

## ACTIVITY 1

# AVOID, REDUCE, SHIFT, OR ASSUME

Statement Cards:

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Enable Customer to Use Nationally Recognized Credit Cards  
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Permit the Use of Debit Cards for Payment  
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Shovel the sidewalk in the Winter  
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Provide Higher Salaries to Employees  
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Pay Workers' Compensation Premiums  
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Utilize Security Camera or Hire Security Guards  
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Engage a Consultant to Review Potential Safety Concerns  
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Only Hire Employees that Pass a Drug Test  
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Develop In-House Training for Employees  
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Maintain Building/Equipment and other Properties on a Regular Basis  
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Comply with All Safety Regulations  
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Increase Insurance Coverage  
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ACTIVITY 1, CONTINUED

**AVOID, REDUCE, SHIFT, OR ASSUME**

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Diversify Product Line  
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Check Employee References Before Hiring  
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Limit Employee Access to Critical Data  
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Install/Update Anti-Virus Software  
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Change Computer Password Every Six Months  
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Have Companywide Vehicle Insurance  
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Lock All Windows and Doors After Hours and While Working Alone  
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Install Flood Lights in Parking Lot  
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Install Safe in the Office  
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Back-up Computers or Store Critical Data Off Site  
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ACTIVITY 1, CONTINUED

**AVOID, REDUCE, SHIFT, OR ASSUME**

**AVOID**

ACTIVITY 1, CONTINUED

**AVOID, REDUCE, SHIFT, OR ASSUME**

**REDUCE**

ACTIVITY 1, CONTINUED

**AVOID, REDUCE, SHIFT, OR ASSUME**

**SHIFT**

ACTIVITY 1, CONTINUED

**AVOID, REDUCE, SHIFT, OR ASSUME**

**ASSUME**

## ACTIVITY 2

### WHAT COVERAGE SHOULD I HAVE?

1. Juanita Jiminez thought she had found the perfect location for her new restaurant and catering business. She had found a restaurant for sale on a small bluff overlooking the river; the restaurant had a large tree-lined patio, so Juanita would be able to attract customers interested in outdoor dining. Juanita decided to talk to a former owner of the restaurant to get more information. The former owner told Juanita that his restaurant had flourished until two years ago, when the river flooded and caused extensive water damage. While he had made all of the necessary repairs to the restaurant, he was never able to recover financially, so he eventually went out of business. This concerned Juanita, and she wondered if her ideal spot was really ideal. In addition, the former owner informed Juanita that the city was located on a “fault” line and at the edge of “tornado” alley. What type of insurance should Juanita carry?

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2. Congratulations! You just decided to go out on your own and open a medical practice to serve the needs of your small community. There are a thousand decisions to make to ensure that your business is successful, but one thing is for certain: you’re going to need to be insured. What type of insurance should you carry?

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3. You run a small landscaping business employing approximately 50 people. You can’t seem to hold on to employees and one thing you keep hearing is that people are leaving your business for employers with better employee benefits. If you want to retain your employees, what type of insurance should you consider for your staff?

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## ACTIVITY 3

# YOU BE THE JUDGE

### Case 1 – McDonalds and Hot Coffee

1. On February 27, 1992, Stella Liebeck, a 79-year-old woman from Albuquerque, New Mexico, ordered a cup of coffee from the drive-through window of her local McDonald's restaurant.
2. Ms. Liebeck was in the passenger's seat of her Ford Probe, and her nephew Chris parked the car so that Ms. Liebeck could add cream and sugar to her coffee. Ms. Liebeck placed the coffee cup between her knees and pulled the lid to remove it. In the process, she spilled the entire cup of coffee on her lap.
3. Ms. Liebeck was wearing cotton sweatpants and they absorbed the coffee and held it against her skin, scalding her. Ms. Liebeck was taken to the hospital, where it was determined that she had suffered third-degree burns on six percent of her skin and lesser burns on over sixteen percent. She required multiple skin grafts and spent seven days in the hospital. Her medical bills were almost \$200,000.
4. McDonald's had over 700 coffee burn claims filed against it before this claim and was aware that its coffee was burning people all over the country. It had already paid out over \$500,000 due to prior burn injuries.
5. McDonald's intentionally heated the coffee to 190° F despite the fact that it knew other restaurants only heated coffee to a safer temp of about 160° F. McDonald's coffee was so hot it was capable of burning off skin and causing muscle and bone damage in just two seconds.

Source: Retrieved on December 20, 2011 from <http://www.higherlegal.com/the-famous-McDonalds-coffee-product-liability-case.html>

### Case 2 -- Who Shot Me?

1. Prior to going on a quail hunting trip on open range on November 20, 1945, Mr. Tice and Mr. Simonson were instructed by their guide, Mr. Summers, as to proper hunting procedures, to exercise care, and to “keep in line.”
2. Mr. Tice and Mr. Simonson were each armed with a 12 gauge shotgun loaded with shells containing 7 ½ size shot.
3. Mr. Summers advanced ahead of the defendants up a hill, creating a triangle among the three men, with Mr. Summers front and center. The view of both Mr. Tice and Mr. Simonson with respect to Mr. Summers was unobstructed, and both defendants knew his location, 75 yards from each of them.
4. Mr. Tice flushed out a quail which flew to a 10 foot elevation between Mr. Summers and Mr. Simonson's head. Both Mr. Tice and Mr. Simonson shot at the quail. They were approximately 75 yards from Mr. Summers.
5. Bird shot struck Mr. Summers in his right eye and his upper lip.
6. Two pellets had caused the injuries to Mr. Summers, one to his lip and the other to his eye, respectively. It was unclear whether both pellets were discharged from a single weapon or whether each defendant may have contributed one of the injuring pellets.

Source: Retrieved on December 20, 2011 from <http://online.ceb.com/calcases/C2/33C2d80.html>



## ACTIVITY 3, CONTINUED

### YOU BE THE JUDGE

#### Case 3 – The Car Drives Itself! – Background

1. Jessica Mundy was just 23 years old when she stopped off at a FedEx mailbox in McDonough, GA to ship a package.
2. She put her Explorer in park, but after she got out of the vehicle the shift slipped into reverse.
3. Mundy tried to jump back in and stop the car. She was struck by the door and run over, breaking her spine and immobilizing her.
4. Prior to Mundy's accident, Ford had issued a repair service bulletin concerning a potential transmission problem. Mundy had gotten the necessary repair, an additive in the factory-installed transmissions fluid.

Source: Retrieved on December 20, 2011 from <http://www.allbusiness.com/legal/trial-procedure-jury-trial/12325400-1.html#ixzz1h5zE6cRw>

#### Questions:

Who was responsible for the accident?

Why do you think that party was responsible?

Who do you think won the case?

Did anyone receive a monetary payment as part of the verdict?