M&G|exposure

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MESSAGE FROM THE CEO: "CREATE A WINNABLE GAME"

Our Executive Team is always looking for opportunities to learn and improve our business. Whether it is related to the insurance industry, corporate culture, or just best-practices for any growing company, we place a lot of value on all these topics.

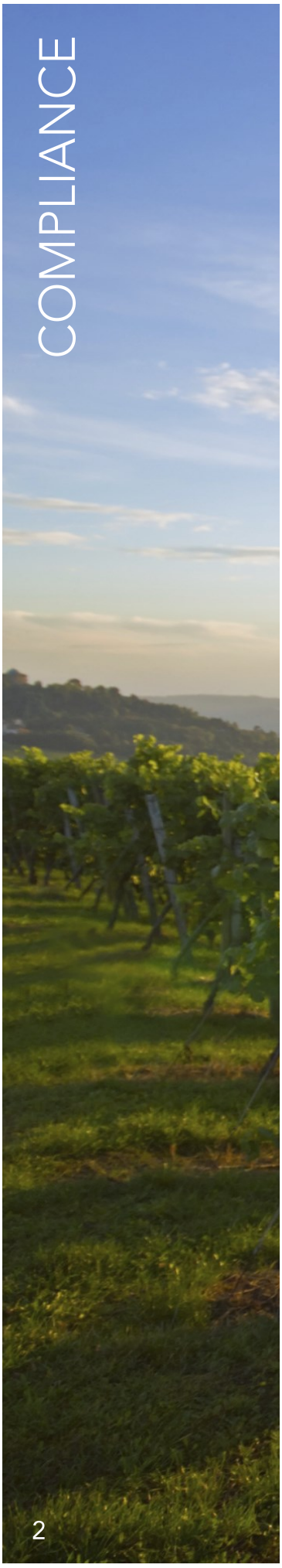
To help us adhere to our core value to *Always Be Improving*, we have been active partners in the MarshBerry Peer Exchange Network for over 10 years. Twice a year we attend exclusive forums that allow us to interact with our peers, gain knowledge from our mentors, and challenge us to constantly advance our services and offerings. Our most recent partnership meeting was in Chicago and focused on Total Agency Sales Culture (TASC). TASC encourages peer-to-peer exchanges and provides access to benchmarking, technology, and best-practices to enable agencies to develop consistent and predictable organic growth.

While there were several great speakers and sessions that we attended, it was the keynote speaker that I found to be the most impactful – Chris McChesney. Chris is the Global Practice Leader for FranklinCovey, a company dedicated to helping organizations develop to their fullest potential, and the co-author of *The 4 Disciplines of Execution.* In his presentation, Chris talked about accomplishing your most wildly important goals (or WIGs) while having to face competing priorities and distractions. It all starts with a mindset and a strategy that sets you up to "create a winnable game". But, rather than me telling you about the presentation, I'd like to share a video of Chris breaking down the four disciplines himself.

Even though the TASC conference was focused on the insurance industry, the idea of wanting to accomplish your goals is a universal concept that can impact any industry, any leader, or any employee.

Brendan

Source: FranklinCovey. (2016, December 21). The 4 Disciplines of Execution in a Nutshell [video file]. Retrieved from https://www.youtube.com/watch?v=aEJDliThj7g



NEW EMPLOYER COALITION SEEKS TO EASE ACA REPORTING BURDENS

Contributed by: Keith Dunlop, Director of Compliance

Earlier this month, Morris & Garritano assisted in guiding our large employer clients through the arduous process of Form 1094-C and 1095-C informational reporting that is a key requirement of the play-or-pay Affordable Care Act mandate. With little exception, our clients find this reporting requirement a highly onerous and frustrating process.

Ten employer groups, including the Association of Builders and Contractors, the National Association of Health Underwriters, the National Retail Federation, and the Society for Human Resource Management, are joining forces to advocate for more favorable healthcare and benefit policies.

Dubbed the Partnership for Employer-Sponsored Coverage (P4ESC), the group is planning a formal launch in the spring. P4ESC seeks to promote legislative and regulatory amendments to the Affordable Care Act, such as reducing the reporting requirements within the employer shared-responsibility provision.

In the process, the group expects to expand its ranks. “We plan to add other organizations as time goes on,” says Christine Pollack, vice president of healthcare consultancy Horizon Government Affairs and the executive director for P4ESC.

A primary focus for the coalition is Senate bill 1908, also known as the Commonsense Reporting Act. The bill amends the ACA and the Internal Revenue Code to relax employer requirements for reporting health insurance coverage information to the IRS. Reforms include modifications to the information that employers must provide and the leeway to voluntarily report the information prior to the start of a company’s open enrollment period.

Other changes P4ESC is working towards include redefining what is considered full-time employment and relief from the health insurance tax and ACA’s employer mandate requirements.

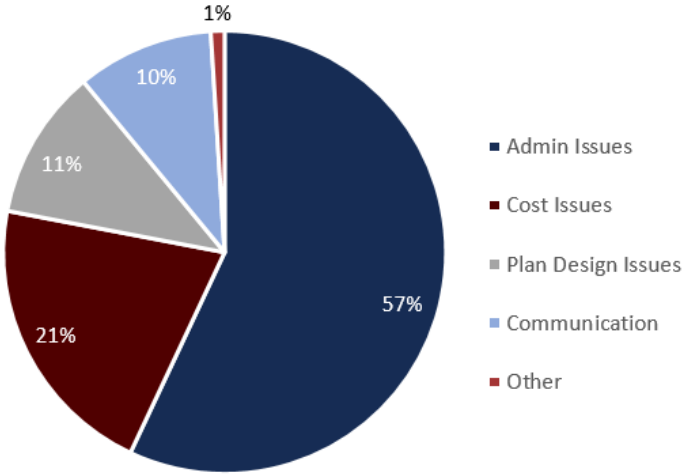
Making reporting less onerous for employers

Morris & Garritano agrees that federal regulators need to make it less onerous for employers to offer healthcare to their employees. Our welfare benefit clients expend a great deal of time and money to remain in compliance with the ACA employer mandate, and the relief provided by amending the process would allow them to reallocate business resources.

However, without legislative action by Congress, the Treasury Department and the IRS have little authority to introduce employer mandate penalty relief. This is why it is important to get the Commonsense Reporting Act signed into law so the Treasury and the IRS can help businesses with less burdensome ACA compliance regulations.

Compliance Challenges

Most employers say administrative issues will be their greatest struggle imposed by the ACA.



COMPLIANCE UPDATES SNAPSHOT

Contributed by: Keith Dunlop, Director of Compliance

Here's what new in the compliance world this month:

- 2017 1095-C reporting is now complete – employee forms were due March 2, 2018. Employers transmitting the 1094-C electronically have until April 2, 2018 to file with the IRS.
    - Rejected filings must be corrected and resubmitted within 60 days.
    - TIN validation errors must be corrected by November 30, 2018.
- The IRS issued a Bulletin on March 5, 2018 in which the maximum Health Savings Account (HSA) contribution for an individual with family coverage on a HDHP was reduced by $50.00 to $6,850 (ref. IRB No. 2018-10, page 400).
    - Plan administrators should review and communicate any required adjustments to contributions with the appropriate individuals.
- Now is a great time for employers to review their FTE counts to be current on Applicable Large Employer status for 2018. An Applicable Large Employer (ALE) is one with 50 or more full time and full time equivalent employees in the prior calendar year. Business entities with common ownership must aggregate these totals, and special rules apply for seasonal workers.
- Welfare plan sponsors with calendar year plans should review their Summary Plan Descriptions for any required updates.
- Effective April 1, 2018, employee benefits plans must comply with new requirements for disability benefit claims. The Department of Labor (DOL) announcement can be found here.
    - ERISA plans that include disability benefits must comply with the new procedural protections, and plan administrators should immediately update SPDs and plan documents to reflect the changes.

CALIFORNIA SUPREME COURT OVERTIME RULING

Contributed by: Louise Matheny, Human Resources Consultant

In California, overtime pay is based on an employee's "regular rate of pay," which may not simply be their hourly wage, as it must also include any other forms of pay the employee receives, such as a flat-sum bonus.

Last week, the California Supreme Court ruled on proper overtime pay calculation in the case of *Alvarado v Dart Container Corporation of California.* In this case, the employer paid their employees a flat $15 "attendance bonus" if they worked on Saturday or Sunday, regardless of the number of hours worked. An employee who felt he was improperly paid overtime during the weeks he earned this attendance bonus sued, arguing that the overtime pay should be divided by only the "regular" hours worked that week (as laid out in the Division of Labor Standards Enforcement [DLSE] manual), rather than the "total" hours worked during the week (the federal formula of regular hours plus overtime hours). So, to determine the regular rate of pay, you would divide by 40 hours rather than 48 hours (regular plus overtime). This method produces a higher regular rate of pay, and therefore a higher overtime rate.

The Supreme Court unanimously agreed with the employee, reversing the prior ruling of the lower court. They reasoned the flat sum bonus was payable even if the employee didn't work overtime, so only the non-overtime hours should be counted when determining the regular rate of pay.

It seems the employer was trying to do the right thing – providing a bonus for extra work and working that bonus into the calculation for overtime pay. Particularly in a situation where federal and state laws do not necessarily match up, it can be a tough decision for the courts to make. It is important to recognize that this decision is limited to situations with flat-sum bonuses, though there may be growing arguments from employees that it should apply to other versions of added compensation.

As an employer, should you want to give extra pay as an incentive to hourly workers, it would be best to consult legal counsel first.

NEW FORM W-4 AND UPDATED TAX WITHHOLDING CALCULATOR

Contributed by: Louise Matheny, Human Resources Consultant

At the end of February, the IRS updated their tax withholding calculator on IRS.gov and issued a new Form W-4. This tax withholding calculator allows employees to check their 2018 tax withholding after the passage of the Tax Cuts and Jobs Act in December. Should they choose to, employees can now complete and submit a revised W-4 to their employer. Additionally, there is a new FAQ section to assist with any questions that may arise from using the calculator.

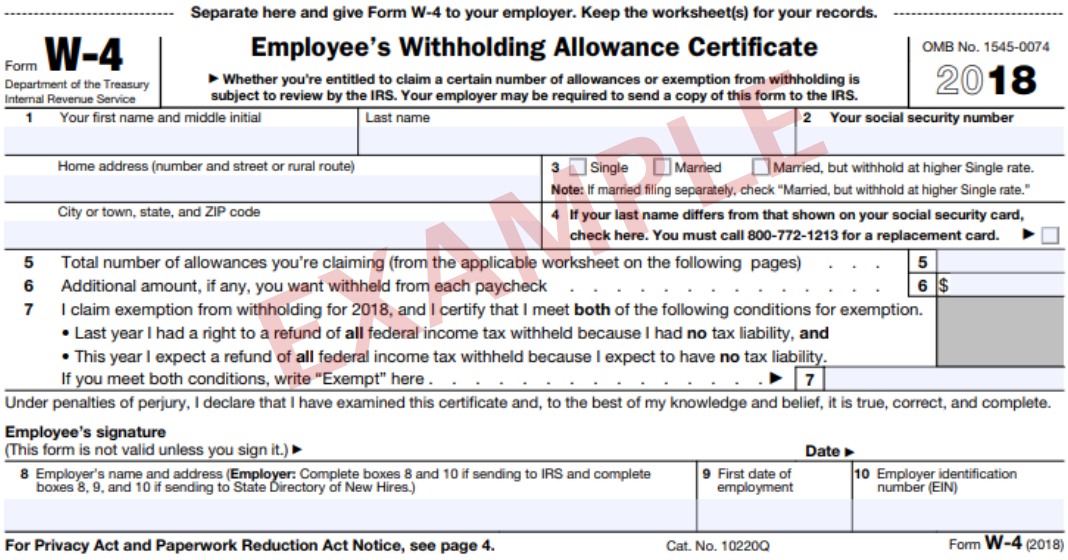
In a statement, Acting IRS Commissioner David Kautter said "Following the major changes in the tax law, the IRS encourages employees to check their paychecks to help ensure they're having the right amount of tax withheld for their personal situation."

The changes that Kautter is referring to include increasing the standard deduction, limiting or discontinuing certain deductions, increasing the child tax credit, removing personal exemptions, and changing the tax rates and income brackets. The IRS also released updated 2018 income-tax withholding tables that reflect the tax reform law changes.

While the IRS is not requiring employers to collect new W-4s from their employees, they are recommending that they notify employees that using the withholding calculator and submitting a new from W-4 may produce a more accurate withholding.

Ultimately it is up to the employee to decide if they would like to update their withholdings. Those with simple tax situations, such as a single filing with no dependents, may not need to make any adjustments. But those with a more detailed financial situation might benefit from a revision.

Employees can access the tax withholding calculator and new Form W-4 from the above links, or they can go to irs.gov. When using the calculator, they will need to provide the federal income tax withheld from their last salary payment and the total YTD federal income tax withheld. All that information can be found on their latest pay stub. If an employee does choose to change their withholding for 2018, it is best that they recheck their withholding in 2019 as a mid-year adjustment for 2018 will have a different affect that a full-year adjustment in 2019.



Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records.

Form **W-4**
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

► Whether you're entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

OMB No. 1545-0074
2018

1 Your first name and middle initial | Last name | 2 Your social security number

Home address (number and street or rural route)
3 ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate.
Note: If married filing separately, check "Married, but withhold at higher Single rate."

City or town, state, and ZIP code
4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. ► ☐

5 Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . 5
6 Additional amount, if any, you want withheld from each paycheck . . . 6 $
7 I claim exemption from withholding for 2018, and I certify that I meet **both** of the following conditions for exemption.
• Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and**
• This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability.
If you meet both conditions, write "Exempt" here . . . ► 7

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature
(This form is not valid unless you sign it.) ► Date ►

8 Employer's name and address (**Employer:** Complete boxes 8 and 10 if sending to IRS and complete boxes 8, 9, and 10 if sending to State Directory of New Hires.) | 9 First date of employment | 10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 4. Cat. No. 10220Q Form **W-4** (2018)

SAMPLE

RECAP OF 2017 EEOC CHARGES

Contributed by: Louise Matheny, Human Resources Consultant

Each year the Equal Employment Opportunity Commission (EEOC) releases a detailed overview of the workplace discrimination charges filed within the previous fiscal year. For 2017, the EEOC received 84,524 charges. As in years past, retaliation claims were at the top of the list, accounting for almost 50 percent of all filed charges.

A breakdown of the charge categories are as follows:

Charge	Number of Charges	% of Overall Charges
Retaliation	41,097	48.8%
Race Discrimination	25,528	33.9%
Disability Discrimination	26,838	31.9%
Sex Discrimination	25,605	30.4%

Other remaining discrimination charges pertained to Age, National Origin, Religion, Color, the Equal Pay Act, and the Genetic Information Non-Discrimination Act (GINA).

Note that the total percentages add up to more than 100 percent. This is due to some charges alleging multiple bases.

In 2017 the EEOC resolved 99,109 charges and secured over $398 million for victims of discrimination in the private sector as well as state and local government workplaces.

California Statistics

While the above statistics reflect charges on a national level, the EEOC also tracks charges by state. In 2017, California had the third highest number of charges, behind Texas and Florida, with 5,423 – or 6.4 percent of the nation's overall charges. Keep in mind that, given the large population of California, this placement is not surprising. Additionally, California employees are able to file discrimination charges with the California Department of Fair Employment and Housing, in addition to or instead of the EEOC, giving them a second method of reporting harassment, retaliation, or discrimination.

As with the charges at the national level, California's most prevalent charge was retaliation, making up 50.7 percent of the total state charges. The second highest claim count in the state was Disability charges at 35.3 percent.

Preventing Retaliation

While there are strong state and federal protections against retaliation, proper training for your supervisors and managers is important as well. Policies, including those pertaining to discipline and termination should be carefully reviewed and, if necessary, consulted on by legal counsel.

Please contact Louise Matheny, our Human Resources Consultant, with questions pertaining to these articles or any other HR inquiries.

BEST PRACTICES FOR CONTACTING YOUR LEGISLATORS

Contributed by: Louise Matheny, Human Resources Consultant

One of the best parts of being an HR Consultant for Morris & Garritano is having the opportunity to connect with our clients. However, I also hear the frustration that many of you have with the state's strong regulatory environment and the burden placed on California businesses. I always encourage our clients to contact their industry associations and lobby their California state senators and Assembly members to try and change some of these laws and regulations. With that in mind, here are some helpful hints about contacting your Legislators that were recently posted in the California Chamber of Commerce 2018 Business Issues and Legislative Guide.

- **Be thoughtful.** Commend the right things which your legislator does. That's the way you'd like to be treated.
- **Be reasonable.** Recognize that there are legitimate differences of opinion. Never indulge in threats or recriminations.
- **Be realistic.** Remember that most controversial legislation is the result of compromise. Don't expect that everything will go your way, and don't be too critical when it doesn't.
- **Be accurate and factual.** The mere fact that you want or do not want a piece of legislation isn't enough. If an issue goes against you, don't rush to blame the legislator for "failing to do what you wanted." Make certain you have the necessary information and do a good job of presenting your case.
- **Be understanding.** Put yourself in a legislator's place. Try to understand his/her problems, outlook, and aims. Then you are more likely to help him/her understand your business and problems
- **Support your legislator.** If he/she is running for re-election and if you believe he/she deserves it, give him/her your support. He/she needs workers and financial supporters. Don't become aloof at the time when your legislator needs your help.

If you would like to send a letter to your legislators, here is the suggested method to address your letters:

STATE LEGISLATURE	LOCAL ELECTED OFFICIALS
Assembly Member The Honorable <Full Name> California State Assembly State Capitol Sacramento, CA 95814 Dear Assembly Member <Last Name>:	*Council Member* The Honorable <Full Name> Councilman/woman, City of <Your City> City Hall <City, State and Zip Code> Dear Mr./Ms./Mrs./Miss <Last Name>:
Senator The Honorable <Full Name> California State Senate State Capitol Sacramento, CA 95814 Dear Senator <Last Name>:	*County Supervisor* The Honorable <Full Name> Supervisor, <Your County> County County Seat <City, State and Zip Code> Dear Sir/Madam: or Dear Mr./Ms./Mrs./Miss <Last Name>:

Source: CalChamber 2018 Business Issues and Legislative Guides, http://advocacy.calchamber.com/policy/issues/

10 SIMPLE WAYS TO STRETCH YOUR HEALTH CARE DOLLARS

Contributed by: Dan Troy, Principal and Employee Benefits Practice Leader & Risk Advisor

You've no doubt noticed that each year, your health care costs go up. This continuing trend can significantly impact your budget and the budget of your employees. While it's difficult to control all the factors that contribute to rising health care costs, stretching your health care dollars is easier than you might think. We encourage you to share these 10 tips with your employees to help everyone get the most bang for their buck.

Understand how your health plan works. You need to know what is and what is not covered, what procedures you need to follow to ensure your claims are paid, and which providers and facilities to use to get the most cost-effective care. Know the deductibles, copayments, and other out-of-pocket costs you are responsible for paying before you use medical products, services, or get a prescription filled.

Use in-network providers. Participating providers (doctors, hospitals, and others in your plan's network) generally charge discounted rates for plan members.

Look into freestanding surgical and diagnostic centers. If you need surgery, you might save money by having it performed at an ambulatory surgical center (a clinic that is not associated with a hospital), as they usually charge less than hospitals for their outpatient surgical centers. Freestanding diagnostic centers are also available for certain tests like MRIs, CAT scans, X-rays, and bone density scans. But before you go, make sure the facility is in your plan's network and that your plan's benefits cover the service.

Ask your doctor about home testing and monitoring devices. Home tests for blood pressure, diabetes, and other conditions can help ensure you are following your doctor's orders and usually cost less than in-office testing.

Only go to the hospital emergency room for true emergencies. If you need medical care when your regular doctor is not available, think about going to an urgent care center rather than a hospital emergency room. In addition to costing less, getting care at an urgent care center will likely be faster than at the ER.

Carefully check all medical bills. Insurance companies and hospitals are not exempt from making billing errors. If you have a hospital stay, ask for an itemized bill so you can be sure you were not charged for procedures you didn't have or items you didn't use.

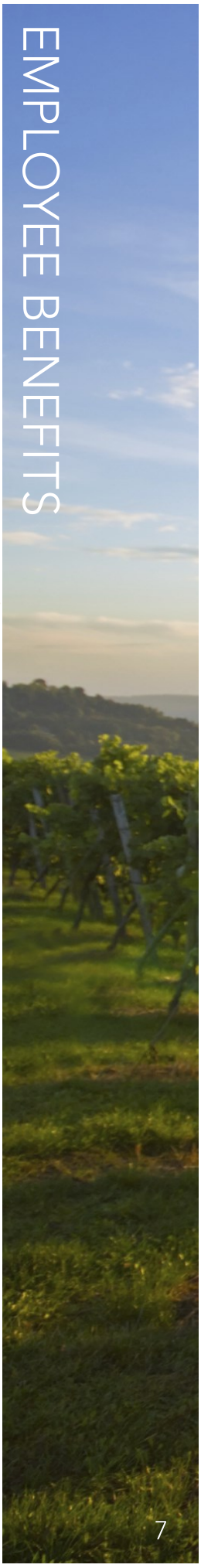
Use any additional programs or discounts provided by your employer or health plan. Many health plans provide access to free disease management programs for chronic conditions like asthma, diabetes, and heart disease. Additionally, many employers offer complementary programs that are designed to prevent illness and lower health costs over the long run, such as smoking cessation and weight loss programs or discounts on fitness clubs.

Live a healthy lifestyle. Healthy habits like exercising regularly, eating well, and not smoking can increase your stamina, improve your mood, and lower your risk for certain diseases. Aside from the physical and psychological benefits, healthy living can also offer financial rewards, such as lower premiums for non-smokers and fewer doctor visits for those with low blood pressure.

Make careful decisions about prescription drugs. Use generic drugs whenever possible, even for over-the-counter medications. Using a mail order pharmacy can sometimes save you 10 – 15 percent. But above all, know how your drug plan works. Check your copayments and know the maximum amount your plan will pay for in one year.

Use a health care spending account to pay for medical expenses with pre-tax money. If your employer provides you access to a flexible spending account (FSA) or health savings account (HSA), use it. These accounts let you set aside pre-tax money from your paycheck to pay for eligible items like prescription drugs, deductibles, coinsurance, dental expenses, and vision care.

Health care costs continue to rise, making it more important than ever to understand your benefits and control costs wherever possible. Being mindful of these opportunities may save you unnecessary expenditures or result in lower out of pocket costs. Don't forget that the most effective way to reduce the cost of health care is to make better decisions about the way you eat, exercise, and spend your health care dollars.



HMOS, PRIOR-AUTHS, PCPS, IPA, ACOS? WHAT DOES IT ALL MEAN?

Contributed by: Luzette Graves, Medical Case Manager

Health Maintenance Organization (**HMO**) plans can be a great way to save on premiums and out of pocket costs – all you need is a clear understanding of the rules and how to juggle the jargon.

All medical services must be **prior-authorized** through your Primary Care Provider (**PCP**), who must be associated with the same Independent Physician Association (**IPA**) as your preferred specialists. An **IPA** is a professional association that contracts with independent physicians and administers HMO plans at a negotiated per rate. **PCPs** are rare birds and in high demand, but once you find the right match, you are in good hands.

In San Luis Obispo County and Santa Maria there are four IPA/Medical groups:

- CCPN – Coastal Community Physician's Network
- Physicians' Choice of SLO
- Physicians' Choice of Santa Maria
- Blue Shield's Northern Santa Barbara County directly contracted IPA

If your preferred specialist tells you that they are associated with Physicians Choice, be sure to find out which Physicians' Choice, SLO or Santa Maria? A physician is not restricted to only one IPA – they could belong to a couple or even all four. When you know what group(s) your specialist belongs to, it is then up to you to do the research to find a PCP in the same medical group.

One more acronym and you're good to go. What in the world is an **ACO**? An Accountable Care Organization is a group of doctors, hospitals, and an insurance carrier who have agreed to collaborate for the purpose of providing better care while reducing duplication of services, and thereby reducing costs.

The concept of ACOs is relatively new, so the question is, will it successfully provide proper care and limit costs in the long run? We'll have to wait and see. The only commercial or group ACO currently in San Luis Obispo is Blue Shield TRIO and so far, Physicians' Choice of SLO is the only participating IPA.

Hopefully, with this information, you feel more empowered to make decisions about your health care. But, should you ever have questions, please feel free to contact our office for assistance.

Navigating Auto Claims

A series by Heather Ross, Claims Advocate

ACCIDENTS AND INJURIES

Last month, we discussed helpful information to bear in mind if you ever find yourself dealing with the theft of an auto. For the final installment of our series on auto claims, we'll switch gears entirely and talk about auto-related injuries.

According to the Association for Safe International Road Travel, over 37,000 people die in road crashes each year in the United States, and another 2.35 million are injured or disabled.[1] With those sobering statistics in mind, it's worthwhile to examine available coverages that could assist you, your employees, and your family members if they are ever involved in a serious auto accident.

Medical Payments coverage is an optional no-fault coverage that provides reimbursement of medical expenses for you, your passengers, and your family members if any of you are injured in an accident while occupying your covered auto. Medical Payments coverage can also extend to cover you and your family members in autos you don't own, or even if you're struck by an auto while on foot. Business owners should keep in mind, however, that Medical Payments coverage will not cover injuries to any employees who are injured in an auto accident while they're on the job – that's what Worker's Comp is for!

If you or your employee is found to be at fault for the accident, your auto policy's **liability coverage** will address both bodily injury and property damage sustained by the other parties involved in the accident. Typically, a bodily injury adjuster assigned to the claim will collect information from the other party about the nature and extent of their injuries, and then will work with them to negotiate a settlement. Because payment of the bodily injury settlement is conditioned upon the injured party signing a release, adjusters don't usually try to negotiate settlements until after the injured party has finished receiving medical treatment for the injury. That is why claims involving bodily injury usually take longer to resolve than non-injury accidents.

Finally, **Uninsured/Underinsured Motorist coverage** is an optional coverage on your own policy that provides coverage in the event you're involved in an accident in which the at-fault party either doesn't have any liability insurance, or doesn't have enough. This coverage is available for both bodily injury and property damage, and is typically included on California policies, unless you specifically opt out. Considering that 15.2% of all drivers in California are estimated to be uninsured, this coverage is crucial.[2]

If you'd like more information about what coverages are included in your auto policy, or would like to make changes to your current coverage, please give our office a call.

[1]Source: http://asirt.org/Initiatives/Informing-Road-Users/Road-Safety-Facts/Road-Crash-Statistics

[2]Source: https://www.iii.org/article/background-on-compulsory-auto-uninsured-motorists

SAVING A LIFE CAN BE AS EASY AS A-E-D

Contributed by: Michael Schedler, Loss Control Consultant

Having an automated external defibrillator (AED) immediately available in the workplace can make the difference between life and death when someone shows signs of sudden cardiac arrest (SCA).

While proper training can increase a user's comfort level and confidence, AEDs are designed so that they can be used by anyone. The device, approximately the size of a laptop, is made for general public use and uses simple visual and audio commands to guide a user through the process. Some AEDs also include instructions on how to perform CPR.

The goal of using an AED is to help the heart re-establish a regular rhythm by use of electric shock. Adhesive pads, equipped with sensors and electrodes, are connected to the AED. When they are attached to the patient's chest, they analyze the heart's rhythm and a voice prompt will tell the user if an electric shock is required. The voice prompt will then provide the proper instructions and deliver the shock. The AED determines the size and duration of the shock necessary to positively impact the heart. To help avoid confusion or language barriers, pictograms are included on the AED device.

While the instructions for using an AED are included with the device, there are some additional Dos and Don'ts that are important to follow in the case of a cardiac arrest.

DO

- Have someone call 9-1-1 immediately
- Perform CPR
- Before attaching the adhesive pads, ensure the chest is dry and remove any necklaces or clothing containing metal

DON'T

- Touch the patient during the analysis or defibrillation
- Deliver the electric shock on a wet or metal surface
- Have radios or cellphones within 6 feet of the patient

Having an AED in your office or facility can potentially save one of your employee's lives, or the life of a customer or client. However, it is important that you also create an AED program to ensure that the machine is used properly and effectively and employees are prepared to respond in the case of an emergency. The American Heart Association has some key steps on how to implement and AED program. You can learn more about these items by visiting www.cpr.heart.org.

THE BASICS OF FIDUCIARY LIABILITY COVERAGE

Contributed by: Daniel Gilman, Commercial Lines Risk Advisor

In recent newsletters, we have discussed the importance of coverage for Directors & Officers liability and Employment Practices liability. A sister coverage to these, which can often be built into one cohesive package policy, is Fiduciary liability.

Businesses that offer their employees benefit options - such as pension plans, retirement accounts, or health care coverage - often task an individual or group of individuals called fiduciaries to oversee the benefits plans. The job of a fiduciary is to select advisors and investments, minimize expenses, and follow plan documents exactly. Under the Employee Retirement Income Security Act (ERISA), they must act in the interest of plan participants in order to avoid liability claims related to the denial of benefits, administrative error, improper advice, wrongful termination of a plan, and similar allegations stemming from plan management.

Fiduciary liability is essential for an organization to properly protect its fiduciaries. When a policy is in place, it can provide:

ERISA liability protection. Per ERISA requirement, a fiduciary can be held liable for any breach of duties, errors, or omissions. Fiduciary liability insurance is designed to protect plan sponsors and their employees against such claims – some of which can easily reach six figures or more.

Protection from common fiduciary claims. Claims can arise for any number of reasons – administrative error, wrongful termination of a plan, improper advice, or a conflict of interest – and can come from any number of parties, including an employee or even the Department of Labor.

Affordable coverage. The cost of fiduciary liability varies based on a business's assets and number of plan participants. But, on average, coverage is relatively affordable.

Specialty protection not found in similar policies. Companies often wrongfully assume that Employee Benefits liability (EBL) or Directors & Officers (D&O) liability policies will protect against fiduciary claims. EBL insurance is generally limited to covering errors in plan administration, but does not provide protection for ERISA violations. D&O policies typically exclude EBL or ERISA-related claims.

Coverage beyond fidelity bonds. ERISA bonds are required by law and are designed to protect plans against losses related to acts of theft or fraud. These plans only protect employee benefits, not a fiduciary's liability. They do not provide any form of payment for legal defenses or damages related to a fiduciary claim.

An employee benefits plan is often a key element in attracting and retaining good talent. A lot of care and thought goes into choosing the correct plan for a business's employees, so it is crucial that the same diligence be put into protecting it and its overseers.

FILING A WC CLAIM FOR A FORMER EMPLOYEE

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

I just received litigation paperwork on a former employee. The date he/she is alleging the accident happened, he/she wasn't even working. Do I have to file a WC claim?

YES! Your WC carrier has 90 days right of discovery from the time you are notified of a potential injury.

Using an incorrect work date can support the carrier's denial of the claim. Please keep in mind, the applicant attorney could amend the claim form to a different date; one on which the employee was actually working for you.

Claim notification is time sensitive. It is important to notify your carrier immediately of all workers' comp injuries so they can prepare to investigate any and all questionable allegations.

Be sure to provide your carrier with any information you may have regarding the prior employees' activities or new employment information since he/she left your employment.

If you have any questions, please contact our office.

M&G IN THE COMMUNITY

COME RUN WITH US!

Contributed by: Sara Holloway, Marketing Coordinator

The SLO Marathon, Half, and 5K is just over a month away and Team M&G wants to help you train!

As the annual Team Initiative Sponsor, Morris & Garritano supports a team discount incentive program and wants to challenge you to create a team for the 2018 races – you know Team M&G will be there!

This last Saturday, we sponsored a St. Patrick's Day training run with the help of Race SLO and Central Coast Brewing. Runners took to the streets of SLO on a 10 mile or 20 mile course before being rewarded by a free beer at the finish!

If you missed out last weekend, don't worry because we are hosting another run on Saturday, April 7th. And yes - there will still be snacks and beer! Check out the SLO Marathon, Half Marathon, & 5K Facebook page for the official event details.

Saturday, April 7th
SLO Marathon & Half Training Run
Starts and ends at Morris & Garritano Insurance
(1122 Laurel Lane)
18-20 mile run starts at 7am
8-10 mile run starts at 8am

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, Instagram, 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.

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