



**AUTOMOTIVE
AFTERMARKET
SERVICES**

NEWS

November 2022
Volume 4 | Issue 2

ALERT

Online Security

Most Small Firms Underestimate Cyber Attack Costs

A NEW SURVEY has found that most small businesses greatly underestimate the recovery costs after a company is hit by a cyber attack, as well as the time it takes to recover.

Nationwide Insurance's "Agency Forward" survey found that 40% of small business owners estimate that a cyber attack would cost their organization less than \$1,000, and 60% said it would take less than three months to fully recover. Those are significant underestimates, and it reflects how little most owners know about the true effects of these increasingly sophisticated attacks.

The rose-colored view is complicated by the fact that small businesses are now the main target of cyber attacks, particularly those involving ransomware. As a result, many companies are not taking the appropriate steps to guard against attacks, and may also forgo securing cyber insurance.

Nationwide found that about 28% of small business owners said they have cyber coverage, compared to 71% of middle-market businesses.

Cyber-attack costs can mount quickly. After an attack and assessing the damage, a business may be faced with a number of expenses for:

- Systems and operational recovery
- Data restoration
- Addressing reputational damage
- Legal costs.

Most small businesses fail within six months of an attack. That may be because many don't install safeguards to protect against attacks. The survey found that:

- 48% of small business owners said they felt prepared to prevent an attack (compared to 83% of mid-sized firms).
- 56% said they conducted cyber-security training at least once a year (94% of mid-sized firms hold training).

Protection against attacks

You can thwart the criminals by:

Educating your employees – Regularly update your staff on new security protocols. The more your employees know about cyber attacks and how to protect your data, the safer your business will be.

See 'Ensure' on page 2

Cyber Attack Fallout

\$15,000 to \$25,000

279 days

Source: Nationwide Insurance

Average cost of a cyber-attack claim

Average recovery time after an event

**AUTOMOTIVE
AFTERMARKET
SERVICES
WISHES YOU A
HAPPY HOLIDAY**



"The check engine light came on."



Automotive Aftermarket Services

7777 Greenback Ln. #212
Citrus Heights, CA 95610

Phone: (888) 383-2274

Fax: (888) 383-2211

www.aasins.net

If you have questions about our services, please e-mail us at: info@aasins.net

Paid Family Leave Grants for Small Employers

CALIFORNIA'S PAID Family Leave program allows workers to take paid leave to bond with a new child (through birth, adoption or foster care) or to care for a seriously ill family member.

While it's great for the employee, that can sometimes leave the employer in a bind, particularly a small employer with just a few staff. Fortunately, small businesses can apply for grants of up to \$2,000 per employee through the program.

The grants are designed to help small firms offset higher expenses they may face when an employee is out on paid family leave.

Potential costs include cross-training an existing employee for an on-leave worker's duties, and hiring and training a new or temporary worker.

California's Paid Family Leave program provides up to eight weeks of partial wage replacement benefits to workers who take time off from work to:

- Care for a seriously ill family member,
- Bond with a new child (including newly fostered and adopted children), or
- Participate in a qualifying military event.

The program is funded entirely by workers through State Disability Insurance payroll deductions. Employers are not required to pay the workers on leave.

Applying for a grant

Grants are available in the following amounts:

- Businesses with 51–100 employees may receive up to \$1,000 per employee utilizing paid family leave.
- Businesses with 1–50 employees may receive up to \$2,000 per employee utilizing paid family leave. ❖

Grant Qualifications

- Must employ between one and 100 workers;
- Must be registered to do business in California;
- Must be in active status with the office of the California Secretary of State;
- Must have an active California Employer Account Number under which employees are listed for payroll.

GET MORE INFORMATION HERE



Continued from page 1

Ensure All Your Computers Have Antivirus Software

Send out regular reminders not to open attachments or click on links in e-mails from people they don't know or expect.

Implementing safe-password practices – Have employees use complicated passwords and change them regularly every 60 to 90 days.

Using robust security platforms and protocols – That includes installing web application firewalls and using secure payment gateways if you accept credit cards online. Your website hosting company should regularly patch security vulnerabilities, and you should ensure that all computers have antivirus software installed.

Regularly backing up all data – That includes databases,

financial files, human resources files and accounts receivable and payable files.

Cyber insurance

Even with the protections in place, companies still can suffer an attack. If it's a ransomware attack, your systems may be unusable until the ransom is paid.

Fortunately, cyber insurance can help pay for the costs associated with an attack, including expenses related to recovery, lawsuits and ransoms. Coverage will differ from one carrier to another, so it pays to call us to discuss your options. ❖

How to Deal with the 'Monday Morning Surprise'

THE "MONDAY morning surprise" – the term for when an employee on the first morning of the working week reports an injury they sustained at work on Friday – can put the employer in a quandary.

Employers often wonder if the injury is truly work-related or sustained over the weekend during the worker's days off.

While the majority of these claims are legitimate, employers should be wary of instances where an employee clocked out of a shift on Friday with no reported injury and returns on Monday claiming a workplace injury to which there were no witnesses.

That's a red flag for workers' comp fraud.

What you can do

First you should put a policy in place that all workplace injuries should be reported to management on the day they occur. That way, you can investigate immediately and talk to other staff that may have witnessed the event.

The more time that goes by, the less likely that witnesses will remember anything pertinent to the claim investigation.

As you gather the facts on your injured worker, be sure to address how and when the injury occurred:

- Did they cite a very specific incident, or was it a gradual onset that worsened over time?
- If it was gradual, how long ago did symptoms start?
- Is it worse now after some rest or is it feeling better?

Ask the employee why they are only reporting it on Monday, instead of when the injury occurred. Often it could be an honest mistake.

Perhaps they told a supervisor who failed to report it. Or maybe they didn't report it because they didn't want to go to a clinic and thought they'd feel better after the weekend.

And often, the fault lies with the employer for failing to train the worker in how and when to report an incident. If they didn't know they were supposed to tell you about a near-miss or incident-only injury, that's due to poor communication on your part.

Whatever you do, do not spy on the employee. If you're concerned there is fraud involved, don't take matters into your own hands. Report your concerns to the workers' compensation claims adjuster.

That said, you can conduct your own investigation to find out how an accident occurred. This is a normal risk management procedure so that you can identify issues that may have contributed to the injury.

End-of-week employee statement

One way to address the Monday morning surprise is to develop an "End-of-Week Employee Injury Statement."

Your accounting department can attach something like the following statement to each employee's paycheck:

I have not received or witnessed any injury during the course of this week's work with [Employer Name Here.]

Employees would be required to complete the form, sign it and return it to their supervisor. The benefits of such a reporting program include:

- Employees reporting workplace injuries in a timely manner.
- Improved management-worker communications.
- Strengthened accident prevention and employee safety.
- The ability to reconcile injuries that have occurred and to alert supervisors and management of hazardous conditions and unreported injuries.
- The identification of witnesses who should be interviewed during accident investigations.

Note: The use of an end-of-week statement would not be defensible against a claim for benefits at the Workers' Compensation Appeals Board, but it could be used to establish the condition of the employee before the injury.

You should also be careful that this policy doesn't hurt morale with employees thinking you don't/won't believe them. ❖



BONA FIDE OR NOT? Was that injury reported Monday morning really sustained on the job or during their time off?

The Dual Threat of Understaffing and New Employees

WITH A RED-hot economy and many companies forced to operate with more new employees and/or limited staffing, mistakes are bound to happen – and that can be costly.

These mistakes can result in workplace accidents, lagging productivity leading to missed deadlines, or errors that result in returns or, in the worst-case scenario, lawsuits by angry clients.

If your business has taken on new employees or if you're understaffed, you have to get firm control of your operations and properly manage your risk.

The risks of new employees

Workplace injuries can increase when you have new staff with less experience on the floor. In prior recoveries, when employers increased their workforce to meet the growing demand for their products and services, the number of workers' compensation claims tended to rise disproportionately.

New employees with less experience typically are more likely to sustain a workplace injury or injure other workers.

Double down on workplace safety if you have new staff, particularly if you operate a busy workplace.

Inexperienced employees can also make mistakes, which can cause problems with customers. If the mistakes are large enough, like a large print mailer that went out with the wrong phone number, you could be sued by your client.

Again, training is key to reducing the chance of mistakes. You should have safeguards in place, like supervisors double-checking products before they are delivered to clients.

Inexperienced employees are also more likely to contribute to incidents where third parties are hurt. Moreover, new hires may still be going through their training or may not be properly supervised when they work.

The risk of being short-staffed

Because of the labor shortage, many employers have been forced to operate with fewer employees than they actually need, squeezing more work out of existing staff. But tired workers make mistakes.

What's at stake

Working short-staffed can result in:

- Employees who are unproductive and stressed out.
- Lower production, service delays, or missed deadlines.
- Disgruntled workers, who may initiate legal action.
- Staff cutting corners, which can result in shoddy final products.
- Employees cutting corners and causing workplace accidents.

The takeaway

You need to be especially vigilant to ensure that your existing staff are not overworked and that new workers are trained properly in their jobs, as well as in the dangers in your particular workplace.

If possible, pair up new workers with experienced ones who can show them the ropes and proper work techniques, and how to avoid workplace accidents. Safety training is also key and safe work practices need to be reinforced regularly. ❖

