



M&G | exposure

EMPLOYEE APPRECIATION AND RECOGNITION

Contributed by: Angela Toomey, HR Director

August brings about our annual Employee Appreciation Party at Morris & Garritano. In previous editions of M&G | exposure, Brendan has talked about the critical role our employees play in shaping our culture and our company as a whole. While we practice and encourage recognition and appreciation throughout the year, our Employee Appreciation Party and the week leading up to it is how we have chosen to celebrate our employees with one grand gesture.



However, employee recognition and appreciation doesn't always have to culminate in a grand event—sometimes it is the little things that make the biggest impact. Take the time to get to know your employees and what they would find rewarding. The important thing is to find practices that work best for your company and your employees.

Here are a few suggestions of different ways you can show appreciation for your employees – no matter what your budget or timeline.

Emphasize a healthy work/life balance

Letting your employees go home an hour early with pay is an impactful way to show that you care about their activities outside of the office.

A genuine note of thanks

Sometimes all it takes is hearing someone say “Thank You.” A hand written note – not an email – calling out an employee's unique skills or talents can reinforce their importance to their team and your company. Be specific about why you are recognizing their work.

Bring in breakfast or lunch

If you have a large office, sharing a couple boxes of donuts or a tray of sandwiches is a great way to show your appreciation and get your staff to gather together for a break.

Personalized gift cards

Perhaps you have a smaller office and want to make your appreciation a bit more personal. If you have a good sense of what each of your employees' interests are, you can hand out gift cards to specific shops that you know they love.

Updates to the office

Invest in your employees and improvements to the office at the same time. Maybe the old coffee maker could use a replacement, perhaps add a TV to the break room, or even something as simple as stocking the office fridge with some snacks.

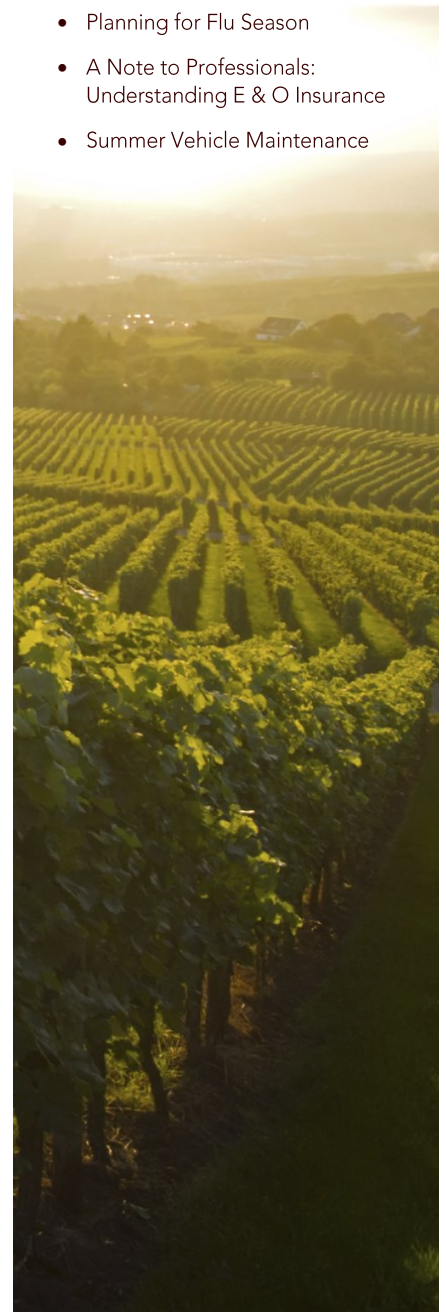
Whatever way you choose to celebrate your employees, the only requirement is that it is a genuine gesture of thanks.

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- Planning for Flu Season
- A Note to Professionals: Understanding E & O Insurance
- Summer Vehicle Maintenance



UPDATE: VICTIMS OF DOMESTIC VIOLENCE LEAVE NOTICE REQUIREMENTS.

Contributed by: Louise Matheny, Human Resources Consultant

Last month we informed you of the Domestic Violence Leave Notice legislation (AB 2337) that went into effect July 1. Since July's publication, there has been updates to the notice requirements.

UPDATE: The notice requirement is found in a statute that applies to employers with 25 or more employees, and the legislative history behind this law indicates that the notice requirement was to be applied only to employers with 25 or more employees (see Senate Floor Analyses dated 08/10/16 and Senate Judiciary dated 06/20/16). However, there is confirmation from the Labor Commissioner's office that it interprets the statute to apply to **all employers**. Since this is the Labor Commissioner's enforcement position, all employers now must provide new employees with a written notice about the rights of victims of domestic violence, sexual assault, and stalking to take protected time off for medical treatment or legal proceedings. The notice also contains information on victims' rights to accommodation and protections against discrimination.

English Version



Spanish Version



CASE STUDY: GENERAL CONTRACTOR FINED FOR SUBCONTRACTOR'S WAGE THEFT

Contributed by: Louise Matheny, Human Resources Consultant

For the first time since AB 1897 took effect on January 1, 2015, the Labor Commissioner has issued a citation to a general contractor for wage-and-hour violations performed by its subcontractor, resulting in nearly \$250,000 worth of fines.

AB 1897 makes business entities responsible for wage-and-hour violations committed by their staffing agencies, subcontractors, or any other labor contractors that supply workers. Basically, if a labor contractor does not properly pay its workers or neglects to provide proper workers' compensation coverage, the "client employer" can be held legally liable and responsible.

In this particular case, a drywall and framing subcontractor, who was hired by the general contractor of a hotel construction project in Southern California, shorted its workers by four weeks' pay. The wage theft was brought to light after several of the workers walked off the job and filed wage claims with the Labor Commissioner. Upon investigation, the Labor Commissioner found that the subcontractor had been paying the laborers from an account with insufficient funds and had skipped several pay periods. Additionally, they found that the subcontractor failed to pay overtime wages to many of the workers.

Both the general contractor and the subcontractor were issued citations for unpaid overtime and minimum wages, waiting time penalties, rest period premiums, and civil penalties for work performed over a little more than a month.

While the general contractor contested its role in the wage theft, the hearing officer found them responsible as a "client employer" and issued a fine of \$249,879 for overtime and minimum wages, liquidated damages, waiting time penalties, and civil penalties.

In a statement, the Labor Commissioner, Julie Su, noted "This case addresses the pervasive problem of wage theft in subcontracted industries [...] Businesses at the top of the contracting chain that profit from workplace violations can no longer escape legal liability by hiding behind their subcontractors, even if they did not control the work performed or know about the violations."

ACCOMODATING WORKERS WITH A HISTORY OF SUBSTANCE ABUSE

Contributed by: Louise Matheny, Human Resources Consultant

While employers do not have any obligation to accommodate alcohol or illicit drug use in the workplace, they must be careful not to discriminate against employees who do have a history of substance abuse but are no longer using.

The Americans with Disabilities Act (ADA) protects workers from discrimination based on a perceived disability or qualifying disability – including alcoholism and past drug use.

The ADA covers businesses with 15 or more employees and protects workers with a history of illicit drug use who:

- Have successfully been rehabilitated and are no longer using illegal drugs.
- Are currently participating in a rehabilitation program and are no longer using illegal drugs.
- Are erroneously regarded as illegal drug users.

Alcoholism can also be considered an ADA-qualifying disability, but employers are allowed to:

- Prohibit the use of alcohol in the workplace.
- Forbid employees from being under the influence of alcohol in the workplace.
- Hold employees with alcoholism to the same performance standards as other employees, even if alcoholism is the reason for substandard performance.

It is important that employers have a clear, written drug and alcohol policy in place that allows employees suffering from addiction to still feel safe coming forward for assistance.

State Laws

Beyond the ADA, employers must also be aware of state laws protecting employees with disabilities. For example, California's Fair Employment and Housing Act (FEHA) covers medical conditions in addition to disabilities and has a much broader interpretation of how an impairment limits performance.

Additionally, the legalization of marijuana – at least to some degree – can further complicate matters. While under federal law, marijuana remains a Schedule I drug and is considered illegal, some state laws can protect registered medical marijuana users from discrimination in the workplace. However, in California, there are no protections for current use or for failing a drug test.

Tips for Employers

To appropriately communicate a company's policy towards marijuana, it is recommended to have a policy in place that clearly states marijuana use in the workplace is impermissible as opposed to simply referencing "illegal drug use." This will prevent employees from arguing that marijuana is a "legal" drug and that they didn't know it was included in the policy.

If an employee is suspected of being under the influence at work, employers should promptly address potential issues with the employee as outlined in their drug and alcohol policy. Some key indicators that an employee may be under the influence are:

- Unexplained absences or frequent tardiness – particularly after payday or after a weekend
- Bloodshot eyes
- Deteriorating concern over personal hygiene or appearance
- Inconsistent or declining job performance

If employees are willing to receive help through treatment or rehabilitation, they should be granted a leave of absence to alleviate concern about losing their job. After an employee successfully completes treatment and is prepared to return to work, an in-person meeting should be performed where upon the employer provides a written document outlining the expectations of the returning employee. The agreement, to be signed by all parties involved, should acknowledge that failure to meet the expectations could be grounds for termination.

HEALTH CARE REFORM UPDATE



THE LATEST ACA REPEAL EFFORT HAS FAILED

Contributed by: Keith Dunlop, Director of Compliance

In the early morning hours of Friday July 28, 2017, efforts to pass a “skinny repeal” of the Affordable Care Act (aka “Obamacare”) failed when three GOP senators voted down the proposal. The bill, which was presented for public scrutiny just hours before the scheduled vote, would have repealed the individual and employer mandates, eliminated the medical device tax, increased contribution limits to HSA accounts, and eliminated the Prevention and Public Health Fund.

The Congressional Budget Office estimated that 15 million more people would be uninsured than under Obamacare in 2018, and that figure would grow to 16 million in 2026. Premiums would also jump 20% in 2018 compared to current law, according to the CBO.

The dramatic moment early Friday came when Senator John McCain strode onto the Senate floor, turned his thumb down and said “no,” drawing audible gasps of shock before returning to his desk. Just days before, McCain had delivered a pointed address to his colleagues to call for a return to a bipartisan approach to healthcare reform that both sides acknowledge are needed -- “we’re getting nothing done, my friends, we’re getting nothing done.”

Is Repeal Really Dead?

Republicans have railed against the ACA for the last 7 years, pledging to repeal the law if they were ever given the opportunity. However, after passage of the American Health Care Act in the House in May 2017, the Senate has been unable to reach a consensus on their version of a repeal bill. The simple fact is that Republicans don’t agree on what the government’s role in health care should be, and consensus through compromise appears unattainable. The efforts to repeal Obamacare may never be truly dead, but any action in the near future seems highly unlikely. Senate Majority Leader Mitch McConnell said after the Friday vote, “It’s time to move on.”

What about a Bipartisan Approach?

In a statement after the vote, Senator McCain said, “We must now return to the correct way of legislating and send the bill back to committee, hold hearings, receive input from both sides of the aisle, heed the recommendations of the nation’s governors, and produce a bill that finally delivers affordable health care for the American people.” Did the McCain vote finally open the door to a bipartisan approach to reform? Maybe. Democrats have said they are ready to deal, but the political divisions in Washington remain highly polarized; the President has said, regarding Obamacare, that lawmakers should let it “implode.”

What Should Employers Do?

As we have said during the last several months of the health care reform debate, the Affordable Care Act remains the law of the land. The employer mandate to provide affordable coverage to full time employees remains in place, as do the penalties for failure to adhere to the requirements of the ACA, including the annual IRS informational reporting. Employers are urged to stay the course.

PLANNING FOR FLU SEASON

Contributed by: Meghan Sommers, Employee Benefits Account Executive

Many employers may not realize the impact that the flu season can have on their company. If a major influenza outbreak hits your community, you may face highly elevated employee absenteeism rates, which could lead to business interruption and lost production. Being prepared for a possible severe outbreak in your community will help ensure that your business runs as smoothly as possible throughout the flu season.

Prevention

As an employer, there are steps you can take to help your employees avoid catching seasonal influenza. Stress the importance of washing hands thoroughly and often, and consider providing hand sanitizer in common areas. Emphasize other personal health strategies, such as avoiding touching one's nose, mouth or eyes and covering coughs and sneezes with a tissue.

Make sure that commonly touched objects like elevator buttons, door knobs, and keyboards are disinfected frequently. Encourage employees to get vaccinated against seasonal flu each year, and consider offering seasonal flu shots in your workplace.

Keep employees educated on prevention techniques, and encourage them to apply those strategies to their own households as well.

Preparing for an Outbreak

Influenza is spread easily through person-to-person contact, so the best way to prevent the spread of it in your workplace is for sick employees to stay home until their symptoms are gone.

It is essential to review your company's policies to ensure enough flexibility to meet the challenges that each flu season may present. Sick leave policies should be accommodating, non-punitive, and well-communicated to encourage ill employees to stay home and allow employees to care for sick family members.

Consider implementing plans for such employees to work remotely from home, if possible. By accommodating ill employees or employees with ill family members, you can keep business interruption to a minimum while also avoiding the spread of influenza throughout your workplace.

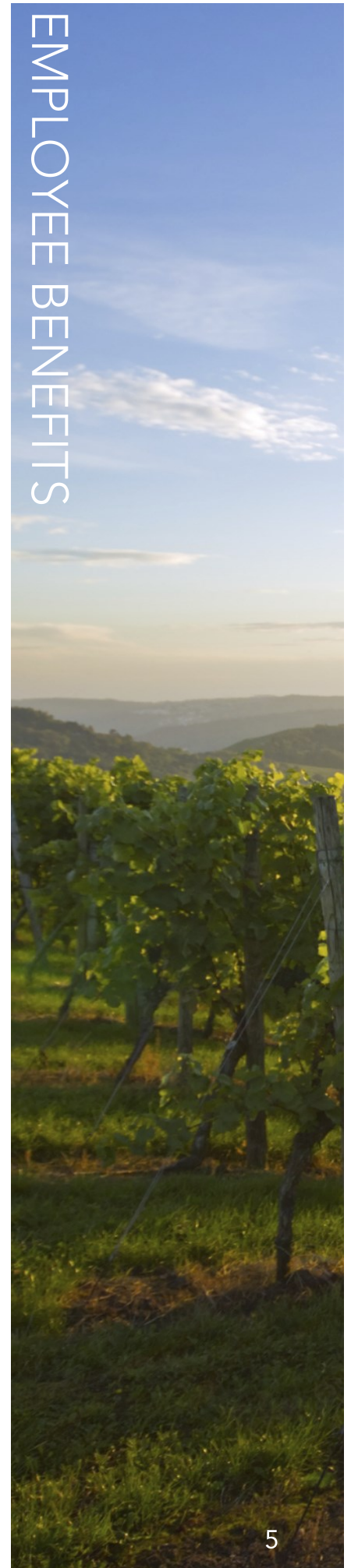
It is important that all employees completely understand the sick leave policies and any new provisions in place, so if the flu hits, they are informed and prepared.

In addition, you should create contingency plans for essential operations and job duties, so your operations run smoothly even in the event of absences.

Containing a Local Outbreak

There is a strong likelihood that your workplace will experience seasonal flu occurrences at some point during the fall or winter season. Encourage all ill employees to stay home until their symptoms subside. Try to be flexible with ill employees or employees who must stay home to care for their family members. If employees feel pressured to work through their illness, it will likely spread around your workplace, and you may face even more employee absence.

If your community is experiencing increased flu occurrences, you may consider canceling nonessential face-to-face meetings and travel to avoid close contact between employees. Take advantage of telecommuting, email, and other remote conferencing options.



THE IMPORTANCE OF APPETIZERS IN EMPLOYEE BENEFITS

Contributed by: Dave Morgan, Senior Employee Benefits Advisor



There is nothing more important on an employee benefits menu than medical insurance. As premiums rise, however, it gets harder to make that main course affordable and completely satisfying. That's where a relatively small investment in non-medical coverages can increase overall satisfaction.

Most employers either have dental and vision insurance or have looked at them in the past. For those who chose not to add the coverages, math and/or budget may have gotten in the way.

Assuming average premium and good benefit design, the following mathematical stumbling blocks remain:

- The savings on an annual exam for someone with uncorrected vision is less than the premium
- Someone with corrected vision saves money in the first year, but usually not in the second
- The premium for someone without dental work is equal to or slightly more than their preventive benefit

For an employer stretching their budget to afford medical insurance, those factors may leave dental and vision off the table. Similarly, if there are voluntary offerings, an employee not "needing" the coverages may not elect them.

The calculation for all employees changes, however, with a fifty percent employer contribution. Dental gets appetizing, as half the premium is almost always less than the preventive benefit. For vision, employees with glasses win big in odd years and win a little in even ones. Even employees with uncorrected vision are more likely to sign up, seeing worthwhile preventive benefits. Moreover, the premium itself drops significantly as the coverage moves from voluntary to employer-paid.

Appetizers add to the dinner bill but are worth considering, as a small investment can flavor employees' perception of the whole employee benefits program.

HOW CONCURRENT EMPLOYMENT CAN AFFECT WORKERS' COMP

Contributed by: Mary Jean Collins, Workers' Compensation Claims Analyst

Concurrent employment is when an employee works for your organization and also has a job with another employer. How can this type of employment affect a workers' compensation claim?

If an employee is injured while working for you and given work restrictions, those work restrictions also need to be followed at their other job. This can be very difficult to monitor and enforce, so it is important to let your claims examiner know if the employee does have another job.

The examiner will be able to communicate with the employee and their other employer to ensure that all parties understand the restrictions set in place. However, the concurrent employer is not required to accommodate the outlined restrictions from your claim. In these cases, the carrier will need to pay wage loss to the employee for the lost time at the concurrent job. If the employee is placed off work, their temporary disability benefit would be based on the wages from both jobs.

Having to pay the additional benefit for lost time for the concurrent employment can be costly. This is why it is important to communicate with your claims examiner and employee to ensure the claim stays on track.



IS SCREEN TIME AFFECTING YOUR VISION?

Contributed by: Michael Schedler, Loss Control Consultant

If you work in an office, odds are you spend quite a bit of time in front of a computer screen. In fact, you're probably reading this newsletter on a screen right now. Unfortunately, spending hours staring at a computer screen can lead to a number of eye problems. This eye strain and pain is classified as computer vision syndrome (CVS), and research shows that between 50% and 90% of people who regularly work at a computer screen have some symptoms of CVS.

How Vision is Affected by Computer Use

CVS is generally a result of the repetitive movement of your eyes, much like carpal tunnel syndrome and other repetitive motion injuries. When you look at a computer screen, your eyes are having to focus and refocus constantly. Whether this is looking between screens, glancing down at papers and back up to type, or simply scrolling across a line of text, your eyes must react to the changing images so that your brain can process what you are seeing. All of this movement requires a lot of effort from your eye muscles. On top of that, a computer screen also has varying levels of contrast, flickering, and glare.

Symptoms of CVS

While it has not been proven that computer use causes long-term damage to the eyes, it certainly can lead to eye strain and discomfort.

If you regularly use a computer screen, you may notice:

- Dry, red eyes
- Headaches
- Blurred or double vision
- Neck or back pain
- Eye irritation

How to Treat CVS

Rearrange Your Desk. Adjusting your screen position as little as 1 inch can reduce the strain on your neck and eyes. Ideally, your monitor should be slightly below eye level and between 20 and 28 inches away from your face.

Reduce the Glare: Changing the lighting around you can reduce the glare on the screen. You can also add a glare filter to your monitor if the lighting cannot be adjusted.

Adjust the Settings: Most monitors come with a factory setting for brightness, contrast, and font size. Take some time to adjust these variables to find what works best for you.

Take a Break: Give your eyes a rest by following the 20-20-20 rule. Every 20 minutes, look away from the screen and focus on something 20 feet away for about 20 seconds. Blinking often while working can also help reduce dry eyes.

While these are some simple changes that you can make now to improve symptoms or prevent future issues, visiting your eye doctor regularly for exams is also important to maintain overall eye health.

A NOTE TO PROFESSIONALS: UNDERSTANDING ERRORS & OMISSIONS INSURANCE

Contributed by: Weston DeFrisco, Commercial Lines Risk Advisor

As an established professional with extensive knowledge in your field of expertise, it is your responsibility to ensure that the i's are dotted and t's are crossed in the services that you provide to your clients. Though you may strive for perfection, the reality is that nobody is perfect – sometimes mistakes happen. And if a disgruntled client believes your errors have cost them money, even if it's not true, you might be sued. The cost to defend your company could be a serious drain on your resources. Fortunately, Professional Liability insurance can provide a level of protection.

What Is Professional Liability (E&O) Insurance?

Professional Liability insurance, more commonly known as Errors and Omissions (E&O) insurance, is a special type of coverage that protects your company against claims that a professional service you provided caused your client to suffer financial harm either due to mistakes on your part or because you failed to perform some service.

E&O insurance can cover the cost of defending your company in a civil lawsuit and certain damages awarded, even if the legal action turns out to be groundless. This type of protection is not part of your General Liability insurance.

E&O policies are generally written on a "claims made" or "claims made and reported" basis with some form of retroactive time frame. This means that any claims that arise from errors or omissions that happened before the retroactive date will not be covered. The further back the retroactive date, the broader and more complete your coverage. This is why it is important for professionals who do not yet have E&O to understand that they receive more value from the policy going forward, the sooner it is first put in place.

Why Does My Company Need E&O Insurance?

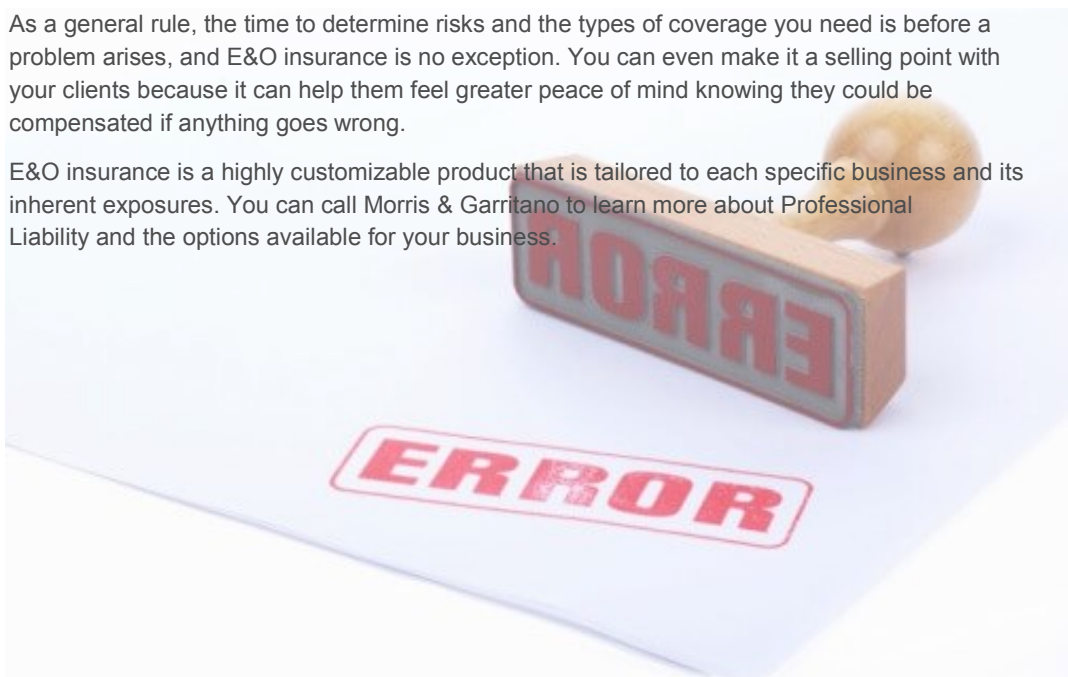
Lawsuits, both legitimate and frivolous, are more and more common in California every year. Adding E&O insurance to your risk management program can help protect you from the draining proposition of mounting a defense if a client takes you to court.

Professions that commonly purchase E&O include medical providers, attorneys, consultants, architects, engineers, accountants, financial services professionals, general contractors, and manufacturers. That said, anyone providing professional services and advice to clients could be at risk and should consider an E&O program as an essential part of their business insurance portfolio.

When (and How) Should I Purchase E&O Coverage?

As a general rule, the time to determine risks and the types of coverage you need is before a problem arises, and E&O insurance is no exception. You can even make it a selling point with your clients because it can help them feel greater peace of mind knowing they could be compensated if anything goes wrong.

E&O insurance is a highly customizable product that is tailored to each specific business and its inherent exposures. You can call Morris & Garritano to learn more about Professional Liability and the options available for your business.



SUMMER VEHICLE MAINTENANCE

Contributed by: Marie Bloomstine, Personal Lines Department Manager

Summer months usually bring about summer road trips. With the extra miles being added to your vehicle, it is important to keep up with regular maintenance to ensure your vehicle is running in top shape and providing the safety you need for all your grand adventures.

Here are 10 maintenance items that you should perform before heading out on the open road:

1. Check tire pressure and tread
2. Change oil and oil filter
3. Check hoses and belts
4. Change the air filter
5. Replace windshield wipers
6. Check your brakes
7. Check the coolant and radiator
8. Clean your battery
9. Maintain your air conditioning
10. Check headlights and taillights



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