURCE: BUREAU OF LABOR STATISTICS



A Culture of Safety

Providing a safe workplace is not only desirable but a legal obligation of employers, mandated by both federal and state regulations, like the [Occupational Safety and Health Act](#). Cognizant of the risks faced by employees, business leaders are compelled to take action to protect their workplace through a number of preventative measures:

Take a strict stance. No type of violence, including bullying or abusive behavior, should be condoned. Employee or customer concerns should be acted upon, especially since one of the strongest deterrents to workplace violence is an active policy of dealing with emerging threats. Employers should pay attention to interactions among their staff, keeping in mind that coworker conflicts accounted for [around 15% of workplace violence](#) incidents between 2005 and 2009, while conflicts with a supervisor amounted to 2.25%. This policy should be extended to customers, contractors, vendors, and anyone else who has contact with the organization, with the zero tolerance approach well communicated to employees and others that it pertains to.

Establish a careful hiring policy. Hiring systems and strategies should be designed to take into consideration any violent incidents in a candidate's past. Seasonal workers, who are even more common during the busy holiday period, should also be carefully scrutinized and organizations should be knowledgeable of, and comfortable with, the engagement policies used by any temp or contracting agencies. At the same time, employers should ensure that their background checks comply with employee privacy protection laws.

Secure the workplace. Carry out a security assessment and pinpoint any areas of concern — for example, doors that are constantly open, a necessity for most retail and hospitality companies. Especially in busier times, such as during Black Friday sales, organizations should determine whether they need to increase their security systems. Establish clear policies and procedures for dealing with anyone believed to be causing trouble, including customers.

Deliver continuous education. Employees should know how to spot problems before they escalate and know what to do in different situations, including who to call for help and when. Training should cover what to do in case of a violent incident, including being aware of the “run, hide, fight” approach. This requires familiarity with the layout of the premises — for example, where all exits, including emergency exits, are situated and where they lead to. This information might need to be communicated to law enforcement and emergency personnel. Business leaders should make sure employees know the basic facts about workplace

violence, including the specific risk factors of their particular location. They should also be made aware of the company's workplace violence prevention policy and their rights and obligations, including reporting any incidents or suspicions.

Awareness goes beyond the workplace. Consider sharing with employees basic facts about domestic violence, including indicators of when this could escalate and potentially spill into the workplace. For example, consider a confidential reporting system for employees who may wish to disclose problems they are experiencing themselves or that they know a colleague is going through. Additionally, consider ways of protecting employees as they arrive or leave the premises, especially early in the morning or late at night. Some strategies include increasing lighting outside the premises and in parking lots, establishing a buddy system, or providing an escort so that nobody walks to their vehicle or public transport alone.

Assemble a permanent threat-assessment team. Evolving threats require a continuous evaluation process. Risk management teams should identify existing and potential threats, how these are being addressed, and what actions need to be taken to improve workplace safety. They should also look at data to identify any spikes during different times of the year and determine whether they need to implement additional security measures. Engaging in tabletop exercises and drills could help businesses be better prepared when incidents occur and proactively pinpoint and address problems.

Establish special procedures for peak periods. The holidays tend to be busier for the retail and restaurant industries. Black Friday sales have become daylong extravaganzas and more people go out to celebrate. Businesses should consider beefing up their security systems — for example, by hiring trained security personnel or adding to their existing staff. Further, attempts should be made to avoid long waits and other frustrations for customers. Some suggestions include increasing check-out staff and restaurants making callbacks to waiting customers when a table is available.

Dealing with a Violent Incident

While preparedness is essential, not all incidents can be avoided and business leaders need to be ready to protect employees, customers, and the company should an event occur. Identifying and stopping the incident early is of paramount importance.

Establish reporting procedures. Create clear lines of communication with law enforcement and emergency responders. It's imperative that all employees know who they

should contact if they notice something unusual or witness worrisome behavior, such as a customer being discourteous or verbally abusive.

Know when to flee. There should be clear guidelines as to when a situation should be considered irremediable and fleeing becomes necessary — for example, in an active shooter incident. It is essential that emergency exits are clearly marked and always accessible.

Deal with the aftermath. A company's first priority should be the wellbeing of employees and customers. Aside from determining whether anyone needs medical attention immediately after an incident, employers should also look at the long-term wellbeing of their staff and their families, including whether they need help to manage post-traumatic stress. Employers might also consider care for customers who were on-site during the event. When serious incidents take place, companies might need to develop a prioritized and phased return-to-work schedule.

Learn from the experience. A thorough analysis of the event should be carried out and pain points and lessons learned should be identified and addressed. Communicate with employees and customers — and the media, if necessary — about any steps being taken to resolve issues. And make training and awareness of any new policies a priority.

Workplace violence is a real threat. Although some incidents cannot be avoided, taking steps to minimize risks and knowing how to react during and awareness situation can help organizations safeguard their employees and customers, as well as their bottom line.

TRANSFERRING THE RISK

The financial toll of violence in the workplace can be substantial. Aside from cleanup requirements in case of property damage, a major incident — for example, an active shooter or a large brawl — might require the business to be closed for a number of days or even longer, causing costly business interruption and extra expense. And even incidents of a lesser scale can be costly if workers are injured or the company is faced with lawsuits, among other risks.

Risk transfer options are plentiful, but so are exclusions — for example, terrorism exclusions — in policy language that can potentially lead to underinsurance. Risk managers should also be mindful of specific triggers, like stating the minimum number of people who need to be involved. Where available, efforts should be made to obtain coverage where the policy trigger is broad enough to cover different events, including workplace violence and active shooter.

Coverage gaps in traditional property and liability policies can be addressed by purchasing affirmative coverage that is peril-specific, such as workplace violence coverage and/or an active shooter policy. These types of specialty products typically cover property damage and business interruption costs after an event as well as some crisis management expenses. Many affirmative coverage solutions also cover the services of a consultant who would help answer questions, coordinate with law enforcement and the media, and guide the business post-incident. Organizations can use such a policy as the first contingency following an incident, with other coverage options used as needed. Some forms of coverage that might apply include:

- **Workers' compensation** could be applicable when employees are injured during an incident or experience post-traumatic stress or other psychological effects. However, workers' compensation might not come into play when an individual employee is targeted and the motive is unrelated to the workplace.
- **Commercial general liability** could be triggered if a customer or another third party is injured or killed, providing coverage for medical care, bodily injury, property damage, and defense in lawsuits alleging negligence.
- **Property insurance** could apply if a violent incident leads to physical damage to an establishment.
- **Business interruption insurance** might cover costs if a business is forced to close down following an incident, either because there is no access to the location or in order to repair property damage and clean up. However, it might not cover voluntary closures.
- **Crisis response insurance** can help organizations with costs required to respond to and recover from a crisis, such as grief counseling for affected employees. This coverage is included in many umbrella and excess casualty policies.



This briefing was prepared by Marsh's Retail/Wholesale Practice, in conjunction with Marsh Risk Consulting and AIG.

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