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Risk Management Check-In:
What August Loss Trends Tell Us

By mid-summer, many insurers of landscaping and plant nursery businesses begin to see patterns emerging in claims, such as those involving equipment damage, inventory losses, vehicle accidents and employee injuries due to excess heat exposure.

While filing claims helps you protect your investment and safeguard your business's bottom line, experiencing these events in the first place can be disruptive, damaging to the health and wellbeing of your employees and potentially harmful to your reputation if your customers or team members are affected.

This article will expose the most frequent loss trends in your industry and highlight practical tips on how to avoid these incidents entirely — or at least prevent repeat incidents before the season comes to an end.

Equipment Damage

It's a hot, sunny August afternoon, and your crews are hard at work filling the remaining hours of the day with a busy mowing schedule. But soon, you start getting reports from the field that the machines are acting up, with more and more of them falling out of service with power losses, unexpected stalling and alarming smoke. All of these are, unfortunately, signs of machine overheating, which can result in loss of operation, burning smells, smoke, unexpected engine shutdowns and even damage to the equipment itself.

As the number of incomplete projects starts to pile up, you know you have a powerful coverage designed to help you in this exact situation: **Inland Marine Insurance**.

This policy protects the tools, equipment and materials you rely on when they're at job sites, in transit or kept in vehicles, making it essential coverage in the event any such property is damaged or stolen. However, the downtime required to repair heat-damaged equipment will throw your mowing schedule into disarray, meaning you'll have to find a way to keep your affected clients happy.

To prevent your equipment, such as mowers, chainsaws and the other machinery you rely on, from overheating, it's important your team is trained to do the following, according to insights from **Turf Magazine**:

- **Check engine oil levels before every shift**, as unlubricated friction between parts can cause significant damage.
- **Clean engine cooling areas**, such as cooling fins, daily, as grass, sawdust and debris can easily keep air from circulating to cool the engine. Make sure to also examine air cleaners, inlet screens or air paths to keep the cooling system working properly.
- **Remove grass, sawdust and other buildup** from decks and engine compartments, as forcing the engine to work through this mess can cause the engine to overheat. For the same reason, you shouldn't mow grass that is thick and wet but wait for it to dry instead. When it comes to chainsaws, avoid increasing friction and overworking the engine by keeping the chain sharp.
- **Schedule equipment-heavy tasks during cooler parts of the day**, when possible, as heat can have significant detrimental effects.

Worker Claims

It's the dog days of summer in southern **Michigan**, and your crews are hard at work. The day's temperature is expected to exceed 85 degrees with not a cloud in sight; at the morning meeting, before the teams headed out for the day, you made sure every team had a flat pack of water to help them work through the heat.

Before midday, you're hearing from supervisors that the water is already gone. You tell them to simply stop by a store on their way to the next job site to pick up more for the rest of the day. When a supervisor points out that it will leave crews without water until they complete their current tasks, you say it's not that hot out, and they should be fine.

Unfortunately, your prediction turned out wrong. Negative health impacts begin when the **heat index** reaches 80 degrees, with fatigue likely after prolonged exposure and physical activity. With the day's temperatures reaching more than 85 degrees, the heat index is well above 90 degrees, putting your staff at risk of sunstroke, heat cramps and **heat exhaustion**. Because they're doing manual labor, heat stroke is also very likely.

When you get the call that multiple members of your team are headed to the local hospital for signs of heat-related illness, you know that your **Workers' Compensation** coverage will help them by ensuring their medical bills are paid, on top of covering any lost wages due to being out of work.

However, it's incredibly apparent that you didn't do your due diligence in protecting your crews from the adverse effects of heat exposure. In the future, you should do the following to avoid a repeat of this harmful incident:

- **Discuss weather conditions** and ways to keep staff comfortable during the morning meeting. All team members should know how to recognize early signs of heat exhaustion and stroke, as well as when and how to take breaks to protect their health.
- **Keep crews adequately hydrated** with ample water and electrolyte drinks. Establishing proper procedures for replenishing water is essential, as your recommended delay in purchasing more water increased the risk of harmful health effects on your employees.
- **Create shaded break areas** and provide breathable, weather-appropriate uniforms, hats and other sun protection measures to keep crews cool. Even a simple pop-up canopy to provide **shade** during breaks can lower the ambient air temperature by 15 to 20 degrees.

When it comes to workers' comp claims, make sure that you don't simply brush off weather reports from your air-conditioned office. Manual labor significantly increases employees' risk for heat-related injuries; ensure your team knows you value them as much as your clients by making it clear that their health matters to you. Encourage additional breaks during extreme heat and proactively communicate possible delays or rescheduling due to weather to your clients.

Biological and Inventory Losses

Excessive heat can have significant negative health impacts on both humans and plants. Whether you're offering plants for sale at your nursery business or planting them at a job site, too much heat can lead to expensive losses and headaches for you and your clients.

Your part of Michigan has been under an intense heat wave for a week, and your landscaping team has been doing its best to keep customers' plants happy and healthy. However, multiple crews report signs of heat-damaged **eastern redbud** plants, a highly prized native tree grown for its hardiness and vibrant blooms. Upon seeing the damage — wilting, scorched leaves, premature leaf drop and branch dieback — you order adjustments to homeowners' irrigation systems to provide more water. You're hoping the excess hydration will cool the plants, which are already showing signs of stress, but when you return to the job site, you're upset to find the plants look worse, not better.

You know that stressed plants tend to suffer from secondary pest infections, so you contact your trusted plant nursery to replace them. Unfortunately, they've been affected by an emerging issue known as **vascular streak dieback** (VSD), which peaks in redbuds in the summer. They report that up to 70% of their plants are affected, making it incredibly unlikely you will secure healthy replacements this season.

In this scenario, the nursery owner is protected by their Commercial Property Insurance, which helps them recoup losses from damage to buildings, equipment and stock, including their container-grown plants. However, you can take these steps to prevent landscaping plant losses:

- **Closely monitor the weather** during the hottest months so you are poised to take preventative action to protect plants. This can include erecting shade cloths to shield plants from the worst of the sun and adjusting watering schedules.
- **Water deeply only in the morning**, as watering late in the day without allowing the soil to dry can promote harmful fungal diseases. Do not get the leaves wet, as small water droplets can act as magnifying glasses and damage the leaves. If you're looking to retain moisture in the soil, spread organic mulch a few inches away from the base of the plant.
- **Hold off on pruning until the heat breaks**. While it might be tempting to chop off diseased leaves and dead branches as soon as possible to improve the plant's appearance, creating open wounds during a heat wave can expose it to even more damage. However, if any fall naturally, remove them as soon as possible to prevent the spread of fungus and pests.

While the insurance coverages you carry provide vital peace of mind and are essential to securing your bottom line in the event of losses, these scenarios demonstrate that there are preventative steps landscapers and nursery owners alike can take to protect their investments. Properly maintaining all equipment and systems, promoting employee safety during extreme weather events and understanding how best to care for stressed plants can help you keep repeat claims low or avoid them entirely.

If you have questions on these insurance coverages and other ways you can protect your landscaping or nursery business against liability exposures, such as a free risk analysis, contact MNLA's insurance expert, **Kenessa O'Dell**, at 630.694.5148 or kenessa_odell@ajg.com.