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## Newsletter for Commercial Businesses

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### Texas Workers' Comp Costs Continue to Drop

More Texas businesses are providing workers' compensation insurance as the cost of coverage continues to decline, according to the Texas Department of Insurance – Division of Workers' Compensation (TDI-DWC).

Premiums have fallen by 63 percent since 2005 as the department has worked to reduce costs and improve care through healthcare networks, a drug formulary, safer workplaces and other reforms.

In Texas, the average premium for each \$100 of payroll dropped from \$2.32 in 2003 to 86 cents in 2015, according to the National Council on Compensation Insurance.

The fact that fewer employees are filing workers' compensation claims — a 28 percent drop since 2004 — has contributed to the decline in premium costs. Non-fatal injury rates are also down 36 percent since 2005, an indication that employers are making workplaces safer.

"With premium costs down more than 60 percent, more employers have opted to provide workers' compensation insurance, which means financial resources are there for injured employees when they need help the most," Texas Commissioner of Workers' Compensation Ryan Brannan said in the agency's announcement. "And in Texas, employees are also getting better care."

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## Making Health Insurance Affordable Again

### Mike's Notes



There is no doubt that our healthcare systems is in turmoil. The United States offers the finest healthcare delivery in the world with technological breakthroughs in medicine occurring every year.

These breakthroughs extend and save lives. With thousands of foreign patients traveling to the United States every month for our advanced medical treatment, we are blessed to have access to the treatments at home.

While the healthcare delivery is unmatched, so too is the cost for healthcare in the United States. The cost for treatment far out passes the cost in other countries. For Example: A Kidney Transplant in the United States cost \$120,000. In India, the same procedure cost less than \$20,000. In most instances, a \$120,000 procedure is not something most can afford and without financing or insurance, the procedure would not be possible for most.

Health Insurance is merely a way of financing your healthcare during your lifetime. The premiums you pay are pooled with others in your age and demographic to pay for the eligible healthcare cost you incur. Since the passage of the Affordable Care Act (ACA), the cost of insurance has increased to a point that many are not able to afford. Additionally, the out of pocket cost with deductibles and coinsurance are more than the average family can manage. What good is a health insurance plan if you cannot afford to access the care? The burden of subsidizing healthcare has been placed on the employer. Employees are recognizing the value of the health insurance benefits that employers provide and 82% of employees polled said they would consider changing employers based solely on the health insurance offering.

Since America is in a full employment economy, employers must use benefits to attract and retain the top talent in their industry. Using benefits to leverage and negotiate compensation is becoming a common occurrence and as medical cost continue to increase, employers are seeking alternatives to the traditional health insurance options that have dominated our market. Our practice has worked with clients for the past 30 years, providing viable solutions that help employers attract, motivate and retain employees through the use of employee benefits. Most recently, we have been working with a local Physician Patient Cooperative that is working to help solve the healthcare crisis in our country.

A Physician Patient Cooperative is a group of medical providers that form an association for the purposes of providing medical care to the members that participate. As long as you receive direct medical care from a PPC provider, there is little, if any additional cost, other than the membership fee. This works for Doctors, Labs, Imaging and other basic services. When combining the PPC with a reinsurance plan to cap the out of pocket cost for catastrophic care, we are able to offer our clients an affordable alternative for healthcare that was not previously available to them. The cost for the PPC is \$109 / month and with a reinsurance plan, the monthly cost can be as low as \$179 / month (limited major medical plan). We also have more comprehensive plans that are \$414 / month.

Through this method of financing healthcare for your employees, we are able to construct a plan to meet an employers specific needs and goals.

If you would like to see if the PPC is a viable option for you individually or your company, call me, Mike Alexander, Jr. at 281-448-3040. As always, we appreciate your business and will always to continue to look for new ways our agency can provide value to you and your company.

***A desk is a dangerous place from which  
to view the world.  
-John Le Carre***

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More employees are getting treatment sooner. About 84 percent of injured employees receive non-emergency medical care within seven days of their injuries, compared to 76 percent in 2000. The average number of claims treated by physicians decreased over the last decade, from 21 claims per physician in 2000 to about 15 per physician in 2016.

In Texas, more injured employees are back at work within six months of their injury, and the average number of days off work has decreased by more than 30 percent since 2005.. Our carriers are offering State Statutory limits at rates below market. If you do not have your Workers Compensation coverage with our agency, Please call us for options. Reach out if you have any questions! Call us at 1-800-362-2809 or visit [www.getagreatquote.com](http://www.getagreatquote.com)

## **Top 10 Employment Discrimination Charges in 2017**

A total of 84,254 workplace discrimination charges were filed with the Equal Employment Opportunity Commission (EEOC) nationwide during fiscal year (FY) 2017, according to the federal agency.

The EEOC said it secured \$398 million for victims in the private sector and state and local government workplaces through voluntary resolutions and litigation.

The enforcement and litigation statistics are for FY 2017, which ended Sept. 30, 2017.

The FY 2017 data show that retaliation was the most frequently filed charge filed with the agency, followed by race and disability. The agency also received 6,696 sexual harassment charges and obtained \$46.3 million in monetary benefits for victims of sexual harassment.

Specifically, the charge numbers show the following breakdowns by bases alleged, in descending order:

- Retaliation: 41,097 (48.8 percent of all charges filed)
- Race: 28,528 (33.9 percent)
- Disability: 26,838 (31.9 percent)
- Sex: 25,605 (30.4 percent)
- Age: 18,376 (21.8 percent)
- National Origin: 8,299 (9.8 percent)
- Religion: 3,436 (4.1 percent)
- Color: 3,240 (3.8 percent)
- Equal Pay Act: 996 (1.2 percent)
- Genetic Information: 206 (.2 percent)

The percentages add up to more than 100 because some charges allege multiple bases.





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The EEOC resolved 99,109 charges in FY 2017 and reduced the charge workload by 16.2 percent to 61,621, the lowest level of inventory in 10 years. The agency said it achieved this by more efficiently prioritizing charges with merit, more quickly resolving investigations, and improving the agency's digital systems.

The agency handled 540,000 calls to its toll-free number and more than 155,000 inquiries in field offices.

EEOC legal staff filed 184 merits lawsuits alleging discrimination in fiscal year 2017. The lawsuits filed by the EEOC included 124 individual suits and 30 suits involving multiple victims or discriminatory policies and 30 systemic discrimination cases. At the end of the fiscal year, the EEOC had 242 cases on its active docket. The EEOC said it has achieved a successful outcome in 90.8 percent of

## **8 Reasons You Should Have a Company Employee Handbook**

### **1. Introduces employees to your culture, mission and values**

Perhaps the most important aspect of your employee handbook is the introduction of new employees to your corporate culture and how they will fit in. This helps to foster a sense of pride and belonging, which studies show will help employees become more productive in a shorter period of time. The introduction section of an employee handbook will answer these questions:

"What do we do that sets us apart?"

"How did the company get here?"

"What are we passionate about?"

"How can I, as a new hire, become a part of this culture?"

The introduction section sets the standard for the employment relationship in general, and provides a guidepost for the remaining policies communicated in the handbook.



### **2. Communicates to employees what is expected of them**

A well-written handbook provides employees with a clear understanding of their responsibilities. The handbook also serves as a compass for the organization's policies and procedures. For example, it advises employees what the procedures are for requesting time off or a vacation. It advises employees whom they should contact when they have an unscheduled absence (and what the timing should be). It tells employees whom to go to if they have questions about any of the specific policies in the handbook.

The handbook also communicates an employee's general responsibilities regarding safety, timekeeping and reporting. By providing clear, accessible information, handbooks ensure companies continue moving in the right direction.

### **3. Educates employees about what they can expect from management and leadership**

An employee handbook provides objectives and leadership styles, as well as management best practices, to foster healthy management-employee relationships. It also outlines logistics, such as timekeeping requirements, hours of work and pay periods. Further, a complete employee

handbook advises employees of their various entitlements to federal and state leaves, such as the Family Medical Leave Act (FMLA) or Jury Service Leave. These clearly communicated policies help to eliminate confusion and inconsistencies that result when handbooks are silent on these topics.

4. Helps ensure key company policies are clearly and consistently communicated

No policy is effective if it is practiced inconsistently. A handbook will accurately communicate your organization's policies regarding employment, conduct and behavior, compensation and other policies and procedures you follow. Most importantly, managers can refer to the handbook when answering questions or making decisions regarding your policies and ensure their answers and actions are consistent with your policies and best practices.

5. Showcases the benefits you offer

Does your organization offer vacations, 401(k), health insurance, paid parental leave or other benefits to employees? Make sure they know about these policies and the eligibility requirements by communicating them in the handbook. A robust benefits package can help you retain your best and brightest employees, so be sure they know about your full suite of offerings by communicating these in the handbook.

6. Ensures compliance with federal and state laws

No matter what state you do business in, or how many employees you have, you will be subject to state and federal employment laws. Your handbook not only communicates these various entitlements and obligations to employees, but is useful in demonstrating that your organization strives to be compliant with these regulations. For example, if your employee is called away to active-duty military service, you will want to be sure they understand their rights and obligations when communicating their reason for taking leave. Your Military Leave Policy should clearly define these parameters to the employee. Similar policies should communicate rights and obligations regarding state disability leaves, federal FMLA leave, and other government mandates.

7. Helps defend against employee claims

Unfortunately, employers should consider it a matter of when, and not if, they will face a lawsuit or similar challenge from a current or former employee. When this happens, one of the most useful documents you can provide your attorney or third party investigator will be a copy of your handbook. A thorough and compliant employee handbook will help to show that the organization exercised "reasonable care" towards its employees. The employee's signed acknowledgement page will show that the employee had an opportunity to familiarize themselves with the organization's policies, a chance to ask related

## Meet Some of Our Experts



*Samantha Kato*

Samantha is in charge of our commercial department. She has over 20 years of experience within the insurance industry. As Commercial Department Manager, Samantha can handle auto, property, worker's compensation and more for contractors, trucking, oil & gas, restaurants, as well as others.



*Misty Alanis*

Misty has 18 years in the insurance industry. She has added value to our company. Her knowledge and experience enables her to provide explanations to help educate our customers. Call 800-362-2809

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questions, knew whom they could turn to for help within the organization, and agreed to follow the terms and conditions of employment set forth by the organization.

#### 8. Lets employees know where to turn for help

Ultimately, you want employees to feel comfortable turning to a trusted member of management for help when they want to report workplace violations, obtain workplace-related assistance and get answers to any other questions they may have. The alternative is for them to turn to an outside third party, like the EEOC or DOL, which could trigger a costly and time-consuming investigation. When a handbook not only outlines one or two management individuals for an employee to turn to in these situations, but also designates another individual to turn to in the event the employee disagrees with the first decision, they are more likely to keep their complaints in-house, and this is a good thing for employers.

When was the last time you reviewed your policies and updated your employee handbook? Or do you need help creating one but aren't sure where to start? Searching for the answers you need online is time-consuming and inefficient. Plus, can you really ensure the information is accurate?

When it comes to trusted HR expertise, turn to .ABM 360 Solutions. It's a comprehensive HR resource that provides organizations access to employee handbook templates, sample job descriptions, useful checklists, law alerts and more. Plus, dedicated support from an HR expert is always available with HR Support Center On-Demand. Want an HR expert to review your handbook policies? Have questions regarding an employee's behavior? The support you need is only one phone call away.



If you do not have an employee handbook and would like some help contact Mike Alexander at 800-362-2809

## **Six Common Questions About Workers' Compensation Insurance**

In most states, business owners are legally obligated to provide workers' compensation insurance to cover medical care and rehabilitation, and wage replacement costs for employees who sustain injury or illness in course and scope of their employment. At EMPLOYERS®, we often hear questions from business owners about how workers' compensation insurance works. Below are answers to six commonly asked questions.

### 1. How do I choose the right insurance carrier?

For many small business owners, price will be an important factor when choosing a workers' compensation insurance carrier. However, it should not be the only factor. Small business owners should look at the whole package of services a carrier offers. This includes a network of care facilities, return to work program guidance, loss control support, anti-fraud programs, claim handling efficiency and flexible payment plans. These integrated services can help you maintain a safe workplace and get more value out of your policy.



2. If an employee is injured in the workplace, can I choose their medical provider?

This varies from state to state. It is important to check with your agent or insurance carrier to determine the specific laws that apply to your business – if possible, before a work-related injury or illness occurs. For example, in some states an injured worker must be seen by a doctor chosen by the employer or the employer's workers' compensation insurance carrier. Other states allow injured employees to select any doctor within a network. Admission to the network could be determined by the state, the employer, or the employer's insurance company.



3. Can I fire an employee for filing a workers' compensation claim?

No. An employee cannot be terminated in retaliation for filing a claim.

4. How can I reduce workplace accidents or injuries?

Instilling a safety culture is the most important step a business owner can take to reduce workplace accidents or injuries. Your workers' compensation insurance agent and your insurance carrier's loss control department are two important resources that can help you identify and evaluate potential safety risks in your workplace, and then make cost-effective changes to minimize them. For example, they can help you analyze hazards, train your managers to reinforce health and safety best practices, and conduct employee safety training. Your agent or carrier can also help you draft a workplace safety plan that addresses common risks based on your industry.

5. How can I help manage workers' compensation claims costs?

The health and safety of your employees should be an integral part of your business strategy. While accidents sometimes happen, staying focused on workplace safety is the best way to manage claims. If someone does get hurt at work, reporting the claim quickly – within 24 hours of the incident – is another way to help manage costs. In fact, a 2015 study conducted by the National Council on Compensation Insurance found that delayed reporting can raise claims costs up to 51 percent.

6. How can I protect my business from workers' compensation insurance fraud?

Workers' compensation insurance fraud is a serious crime and risk for both policyholders and injured workers. Everyone ends up paying the price for fraud in higher premiums, lost jobs and profits, lower wages and benefits, and higher costs for goods and services. Your insurance carrier or agent can provide important information to help you identify potential fraud indicators and implement a fraud prevention plan.

Workers' compensation insurance is more than just a cost of doing business. When viewed as one element of a comprehensive workplace safety strategy, it becomes an integral part of your company's success. Your insurance agent can answer your questions and help you select the right insurance carrier to protect your business and your most valuable asset – your employees. For more information, contact us today at 800-362-2809 or visit our website at [www.getagreatquote.com](http://www.getagreatquote.com)



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I have had a great experience working with ABM Insurance. My rep was awesome; she spent time with me on her weekend explaining everything to me. Just great to work with.

-V. Cleveland

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## Introducing ABM 360

We are happy to introduce 360 solutions a new a la carte platform providing various services, such as:

- Payroll
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- Worker's Comp.
- 401K admin
- Expenses 1099's
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[www.ABM360solutions.com](http://www.ABM360solutions.com)



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