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PRACTICAL LEGAL TIPS



Are You Aware of What Your General Liability Insurance Does Not Cover

Many business owners do not realize their general liability insurance policies do not cover liability exposure created by employee benefit programs that their company offers. Bill Snellings, owner of the Snellings Walters Insurance Agency in Sandy Springs, explains the issue this way:

"Most business owners do not realize the liability exposures that are created by the existence of employee benefit programs such as group medical, dental, disability, 401k, workers compensation insurance, etc. Employers can be held liable for negligence in the maintenance of these plans. For example, failure to add a new employee to the group medical insurance and a subsequent medical claim could end up the responsibility of the employer. Failure to maintain workers compensation coverage is another area of concern along with failure to provide COBRA letters to terminated employees".

One way to manage this liability risk even in situations where there is a human resources department is to obtain additional coverage for employee benefit liabilities. According to Bill, "Coverage can be endorsed to an existing general liability policy to cover most of the exposures discussed above and the premium is nominal many times around \$100 annually".

As always, your trusted legal resource for practical advice.

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