



Corporate Exposure: Premises Liability (Part II)

Harry P. Mirijanian

Last month we introduced the idea of premises liability and looked at a sample case. To refresh your memory, premises liability is an organization's responsibility to protect its customers from any foreseeable risk, even one presented by a criminal. We looked at the case of a mall that was sued after a woman was beaten in the parking lot. The mall settled out of court because it had failed to take reasonable precautions to prevent such a crime. Now that we have a better idea of what premises liability is, let's look at which businesses are at the most risk, and how businesses can reduce this risk.

Who is at risk, and why

Malls are not the only businesses that are at risk of being negligent in protecting their customers. Almost every business would benefit from taking some extra precaution. In fact, as the nature of crime becomes more violent and brazen, a growing number of businesses will need to take extra precautions to prevent criminal activity.

Many premises liability cases take place in hotels, apartments, college dormitories, supermarkets, and stores. (A number also do occur in offices or other business establishments.) Hotels, apartment houses, and dormitories often become lawsuit targets after criminals gain entry and commit crimes against the tenants. Supermarkets and stores may be at risk simply because of their location. If your business is in a high crime area, or has a history of criminal incidents, you may put yourself at risk

of being sued if you take no extra precautions. How people act on your premises is another issue. Having someone who is drunk or shouting racial epithets in your place of business can pose a threat to people on your premises.

Still another problem is parking lots and garages. Incidents in parking lots are, in fact, the second most likely to result in a lawsuit. Parking lots pose numerous problems, including overcrowding, poor lighting, and easy access—all of which must be dealt with to avoid liability.

Preventing premises liability

The police are our public defenders, but they do not have sole responsibility for preventing and stopping criminals. Everyone must act to stop crimes that can be prevented. Although crime is so unpredictable that no prevention tactics could completely eliminate the risk, taking such measures may keep a business out of court. Here are a few things that every business can do to reduce the risk of premises liability.

• **Hotels, apartment houses, and dormitories:** The problem is that unwanted people may gain entry and then commit crimes. The most elementary prevention tactic would be to make sure all locks work and that they are regularly maintained. If your premises are in a high-risk area, additional steps may be necessary. You may need to hire guards to watch entrances, or you might need to use closed-circuit TV to monitor problem areas.

• **Parking lots and garages:** Overcrowded lots are often problems at schools or offices, where everyone leaves at the same time. It may be wise to stagger schedules to avoid this. Also, if your parking lot is used after dark, make sure you have adequate lighting. Finally, if unwelcome individuals can easily enter your parking lot, consider building a

fence, or post guards during busy times and late at night. Porters who tour the lot as part of their clean-up duty should be instructed to report any activities that seem suspicious. "No Trespassing" signs, as well as signs that say "Be Alert—Report Suspicious Activities to Management," may assist you in the event of litigation.

One last point: Do not underestimate the importance of taking proper safety precautions. Throwing someone out of your place of business is simply not enough. Such individuals will likely continue to pose a threat outside your premises. If you fail to call the police, you may be found negligent if someone you asked off the premises commits a crime. Also, make sure that safety procedures are not only followed but documented. Having documentation of safety training and precautions you have taken can be extremely important if a problem occurs. Remember the mall we mentioned earlier? Part of the reason it was found liable is that management not only did not document safety precautions, they were also ignorant of problems that had already occurred. Taking simple precautions can reduce the risk of harm to your customers—and your business.

General liability policies may respond to protect your organization, but be sure to review this exposure with your broker or agent. Be prepared to show the carrier what you have done to minimize this exposure. ■

Harry P. Mirijanian is president of Applied Risk, an independent risk management services firm established to assist the business community in reducing exposure to loss and insurance costs. He is a frequent speaker at AMA seminars.



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Published as a supplement to the December 1997 issue of *Management Review*.

Finance Forum Editor: George Milite.
Forum Group Editor: Florence Stone.
Senior Editorial Assistant: Grace Lander LoPinto.
Graphic Artist: David Belcher

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