

Write It Down!

By Charles T. Wilson

Do you remember the adage,
“Compliment in writing and in public;
criticize in private – and verbally”?

How do you think that advice stands up
in today’s world of restrictive insurance
policies and rampant lawsuits? The risks
of non-documentation are staggering in
today’s business environment.

Legal advisors, HR specialists and risk
managers concur that documentation of
business problems, client concerns and
employee complaints is an excellent
practice. Both clarity and memory suffer
without the written word.

- Putting an idea into writing makes you
think more carefully and understand
more clearly what you recommend or
propose to do.
- Our memories are often deficient.
Written notes are what you need to fill
these gaps.

Recent insurance claim examples ~
good documentation can save you money
– and migraines.

Recently a colleague suffered an office
equipment theft. She couldn’t find the
records to prove she owned a digital
camera and told the claims adjuster the
receipt was with the missing item. This
raised suspicions, caused a long delay
and resulted in a partial settlement of her
claim. Insurance contracts require you to
“prove your loss”. Keep evidence of
ownership like receipts and pictures
separate from valuables and in a fireproof
safe. Make copies for your insurance
broker.

‘Slip and fall’ losses are a frequent
occurrence in some businesses, and
unfortunately these incidents can be
faked easily. One shopping mall installed
closed circuit cameras, and kept records
of regular maintenance. This
documentation helped successfully
defend several nuisance lawsuits, and

made other alleged “injuries” disappear
as soon as the cameras were mentioned.
You need these documents and
videotapes to show that you are not
negligent.

A recent court case involved a customer
of a computer service firm who said he
received faulty advice that caused loss of
data and a week of lost sales when they
couldn’t respond to orders on their
website. Unfortunately the small
computer firm had no contract describing
the work to be done and no written notes
of recommendations. It was impossible
to show that they were not to blame, and
they ended up paying a substantial sum
to settle the claim. Not surprisingly, they
had no insurance coverage for this ‘errors
and omissions’ loss.

**“The risks of non-documentation are
staggering in today’s business
environment.”**

Lawsuits alleging discrimination in
employment practices (hiring, promoting,
training, firing) are regular news items.
Recently a hardware firm could not
produce a hiring guide or training records
to show that they asked appropriate
interview questions – based on job needs
and the skills of the candidate. They
spent over \$25,000 and three weeks on
their defense. The insurance company
paid to settle, but their time, hassle and
deductible were out of their own pocket.

They now use a pro-active human
resources consultant, train regularly and
have written procedures to ensure their
employment notes are completed in a
timely fashion.

**Other documentation issues to
consider ~**

- Make sure a current business income
worksheet is stored off site. A business
interruption claim without
documentation is a nightmare;

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- Ensure your building and equipment appraisals are accurate so you don't have to fight your insurance company in the middle of a claim;
- Keep all your liability insurance policies to defend you and pay claims that may arise many years later.

Three tips to avoid the risks of non-documentation ~

1) Write it down – make it a habit;

- 2) Keep it an appropriate amount of time, either until a problem or a dispute is fully resolved, or sometimes forever (for example, if a future claim is possible); and
- 3) Store it in a secure, accessible place.

By avoiding these risks, your business will benefit from clearer thinking, better customer relationships, fewer stress calls to your attorney and more money in your pocket.