



NEWS

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| ALERT

Commercial Property

Lithium-Ion Batteries a Growing Fire Risk

LITHIUM-ION batteries power everything from laptops and power tools to forklifts and electric vehicles. As their use grows, commercial property owners need to consider the fire risks and resulting liability these devices may create.

Although generally safe when used properly, lithium-ion batteries pack significant energy into a small space and can overheat. They can enter “thermal runaway,” a chain reaction that generates intense heat and may result in a fire or explosion.

According to a report by the National Institute of Standards and Technology, plug-in electric vehicle fires are growing by about 45% annually. Lithium-ion battery fires from consumer devices such as laptops, smartphones and tablets are growing by 10% annually.

These fires can spread quickly, burn at extremely high temperatures and release flammable and toxic gases. They can also be difficult to extinguish and may reignite after appearing to be out.

Where the risk comes from

In addition to employees’ phones and laptops, batteries may be found in power tools, handheld scanners, forklifts, manufacturing equipment, automated warehouse systems and products stored as inventory.

Employees and tenants may also bring e-bikes and e-scooters onto the premises to charge indoors.

Causes of battery failure

- Overcharging or using an incompatible or damaged charger
- Physical damage from drops, impacts, crushing or punctures
- Exposure to excessive heat
- Manufacturing defects
- Improper storage, handling or disposal

Charging alone may present a heightened risk because batteries generate heat during the process. Damaged batteries can be particularly hazardous.

Reducing the risk

Business and property owners can take steps to reduce their exposure. Start by identifying where lithium-ion batteries are used, charged and stored and incorporating them into fire risk assessments.

Consider establishing designated charging and storage locations away from combustible materials, exits and heavily traveled areas. Inspect batteries and chargers for damage and follow manufacturers’ instructions. Use compatible chargers and equipment from reputable manufacturers. Remove damaged, swollen or overheating batteries from service.

Employees should be trained to recognize warning signs, follow safe charging procedures and know what to do if a battery overheats or catches fire.

Commercial landlords should consider addressing lithium-ion batteries in lease agreements. Rules may cover where e-bikes and scooters can be stored and charged, acceptable safety standards for devices and chargers and prohibitions against damaged or modified batteries. Property managers can reinforce the rules during routine inspections.

See ‘Before’ on page 2



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Cal/OSHA Updates Workplace First-Aid Kit Requirements

THE CALIFORNIA Occupational Safety and Health Standards Board has approved revisions to its first-aid kit requirements for general industry and construction employers that are expected to take effect Jan. 1, 2027, pending approval by the Office of Administrative Law.

The changes are designed to modernize the rules while requiring employers to consider the size, layout and specific hazards of their workplaces when determining what first-aid supplies they need and where to place them.

For general industry employers, changes to first-aid kit contents are among the most significant. But there are other important changes to be aware of.

No doctor's approval

Under the existing regulation, first-aid materials generally must be approved by a consulting physician. Under the revised rules, employers may instead provide kits that comply with the ANSI/ISEA Z308.1-2021 Class A standard.



Employers without a compliant kit may have their kit contents determined by an employer-authorized licensed physician or other licensed health care professional.

Additional kits

Employers would have to evaluate employee work locations and workplace hazards to determine how many kits they need.

These requirements may be particularly important for large facilities, workplaces with employees spread across multiple locations and construction sites where crews frequently move between areas.

Unlike current requirements, kits would have to be readily available, and employers must tell workers where they are located. Where practicable, kit locations must also be clearly identified.

An ANSI Class A kit provides a baseline, but it may not be enough for every workplace.

Employers must assess their operations for unique, reasonably anticipated and potentially serious hazards that could require specialized first-aid supplies. Depending on the workplace, these could include exposure to chemicals or electricity and risks of burns, heat-related illnesses or serious trauma.

What employers can do now

Employers should review their first-aid programs and consider the following steps:

- Compare existing kits with ANSI/ISEA Z308.1-2021 Class A requirements and update them as needed.
- Evaluate whether you have enough kits and whether employees can reach them quickly.
- Identify kit locations and communicate them to employees.
- Conduct a workplace hazard assessment to identify any need for specialized supplies.
- Establish procedures for routinely inspecting and replenishing kits.
- Update your Injury and Illness Prevention Program and other applicable emergency plans as necessary.

What should be in your first-aid kit?
Get the full list [here](#).

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Before Allowing Substantial On-Site Battery Storage, Call Us

For larger installations, such as energy storage systems or EV charging stations, owners may want to involve qualified engineering and fire protection professionals during planning.

Review your insurance

Commercial property insurance may cover fire damage, while general or product liability insurance may provide protection against certain third-party claims.

A business interruption policy may cover lost income if a fire temporarily halts operations.

Coverage, exclusions and limits vary, however. Before installing significant battery systems or allowing substantial on-site battery storage or charging, talk with us. We can review your coverage and discuss whether additional risk controls or protection may be appropriate.

How Points-Based Wellness Plans Can Reduce Costs

EMPLOYEES WHO put off recommended screenings or struggle to manage chronic conditions can develop complications that require expensive treatment, which can filter into what you pay for group coverage.

Encouraging workers to stay on top of preventive care and seek appropriate care earlier offers a way to reduce the need for expensive treatment that can drive up group coverage costs. One way employers can do that is through a points-based wellness program, which rewards employees with lower payroll deductions for health insurance when they attend health screenings, keep up with vaccinations and take steps to improve their health.

How the programs work

With these programs, employers work with a wellness plan administrator to establish a menu of eligible activities, assign point values and set a threshold employees must reach to earn a reward. A benefits platform or program administrator tracks participation and verifies completed activities.

Employees might earn points for:

- Attending an annual physical or dental checkup.
- Receiving recommended cancer screenings or vaccinations.
- Participating in diabetes education or health coaching.
- Completing nutrition, exercise or stress-management activities.
- Attending financial wellness sessions.

Employees who reach the required point total receive a discount on their health insurance contribution, often for the following plan year. Offering several ways to earn points helps workers choose activities relevant to their needs.

Where potential savings come from

The employee's discount does not automatically reduce the health plan's total premium or claims expenses. When an employer lowers the worker's contribution without a corresponding reduction in plan costs, it generally assumes more of that expense. Administration and incentives also carry costs.

The potential financial benefit comes later, if participation helps employees avoid complications or manage existing conditions more effectively. Connecting someone with diabetes to ongoing treatment, for example, may help prevent an expensive hospitalization.

Self-funded employers pay claims directly, so lower claims can reduce their costs. For fully insured employers, improved claims experience may lead to more favorable renewal pricing, although medical inflation, the insurer's rating practices and other factors also influence premiums.

Savings are not assured. A randomized study published in Health Affairs found that a workplace wellness program improved some reported health behaviors but did not significantly reduce

spending after three years. Employers should evaluate results rather than assume participation alone produces savings.

What employers can do

- Work with us or an administrator to prioritize appropriate preventive care and chronic-condition support.
- Explain how to earn points, meet deadlines and qualify for the premium discount to employees.
- Offer accessible activities for employees with different abilities and schedules.
- Have advisers review incentive rules, privacy protections and applicable wellness requirements.
- Track participation, claims trends and total program costs to determine ROI.

The strongest approach connects rewards with useful care and follow-up support, giving employees an immediate financial benefit while pursuing better long-term health outcomes.



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 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.

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 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.

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?