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Our Exclusive Newsletter for Commercial Clients

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What Are the Rules on Hazard Pay?

The U.S. Department of Labor defines hazard pay as “additional pay for performing hazardous duty or work involving physical hardship.” Per the DOL, physical hardship is work duty that leads to extreme physical discomfort and distress that is not properly alleviated by protective equipment.

Are employers required to give hazard pay?

The Fair Labor Standards Act — which is the primary federal law that governs wage-and-hour standards for most private-sector jobs — does not require hazard pay. However, other federal regulations require hazard pay for federal workers who perform specific types of dangerous work.

Although no state law currently requires hazard pay for private-sector employees, a few local governments mandate hazard pay for some government workers. Moreover, in response to the COVID-19 pandemic, some private-sector employers have chosen to provide hazard pay.

In an April 2020 poll by WorldatWork, “26% of surveyed employers said they are planning to provide hazard pay” to employees who work on-site during the COVID-19 pandemic. Those who aren’t planning to provide hazard pay said they will instead offer perks such as meals and day care options.

Important Information from ABM



What You Need To Know About Medicare Fall Open Enrollment

What you may not know about the Fall Open Enrollment could be costly for the following coverage year! Fall Open Enrollment also referred to as the Annual Enrollment Period (AEP) runs from October 15 through December 7 each year. During this time, you can make changes to your health insurance coverage, including adding, dropping, or changing your Medicare Part C and D coverage plan. Even if you are happy with your current health and prescription drug coverage, Fall Open Enrollment is the time to review what you have, compare it with other options, and make sure that your current coverage still meets your needs for the coming year.

Prior to the Fall Open Enrollment you will receive an Annual Notice of Change (ANOC) listing the changes to your current health and/or prescription drug coverages for the new coverage year. You should be sure to review your ANOC carefully as to prepare you for any changes to your current plans coverage or the need to review other coverage options.

If you have a Medicare Advantage Plan or a stand-alone Part D plan, read your plan's Annual Notice of Change (ANOC) and/or Evidence of Coverage (EOC). Review these notices for any changes in:

- The plan's costs
- The plan's benefits and coverage rules
- The plan's formulary (list of drugs your plan covers)

Make sure that your drugs will still be covered, which Tier Level they will fall under and if there will be changes or restrictions added to your prescriptions for next coverage year. Restrictions include Quantity Limits, Step Therapy or Prior Authorization. You will also want to make sure your pharmacy of choice are still in the plan's network. Any changes not reviewed to your following year's coverage could lead to higher out-of-pocket cost. Keep in mind there is not a one-size fits all Medicare Advantage or stand-alone Part D plan.



You can make as many changes as you need to your Medicare coverage during Fall Open Enrollment. The last application received by Centers of Medicare and Medicaid Services (CMS) by end of day on December 7th will be the final change. Any changes made during Fall Open Enrollment will begin January 1 of the new coverage year.

The changes you can make include:

1. Joining a new Medicare Advantage Plan
2. Joining a new Part D prescription drug plan
3. Switching from Original Medicare to a Medicare Advantage Plan
4. Switching from a Medicare Advantage Plan to Original Medicare (with or without a Part D plan)

Regardless of how you receive your Medicare coverage, you should consider:

- Your access to health care providers you want to see
- Your access to preferred pharmacies
- Your access to benefits and services you need
- The total costs for insurance premiums, deductibles, and cost-sharing amounts

Should you find that the change you made to your Medicare Advantage plan or joined a Medicare Advantage plan for the first time during Fall Open Enrollment does not meet your needs you will have one more opportunity to make a change. Medicare now has an Open Enrollment Period which begins January 1st through March 31st. You will be allowed to make one change during OEP and change to 1) another Medicare Advantage plan or 2) dis-enroll from your Medicare Advantage plan and return to Original Medicare.

If you have a Medicare Supplement Plan, these plans do not have an annual enrollment period, but rather an initial open enrollment (Also known as Guaranteed Issue Period) upon joining Medicare with no medical questions asked for the first six months from when Part B begins. You can shop your Medicare Supplement Plan any time of the year, you will be subject to Medical Underwriting and will have to qualify to change plans outside of your Guaranteed Issue Period. If a Medicare Supplement becomes too costly, you can 1) Shop for a less expensive supplement plan or 2) you can move to a Medicare Advantage Plan during the Fall Open Enrollment.

If you have Original Medicare (Red, White and Blue Card), visit www.medicare.gov or read the 2021 Medicare & You handbook to learn about Medicare's benefits for the upcoming year. You should review any increases to Original Medicare premiums, deductibles, and coinsurance changes. You can expect the above mentioned changes anytime there is a cost of living adjustment "COLA" to Social Security Benefits.

Even if you are happy with your current Medicare coverage, consider other Medicare health and drug plan options in your area. For example, even if you do not plan to change your Medicare Advantage or Part D plan, you should check to see if there is another plan in your area that will offer you better health and/or drug coverage at a more affordable price. Research shows that people with Medicare prescription drug coverage could lower their costs by shopping among plans each year; there could be another Part D plan in your area that covers the drugs you take with fewer restrictions and/or lower prices. There are also other things to consider such as preferred network pharmacy vs standard network pharmacy and how using one over the other can potentially save you money.

ABM Insurance and Benefit Services also has a Medicare Starter Guide available upon request which will provide the most up to date information on Medicare. If you want assistance reviewing your options, contact ABM Insurance at 281-448-3040 for unbiased counseling.

Our office provides comprehensive benefits checkups to ensure you are maximizing your benefits spending the minimal out of pocket. We have over 30 years combined experience in the Medicare Insurance field and help build a package that will help meet your financial goals while providing protection for your health and well-being. You can also view ABM's Medicare website at <http://go.getagreatquote.com/medicare>.

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Who normally gets hazard pay?

A list of hazardous work for federal employees can be found in the Code of Federal Regulations, Appendix A to Subpart 1 of Part 550. With regard to COVID-19, “essential frontline workers” are the most likely to get hazard pay. These are employees who work in essential industries and must physically show up for work, even during a pandemic.

What legally constitutes “essential frontline workers” for COVID-19 purposes is decided by federal, state or local legislators. That said, “essential frontline workers” usually include:

Health care workers, such as doctors, nurses and emergency responders.

- Pharmacists.
- Firefighters.
- Postal service workers.
- Law enforcement members.
- Grocery store workers.
- Food processors.
- Delivery drivers.
- Maintenance workers.
- Warehouse workers.

In terms of COVID-19, offering hazard pay makes sense if employees’ jobs put them at a high risk of contracting the virus. As noted in an article published by the Society for Human Resource Management, “Hazard pay might be a good choice for public-facing jobs, where employees may not be able to observe social distancing.”

Employees who work from home are in low-risk environments. They are not essential frontline workers, so there’s no legitimate reason for giving them hazard pay.

What is the rate of hazard pay — and how long does it last?

For federal employees, additional pay for hazardous work cannot be more than 25% of the employees’ base pay. Private-sector employers set their own hazard pay rates, usually as cash incentives or spot bonuses. According to media reports, some restaurant and grocery store workers have received an extra \$2 or \$3 per hour in hazard pay.

Hazard pay can be short term, with a specific ending date, or it can be ongoing, with no expiration date. Some employers keep providing hazard pay as long as sales remain strong or until the threat or risk of exposure significantly declines.

To avoid discrimination claims, employers that give hazard pay should apply the policy consistently across all similarly situated employees.

For more information contact one of our Commercial Line Representatives at 281-448-3040.



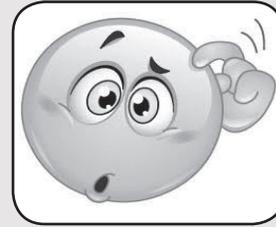
Debora Taylor

Meet Our Representative...

Debora Taylor joins us with a wealth of experience having worked in the employee benefit field for over 25 years. Debora has handled everything from individual to over 15,000 lives. Customer service is the most important part of this industry for her and she has “the buck stops here” mentality. Debora is married with an adult son. They have traveled extensively by both RV and boating during their free time.

ABM Weird Facts

One-quarter of all your bones are located in your feet.



Do I need Business Interruption Insurance?

Most people would never consider opening a business without first purchasing property insurance to cover the cost to repair or replace a building or equipment that's been damaged due to a covered peril. But too many business owners fail to think about how they would keep their business afloat if they were forced to temporarily close. Business income (interruption) coverage also known as business income coverage (BI), can help with operating expenses during the period of restoration, and includes:

- Lost net income (based on financial records)
- Mortgage, rent and lease payments
- Loan payments
- Taxes
- Employee payroll

Business owners should make sure the policy limits are sufficient to cover their company for more than a few days. After a major disaster, it can take more time than many people realize to get "back in business." Business income coverage likely has a "restoration period." This is the length of time that a policy will help pay for lost income and extra expenses while the business is being restored. Typically, there's a 48 to 72-hour waiting period before the period of restoration kicks in. The standard property policy limits the business income restoration period to 30 days, but this period can be extended to 360 days by endorsement.

A business owner's policy (BOP) often combines property, liability and business income (interruption) coverages for small-to-midsize businesses. Coverage purchased as a package is generally less expensive than if purchased through separate insurance policies and can help ensure proper underlying limits are in place. Normally, companies with 100 employees or fewer and revenues of up to about \$5 million or less are candidates for a BOP. Some types of businesses, such as restaurants, may be ineligible for a BOP because of the specific risks inherent in the business and may need to consider buying the individual coverages separately. An endorsement or rider can be added to a commercial property insurance policy that will extend the policy's coverage to business income (interruption) losses.

Business income (interruption) insurance does not cover:

- Broken items resulting from a covered event or loss (such as glass)
- Flood or earthquake damage, which are covered by a separate policy
- Undocumented income that's not listed on your business' financial records
- Utilities
- Pandemics, viruses, or communicable diseases (such as COVID-19)

How much business income (interruption) insurance coverage is needed?

A good rule of thumb is to use a business's gross earnings and projections to estimate future profits and determine the right amount of coverage. Remember, if business income (interruption) costs exceed the coverage limit chosen, the business owner will have to pay out of pocket for any extra expenses.

How much does business income (interruption) insurance cost?

It depends on a number of factors, including your:

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- Industry
- Number of employees
- Amount of coverage
- Prior claims experience (if you've had to file any claims with your insurer)

The price of the policy can also vary depending on your location. For example, if the business is in an area with a higher risk of hurricanes, the cost of business income (interruption) insurance may increase. A restaurant might have higher premiums than a real estate agency, for example, because of the greater risk of fire. Also, a real estate agency can more easily operate out of another location.

Options and endorsements to business income (interruption) coverage

Contingent business interruption insurance (also referred to as dependent properties)

Provides insurance coverage in the event the damage or destruction of non-owned property reduces or terminates the business owner's earnings. With COVID-19 disrupting global supply chains and sales, businesses are losing income and incurring additional expenses as a result of the interruption.

There are four types of entities that qualify as eligible dependent properties:

Suppliers: Those contributing locations that supply the business owner with the parts, materials, or services necessary to manufacture its product or provide its service.

Buyers: A recipient location buys/accepts the products, goods, or services of the insured business owner. This may be a business owner's sole buyer or one that buys most of the insured's output.

Providers: Also known as "manufacturing location" A manufacturing location manufactures products for delivery to a business owner's customers under contract of sale.

Drivers: Also known as a "Leader Location" These can include anchor stores (Target, Wal-Mart, Macy's, etc.), sports and entertainment venues, and other such entities that draw customers to the area.

Extra expense insurance

Business income (interruption) insurance can also include extra expense, which will cover anything beyond the normal day-to-day operating expenses that are necessary to keep a business solvent.

Instances of extra expenses include:

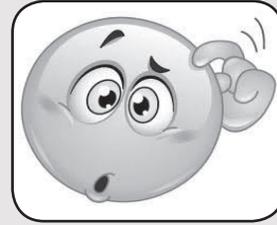
- Renting a temporary place of business while the original place of business is being restored
- Replacement of hardware, technology and furniture
- Paying overtime for employees or hiring more employees
- Leasing equipment
- Extra expense insurance can be bundled in a Business Owner's Policy (BOP), as a separate insurance policy or as a rider to a commercial property policy.

Civil authority, this coverage – which typically does not exceed two consecutive weeks – applies when a civil authority (e.g., state, local or federal governmental entity) prohibits access to an insured's premises due to a government order as a result of physical damage to an adjacent or nearby property, not owned or controlled by the insured, but rather the adjacent property of another.

Civil authority coverage extends business income (interruption) and/or extra expense coverage. Even when a government order prohibits or otherwise specifically restricts access to an insured premise, the policy may still require a direct physical loss before triggering coverage.

ABM Weird Facts

Sunglasses were originally designed for Chinese judges to hide their facial expressions in court.



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Note: In early February 2020 the Insurance Services Office (ISO) developed two new endorsement forms: "Business Interruption: Limited Coverage for Certain Civil Authority Orders Relating to Coronavirus," and "Business Interruption: Limited Coverage for Certain Civil Authority Orders Relating to Coronavirus." These forms provide coverage for actual loss of business income and extra expenses caused by a government order closing the insured's premises or quarantining all or part of the premises and from government suspension of some modes of public transportation. If dependent properties are included in the coverage, such as a supplier's or customer's premises, then the coverage applies to the dependent property as well.

Note that the forms were not filed with any states and are not being added to ISO's form portfolio.

Utility services

A utility services endorsement extends business income (interruption) and/or extra expense coverage to apply to a suspension of operations caused by a disruption of basic utility services to a business's premises such as electric, gas or water provided by public or private utility companies

There are two specific endorsements that should be considered:

Time element: In the event winds break down a power line or a water main is broken, this coverage can cover losses, including loss of income and expenses, up to a predetermined time limit or until the power or water service is restored.

Direct damage: This endorsement is an extension of property insurance, providing protection against damage to a business owner's property resulting from an interruption of any of the utility services named in the policy as a result of a covered cause, such as a windstorm.

Understanding the limitations of business income (interruption) coverage

While business income (interruption) insurance can help a business survive a disaster, there are limitations and exceptions to this type of coverage. If a business owner obtains business interruption coverage as part of a commercial property policy, the coverage will only extend to events delineated in the core coverage. If the property insurance does not cover flood damage, the business owner cannot receive business income (interruption) insurance if the company is displaced because of a flood.

There are also time limits on business income (interruption) coverage, so business owners should be sure to discuss limitations and exceptions with their insurer or insurance professional.

Should you have questions regarding Business Interruption Insurance please contact ABM Insurance & Benefit Services at 281-448-3040.



Insurance & Benefit Services, Inc.

333 N Sam Houston Pkwy #750
Houston, TX 77060

www.getagreatquote.com



Working with both Samantha and Michael made the process smooth, quick to execute and accurate. They are both very enjoyable and knowledgeable. I would recommend ABM to any small business that is in need of a good broker and insurance company.

-J. Hickman

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