

# Managing Employee Risks

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Note, this presentation is meant to share general information about developing an approach to human resources management. Employers are encouraged to engage an attorney, accountant, consultant and other necessary professionals to ensure that their specific policies and human resources systems satisfy all necessary laws and business standards. The information in this presentation is correct and current to the best of our knowledge. As changes are made to these laws, some of this information could change.

# Develop an Employment Manual

- An official source for operational policies, practices, standards and other details for your business
- Good tool for sharing information with employees
- Employers clearly explain their expectations, which protect from legal or compliance issues later



# Employment Manual Key Elements

Category	Components
Business Background	History, Vision, Mission, Values
Expectations	Work Policies, Standards, Dress Code, Schedule, Training, Safety
Compensation and Benefits	Pay, Overtime, Bonuses, Insurance, Vacation, Sick Leave, Performance Reviews
Employment Relationship	At-Will or Contractual
Acknowledgment	Signed and Dated by Employee

# How to Do Your Own Manual

- Gather ideas from manuals developed by other farms and agribusinesses
- Gather feedback from current employees
- Seek legal counsel and other professional advice
- Start from scratch or customize an existing template
  - Employee Handbook Template (Michigan State University Extension)  
[canr.msu.edu/uploads/234/68198/Agriculture Employee Handbook Template MSU - Final Version 02032014.docx](http://canr.msu.edu/uploads/234/68198/Agriculture_Employee_Handbook_Template_MSU_-_Final_Version_02032014.docx).
  - Sample Farm Employee Handbook (Farm Commons)  
[farmcommons.org/resources/sample-farm-employee-handbook](http://farmcommons.org/resources/sample-farm-employee-handbook)

# Risk Management Around Employees

RISK  
MANAGEMENT  
LOSSES  
SAFEGUARD  
PROTECTION  
LIABILITY  
ACCIDENT  
POLICY  
INVESTMENT



Insurance is transferring your risk to another party.

*Let's talk about some insurance around employees*

# Workers' Compensation Insurance

- Provides coverage to employees injured at work
- Coverage protects employers from civil lawsuits from employee injuries or deaths
- Premiums based on payroll size, job classifications and history
  - Avg. Missouri cost was \$1.92 per \$100 of payroll (Mo Dept. of Labor and Industry Relations, 2016)



762 "first reports of injury" work comp claims in the ag/forestry industry in 2017 (Mo Dept. of Labor and Industry Relations)

# Missouri Workers' Compensation Law

- Law mandates certain employers must have workers compensation insurance
  - Generally, all employers with **5** or more workers
  - Construction industry is **1** or more worker
- However, exemptions are provided.
  - **Farm laborers**, domestic servants, certain real estate agents, commercial motor-carrier owner-operators, etc.
- Members of an LLC or corporation count unless they opt out





# General Liability Insurance

- Covers the insured (farmer or business) when you are legally responsible for damages to others caused by your negligence
- Insurer (insurance company) pays the liability for harm unintentionally caused to other people or property by your farming or business activities
- Insurer defends you against lawsuits brought by a third party alleging harm within the coverage provisions of the policy



# Liability Insurance Review Items

## Who does your policy cover?

- Employees?
- Family members?
- Personal representatives?
- How does your policy define “the insured?”
- Covering employees may require that you mentioned you had employees on the application.



# Liability Insurance Review Items

- What activities are not covered?
  - Some farming activities are excluded on a general policy
- Endorsements are added to a general policy to cover specific activities
  - Farmer's market sales
  - Non-farm activities such as snow removal or landscaping
  - Custom farm work
  - Spraying chemicals



# Liability Insurance Review Items

- What is your dollar coverage?
  - Maximum amount of coverage for a single incident
  - Maximum amount of coverage during a term for all incidents
- What types of incidents are covered and their dollar limits?
  - Property damage
  - Bodily injury
  - Financial Liability
- Is an additional umbrella policy needed?



# Worker Safety and Health

- Occupational Safety and Health Administration/Act (OSHA)
- Prevent workplace injuries, illnesses, deaths
- Covers most private sector employers/workers
  - Exempts farm employer's immediate family
  - Operations with more than 10 workers have recordkeeping requirements (5 year period)
  - All operations report fatality and major injuries
- Develop your own safety/health program based on OSHA standards



# Elements of Good Safety and Health Programs

- **Management Commitment and Employee Involvement**
- **Worksite Analysis**
  - The worksite is continually analyzed to identify all existing/potential hazards.
- **Hazard Prevention and Control**
  - Methods to prevent or control existing or potential hazards are put in place and maintained.
- **Training for Employees, Supervisors and Managers**

Web resource: <https://www.osha.gov/>

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