

M&G | exposure

MESSAGE FROM THE CEO: M&G ON THE MOVE!

As an employer, we often talk about the successes of our staff members. We make it a point to celebrate these accomplishments, big or small, because it is all of these individual goals that add up to create great achievements for our agency as a whole.

I am proud and honored to share with you some of Morris & Garritano's latest awards and accomplishments – all made possible by the hard work, dedication, and caring service provided by our staff on a daily basis.

Independent Insurance Agents & Brokers of America (IIABA) Best Practices 2017



For the second year in a row, we stand tall alongside our peers in the industry. Only 240 independent agencies in the nation received the honor based on outstanding customer retention, growth, stability, and financial management. We are proud to be included in this list of high-achieving agencies and embrace the opportunity to continually raise the bar higher.

Inc. 5000's Fastest Growing Independent Companies in America



We are so excited to be part of this elite group of influential and ground-breaking companies. Whether they are providing a product, a service, or an experience, we are all creating value within our industries and jobs within our communities. Along with a 3-year growth of over 62%, we have also increased our staff count by 48 team members in the last 3 years alone!

Employee Accomplishments



As I've said before, M&G has become the company that it is today because of the people who have put their heart and soul into serving our clients. I would be remiss if I didn't acknowledge some of the areas in which our employees have made huge strides and great progress over the last year. These internal milestones include:

- Obtaining new licensing and designations
- Advancing to new positions
- Hitting and surpassing sales goals
- Leadership and customer service training

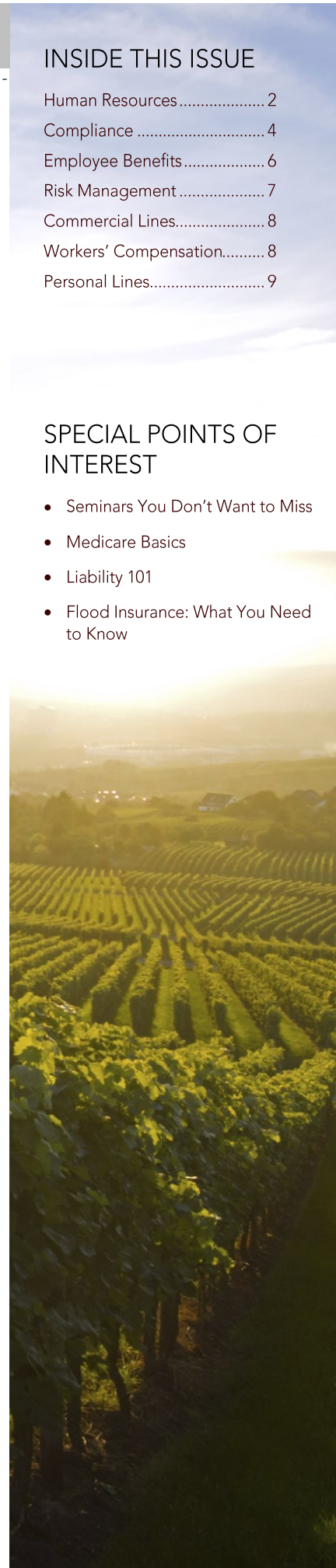
We work hard every day to *Always Be Improving* and to *Go the Extra Mile*, but none of it would mean anything if we didn't have our clients to support and serve. So THANK YOU for allowing Morris & Garritano to be your trusted advisors and for welcoming us into your businesses, your homes, and your lives.

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SPECIAL POINTS OF INTEREST

- Seminars You Don't Want to Miss
- Medicare Basics
- Liability 101
- Flood Insurance: What You Need to Know



SEXUAL HARASSMENT PREVENTION TRAINING

Contributed by: Louise Matheny, Human Resources Consultant

Friday, September 15, 2017

8:00am —12:00pm

Flagship Restaurant

1601 Price Street, Pismo Beach, CA 93449



About the Session

California companies with 50 or more employees are required by law to provide two hours of sexual harassment prevention training to all supervisors in California within six months of hire or promotion, and every two years thereafter. Part-time and temporary employees (including those hired through staffing agencies) plus independent contractors are part of the minimum employee count of 50.

The SLO County Employers Advisory Council will be presenting this training on Friday, September 15. This program, Sexual Harassment Prevention Training for Supervisors, will also include training on workplace investigations and reasonable suspicion drug testing. The presenter is attorney Alexander Sperry from Van Dermeyden Maddux Investigations Law Firm.

Registration and Fees

Fee: \$35 and includes coffee, tea, fruit and pastries.

For more information, contact Louise Matheny at 597-6365, lmatheny@morrisgarritano.com.

HRCC ANNUAL CONFERENCE: HOW TO SAY ANYTHING TO ANYONE

Contributed by: Louise Matheny, Human Resources Consultant

Tuesday, October 10, 2017

7:30am —12:00pm

Alex Madonna Expo Center

100 Madonna Road, San Luis Obispo, CA 93405

Presenter: [Shari Harley from Candid Culture, Inc.](#)

Shari is globally known as an engaging, funny, content-rich business communication speaker.



About the Session

You have a request for one of your co-workers but don't know how to say it, so you don't say anything. A project you worked on for six months has become a black hole. There is no information about the status. You're frustrated, but you don't say anything. Two employees aren't working well together. It's impacting the atmosphere in the office. You don't know what to say, so you don't say anything. Speaking up when we are frustrated is hard and, as a result, most of us don't. Instead, either we tell other people (aka gossip) or we say nothing, and relationships become strained. You can say anything to anyone and have it be easy. You just need to lay the ground work to do so, and most of us don't.

Three Learning Objectives:

1. Build trust in all of your business relationships, making it easier to say hard things.
2. Find out what the people you work with need from you, so you don't have to guess.
3. Tell others what you need, making it more likely that your needs are met.

Registration and Fees (Includes Breakfast Buffet)

HRCC Members: \$89

Guests or Non-members: \$99

[Click here](http://hrcentralcoast.org/meetings.php) to register or visit hrcentralcoast.org/meetings.php

DOL REINSTATES WAGE AND HOUR OPINION LETTERS

Contributed by: Louise Matheny, Human Resources Consultant

OVERVIEW

On June 27, 2017, the U.S. Department of Labor (DOL) [announced](#) that its Wage and Hour Division will reinstate the practice of issuing opinion letters. The DOL discontinued the practice of issuing opinion letters seven years ago in favor of publishing more general guidance.

Opinion letters provide guidance to employers on how to comply with the law in specific situations. For example, previous opinion letters have discussed whether time spent by employees taking web-based prerequisite classes at home in preparation for a voluntary job-related training class is compensable time under the Fair Labor Standards Act (FLSA).

ACTION STEPS

No action steps are required of employers at this time.

Employers can look to opinion letters for guidance on how to comply with the law in specific situations or can [request](#) their own opinion letter from the DOL.

OPINION LETTERS

The DOL issues opinion letters after receiving an employer's request for an opinion. In these requests, employers usually describe a specific situation and pose questions on how to comply with their legal obligations for the particular facts described in the letter.

Publishing opinion letters is a labor-intensive process and employers may need to wait several months to receive a response from the DOL. In addition, while the DOL reviews all opinion letter requests, it has traditionally only answered a few, at its discretion. The DOL has published instructions on how to request opinion letters on its [website](#).

WAGE AND HOUR DIVISION

The DOL's Wage and Hour Division enforces labor standards under several federal laws, including the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act (FMLA).

IMPACT ON EMPLOYERS

Opinion letters can be extremely helpful for employers that are trying to understand their legal responsibilities, particularly in areas where the law seems to be outdated or where compliance with one legal obligation interferes with compliance with another. Employers are also encouraged to review [past opinion letters](#) and other DOL guidance to obtain a clearer understanding of their obligations.

While employers can rely on an opinion letter, employers should also remember that opinion letters are just guidance—they are not the law, and they are not binding. This means that DOL inspectors, auditors and judges may disagree with opinion letters and find noncompliance even when the employer is following the advice given by an opinion letter.

GOOD FAITH DEFENSE

However, employers that rely on opinion letters may be able to establish a "good faith defense" under the law. The good faith defense principle allows noncompliant employers to minimize the risk of penalties if they can prove they were making an honest effort to comply with the law.

HEALTH CARE COMPLIANCE ACRONYMS

Contributed by: Keith Dunlop, Director of Compliance

Let's forget about Congress, and the ACA, and IRS penalties for a moment with a game of ...

Health Care Compliance Acronyms
(or "HCCA", get it?).

How many do you know?



| | | | |
|--------------|---|---------------|---|
| ACA | Affordable Care Act | MHPA | Mental Health Parity Act |
| ADA | Americans with Disabilities Act | MHPAEA | Mental Health Parity and Addiction Equity Act |
| ALE | Applicable Large Employer | MMA | Medicare Modernization Act |
| BAA | Business Associate Agreement | MSP | Medicare Secondary Payer |
| CHIP | Children's Health Insurance Program | NMHPA | Newborn's and Mother's Health Protection Act |
| CMS | Centers for Medicare and Medicaid Services | OTC | Over the Counter |
| COBRA | Consolidated Omnibus Budget Reconciliation Act | PCORI | Patient-Centered Outcomes Research Institute |
| DCAP | Dependent Care Assistance Plan | PHI | Protected Health Information |
| DOL | Department of Labor | PPACA | Patient Protection and Affordable Care Act |
| EBR | Employee Benefits Representative | QMCSO | Qualified Medical Child Support Order |
| ERISA | Employee Retirement Income Security Act | SBC | Summaries of Benefits and Coverage |
| FMLA | Family & Medical Leave Act | SAR | Summary Annual Report |
| FSA | Flexible Spending Account | SMM | Summary of Material Modifications |
| GINA | Genetic Information Nondiscrimination Act | SPD | Summary Plan Description |
| HDHP | High Deductible Health Plan | TPA | Third Party Administrator |
| HIPAA | Health Insurance Portability and Accountability Act | USERRA | Uniformed Services Employment and Reemployment Rights Act |
| HRA | Health Reimbursement Arrangement | VHT | Variable Hour Tracking |

ACA EMPLOYER MANDATE REFRESHER

Contributed by: Keith Dunlop, Director of Compliance

For the past several months, the country has endured a roller-coaster ride of congressional attempts to “repeal-and-replace” the Affordable Care Act (aka “Obamacare”). These efforts, coupled with the January 20, 2017 Executive Order from the President directing the heads of government agencies to defer the enforcement of the ACA, have led many to take a relaxed position towards compliance. However, it is important to remember that only Congress can make or change laws – a point that the IRS has recently emphasized. Given that the efforts in Congress to repeal the ACA have failed, at least for the foreseeable future, now is a good time to review the rules that large employers must continue to follow to remain in compliance with the employer shared responsibility regulations.

The ACA’s provisions are still effective until changed by Congress, and employers are still required to follow the law, including paying any applicable penalties.

What is the Definition of a Large Employer?

An Applicable Large Employer (ALE) is one that had an average of 50 or more full time employees in the preceding calendar year. Hours of service of full time equivalent (e.g. part-time employees) are also taken into account for determining ALE status. Companies with multiple business units connected through common ownership must aggregate employee totals due to IRS control group rules.

A full-time employee is one who works 30 or more hours per week.

What Does an ALE Have to Do?

Large employers must offer affordable health insurance coverage that meets minimal essential coverage and minimal value requirements to at least 95% of their full-time employee population and dependents. Coverage is affordable if the employee’s required contribution for self-only coverage does not exceed 9.69% (2017) of the employee’s household income for the year. ALEs must also provide annual informational reporting to the IRS each January.

What is an Employer’s Liability for Compliance Failure?

A large employer is liable for a non-deductible excise tax penalty for failure to offer coverage, or failure to offer affordable coverage, and at least one full-time employee receives a premium tax credit from the government. The employer shared responsibility penalty is the lesser of \$2,260 per full-time employee (less the first 30) for failing to offer coverage, or \$3,390 for failing to offer affordable coverage for each employee that receives a federal premium subsidy. The penalty amounts are indexed each subsequent year as of 2014.

Is the IRS Really Going to Enforce Penalties?

Yes! The IRS Office of Chief Counsel recently issued a letter directing that the penalties associated with the employer shared responsibility rules remain in full effect, and will be fully enforced until such time that the law is changed by Congress. The letter says quite directly, “taxpayers remain required to follow the law and pay what they may owe”. This would include penalties for willful failure to submit the annual IRS informational reports (e.g. Forms 1094-C/1095-C).

The ACA remains the law of the land, and employers are advised to remain educated and stay the course in all aspects of health care law compliance.



MEDICARE BASICS

Contributed by: Celia Silacci, Employee Benefits Department Manager

If you or one of your employees is nearing retirement age, or are over 65 and still working, questions on what is the best choice – an employer-sponsored or Medicare plan is bound to come up. Read on for the information you need to know.

What Is Medicare?

Medicare is health insurance for people who are age 65 or older, under 65 with certain disabilities, or any age with End-stage Renal Disease (permanent kidney failure).

Types of Medicare

There are *four* parts to Medicare coverage.

Medicare Part A helps cover inpatient care in hospitals, skilled nursing facilities, and hospice and home health care. Generally there is no monthly premium if you qualify and paid Medicare taxes while working.

Medicare Part B helps cover medical services like doctors' services, outpatient care and other medically necessary services that Part A doesn't cover. You need to enroll in Medicare Part B and pay a monthly premium determined by your income.

Medicare Part C are complementary plans that cover part or all of Medicare Part A and Part B deductibles and co-insurance.

Medicare Part D is prescription drug coverage and is available to everyone with Medicare. It is a separate plan provided by private Medicare-approved companies. These plans requires the member to pay a monthly premium.

There are *three* types of *Part D* plans:

1. HMO (Golden State, AARP, and Blue Shield),
2. PPO (unavailable in San Luis Obispo County), and
3. Supplements, which offer the most flexibility and provide nationwide coverage.

Getting Started

Medicare sends you a questionnaire about three months before you're entitled to Medicare coverage. Your answers to these questions, including whether you have group health insurance through an employer or family member, help Medicare set up your file and make sure your claims are paid correctly.

If your health insurance or coverage changes at any time after submitting the questionnaire, you will need to call the Medicare Coordination of Benefits Contractor at 800-999-1118 to update your file.

Once you start Medicare, you should schedule a free preventive visit within the first 12 months to assess your current health status as well as establish a relationship with your Medicare provider.

Also, create an account on [Medicare.gov](https://www.medicare.gov) to access your information and keep track of claims. If you want your family or friends to be able to call Medicare on your behalf, fill out an Authorization Form to allow them to do so.

Coordination of Coverage

If you have Medicare and another type of insurance such as an employer-sponsored plan, the question of who should pay first can be tricky – [see this chart for guidance](#). For additional questions, be sure to contact your Medicare Coordination Contractor or a member of our Advocate Services Team.

How Medicare Works with Other Coverage

Use the chart below to find your type(s) of coverage and situation to see which payer pays first.

| If You | Situation | Pays First | Pays Second |
|--|--|--|---|
| Are covered by Medicare and Medicaid | Entitled to Medicare and Medicaid | Medicare | Medicaid |
| Are 65 or older and covered by a group health plan because you or your spouse is still working | Entitled to Medicare The employer has 20 or more employees The employer has less than 20 employees | Group health plan Medicare | Medicare Group health plan |
| Have an employer group health plan through your former employer after you retire and are 65 or older | Entitled to Medicare | Medicare | Retiree coverage |
| Are disabled covered by a large group health plan from your work, or from a family member (like spouse, domestic partner, son, daughter, or grandchild) who's working | Entitled to Medicare The employer has 100 or more employees The employer has less than 100 employees | Large group health plan Medicare | Medicare Group health plan |
| *Have End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant) and group health plan coverage (including a retirement plan) | First 30 months of eligibility or entitlement to Medicare After 30 months of eligibility or entitlement to Medicare | Group health plan Medicare | Medicare Group health plan |
| Have ESRD and COBRA coverage | First 30 months of eligibility or entitlement to Medicare based on having ESRD After 30 months | COBRA Medicare | Medicare COBRA |
| Are 65 or over OR disabled other than by ESRD and covered by Medicare and COBRA coverage | Entitled to Medicare | Medicare | COBRA |
| Have been in an accident where no fault or liability insurance is involved | Entitled to Medicare | No-fault liability insurance for services or items related to accident claim | Medicare |
| Are covered under workers' compensation because of a job-related illness or injury | Entitled to Medicare | Workers' compensation for services or items related to workers' compensation claim | Usually doesn't apply. However, Medicare may make a conditional payment (a payment that must be repaid to Medicare when a settlement, judgement, award or other payment is made.) |

* If you originally got Medicare due to your age or a disability other than ESRD, and Medicare was your primary payer, it still pays first when you become eligible due to ESRD.

| | | | |
|---|--|---|-------------------------|
| Are a Veteran and have Veterans' benefits | Entitled to Medicare and Veterans' benefits | Medicare pays for Medicare-covered services or items. Veterans Affairs pays for VA-authorized services or items. Note: Generally, Medicare and VA can't pay for the same services or items. | Usually doesn't apply |
| Are covered under TRICARE | Entitled to Medicare and TRICARE | Medicare pays for Medicare-covered services or items. TRICARE pays for services or items from a military hospital or any other federal provider. | TRICARE may pay second. |
| Have black lung disease and are covered under the Federal Black Lung Benefits Program | Entitled to Medicare and the Federal Black Lung Benefits Program | The Federal Black Lung Benefits Program for services related to black lung | Medicare |

HOW TEXTING CAN LEAD TO TENDONITIS

Contributed by: Michael Schedler, Loss Control Consultant

Many of us keep our cell phones within arm's reach for the majority of the day. Whether its main purpose is personal or business related, 72% of US adults report owning a smartphone. That's almost double what it was five years ago.*

We've come to utilize our smartphones for more than just making phone calls, and therefore end up holding on to the darn thing for most of the day. While it sounds almost laughable, the repeated and prolonged movements, or lack thereof, involved with operating a smartphone can cause aches, pain, and fatiguing of the hands and fingers. To prevent discomfort or injury, it is important to practice ergonomics and healthy hand habits.

Painful Hand Conditions Related to Smartphone Use

Hand fatigue and cramping can lead to inflammation

Reason: Sustained grip

Irritation of tendons can increase risk for tendinitis

Reason: Awkward posture or repetitive movements



Joint inflammation can lead to decreased mobility, throbbing, or pain

Reason: Repetitive motion

Ligament strain on finger can lead to pain and swelling

Reason: Static hold or prolonged awkward posture

When looking for a new phone:

- Test out different sizes and brands – find what feels most comfortable
- Use a phone case with texture or traction to allow ease of grip

Limit hand use when possible:

- Use the dictate feature for texting or emails
- Use the speakerphone or headset when possible
- Utilize word prediction on the keyboard to decrease the amount of keystrokes

Alternate hands and fingers:

- Change your hand grip frequently
- Alternate between using your right and left hands
- Place your phone down when typing

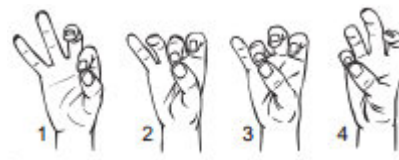
Healthy Hand Solutions

Try these stretches to help reduce fatigue and keep your hands flexible:

Open your hand and spread your fingers as wide as you can and then close your hand into a fist.



Tap your thumb to each finger.



Place your hands flat on the table and lift each finger one at a time for two seconds each.



Bring your hands together with your elbows out into a prayer position to stretch your wrists.



LIABILITY 101

Contributed by: Heather Ross, Claims Advocate

These days, wherever we turn, we hear about people suing one another over the craziest things. In today's litigious society, it's hard to remember that just because something happens, it doesn't mean that you're automatically responsible for any damages being claimed.

In order to establish that someone is legally responsible, or liable, it has to first be established that the individual was negligent in some way, and that the accident occurred due to that person's negligence. Also, in order for there to be an actionable claim, the claimant has to have suffered some sort of damage.



For example, if someone trips and falls due to a hazard on your premises, but gets up from the ground and is unhurt, there probably isn't a claim. Similarly, if a rock flies up from the roadway from underneath your vehicle and cracks another vehicle's windshield, there are definitely damages, but most likely still no claim, since there's unlikely to be any negligence on your part that caused the accident.

If you are served with a lawsuit or presented with a demand for monetary damages, please contact our office right away. We'll evaluate the situation for potential coverage under your available policies, and submit notice of the claim to the appropriate company (or companies). Each insurance company will assign an adjuster to investigate the loss, confirm coverage under the policy, and determine whether you're liable for the damages being claimed.

If, after careful investigation, the adjuster finds that you're not liable for the damages, he/she will refuse to pay the claim. If the claim goes to suit, the adjuster may assign legal counsel to defend you.

Liability claims are stressful, but we're here to help. Besides helping you get new claims turned into the appropriate company, we also monitor open claims throughout their lifetime, and are ready to intervene and assist at any point in the process.

WHAT IS AN EXPERIENCE MODIFICATION?

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

Experience rating provides employers a direct financial incentive to reduce their number of work-related accidents and helps to objectively distribute the cost of workers' compensation insurance among employers assigned to the same industry classification.

The experience rating data is maintained and controlled by the Workers' Compensation Insurance Rating Bureau of California.

An experience modification greater than 100 results from less favorable loss experience compared to the average of other similar businesses. An experience modification less than 100 results from more favorable loss experience. The data used to calculate your experience modification and the experience modification formula are shown on the Experience Rating Form, often referred to as a "worksheet" or "rate sheet."

We like to refer to the worksheet as your safety report card.

The anniversary rating date (policy inception date) determines the experience period, which is a three-year period beginning four years and nine months prior to your anniversary rating date and terminating one year and nine months prior to the anniversary rating date. With few exceptions, the payroll and losses arising from all policies incepting within the experience period are used in the calculation of your experience modification.

For example; the data used for a 2017 experience modification would be policy periods 2013-2014, 2014-2015, and 2015-2016. For the 2018 experience modification, the 2013-2014 policy period falls off and the policy period 2016-2017 is used.

If you have any questions regarding experience modification or any other workers' compensation topics, please contact our office.

FLOOD INSURANCE: WHAT YOU NEED TO KNOW

Contributed by: Marie Bloomstine, Personal Lines Department Manager

In light of the tragedy in Houston, Florida, and the surrounding areas we wanted to take the opportunity to provide some basic information about flood insurance.

What Protection Does it Offer?

A standard homeowners policy does not cover damages from flooding. A separate flood policy is needed to cover losses to your property caused by flooding, which provides coverage for things such as:

- Structural damage
- Flood debris clean up
- Furnace, water heater and central air-conditioning
- Electrical and plumbing systems

Cost of Coverage

As a homeowner, you can insure your home for up to \$250,000 and its contents up to \$100,000. For this \$250,000/\$100,000 building and contents coverage, yearly premiums average \$405 in low- to moderate-risk areas. If your home is located in a high-risk area, the premium may be higher.

While it is up to the property owner to decide if they want to cover the building, if you are a renter, you can cover your belongings up to \$100,000.

Stay Protected

The purpose of flood insurance is to help cover losses or damages incurred as a result of a flood. As long as your community participates in the National Flood Insurance Program (NFIP), you're eligible to purchase flood insurance. Additionally, Morris & Garritano has access to private flood markets that are not directly tied to the NFIP.

In general, a policy does not take effect until 30 days after you purchase flood insurance. However, if your lender requires flood insurance in connection with the making, increasing, extending or renewing of your loan, there is no waiting period.

Water Losses and Flood Damage

For your losses to be covered under a flood insurance policy, the following definition of a flood applies: *"A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from: overflow of inland or tidal waters; and unusual and rapid accumulation."*

Federal Disaster Assistance

Federal disaster assistance is only available if the president formally declares a disaster. Even if you do get disaster assistance, it's often a loan you have to repay with interest.



San Luis Obispo
1122 Laurel Lane
San Luis Obispo, CA 93401

Phone: 805-543-6887

Fax: 805-543-3064

Santa Maria
2721 Santa Maria Way
Santa Maria, CA 93455

Phone: 805-361-1750

Fax: 805-361-1728

E-mail:
info@morrisgarritano.com

EMERGENCY PREPARATION

Contributed by: Marie Bloomstine, Personal Lines Department Manager

Disasters like hurricanes, tornadoes, floods, and earthquakes can strike with little or no warning. To assure that you and your family are prepared, there's no time like the present to create emergency kits: one for use if you need to evacuate your home and one for use if you get trapped in your home for several days.

To help you evacuate quickly, keep the following items in an emergency backpack so you can grab it and go:

- First aid kit
- One gallon of water per family member and nonperishable foods
- Can opener, plastic cups and eating utensils
- Flashlight and extra batteries
- Battery-operated radio
- Change of clothing and personal identification cards for each family member
- Personal hygiene items and hand sanitizer
- Medications that are needed regularly

Place the following items in an area of your home to be ready for an emergency that prevents you from leaving your home:

- First aid kit
- Three gallons of water per family member
- Canned food for at least three days and can opener
- Toilet paper and extra personal hygiene items
- Books, games and other forms of entertainment
- Flashlight and extra batteries
- Battery-operated radio and television
- Pet foods and supplies for three days, if applicable

By having these kits in place, you and your family can focus on remaining safe during a disaster and keeping each other calm. Consider preparing these kits together as a family so that kids understand the importance of being prepared.

For more ideas on how to prepare your entire family for an emergency situation, visit: www.ready.gov/make-a-plan.

MORRIS & GARRITANO INSURANCE

With a tradition of excellence in insurance services since 1885, we offer all lines of business and personal coverage with a staff of over 120 professionals.

Our monthly newsletter is where you can find informative articles relating to the Commercial Lines and Employee Benefits industries.

For day-to-day updates and more information about our community and our company, follow us on Facebook, Twitter, or LinkedIn.

Visit our website, or check us out on Yelp!

Please contact us for more information or questions on anything mentioned in this newsletter.

