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IN THIS ISSUE:

Cyber Attacks in 2021 Cost \$600M With 40,000 Businesses Put at Risk Pg 1-4

Mike's Notes Pg 2-3

ABM Weird facts Pg 4,6

You May Be Shocked by How Much Healthcare Deductibles Have Risen Pg 5-6

HSAs: the other retirement account Pg 6-7

Cyber Liability Insurance Pg 8

ABM 360 Pg 8



Cyber Attacks in 2021 Cost \$600M With 40,000 Businesses Put at Risk

In just 10 cyber incidents last year, over \$600 million in cash was stolen or taken as ransom, tens of millions of citizen records stolen, 40,000 businesses' IT operations put at risk, one billion airline passenger details compromised and at least one bank was effectively shut down for over a week, according to Tokio Marine HCC International's (TMHCCI) second annual Cyber Incidents Report.

The vast majority of the incidents listed in this year's top 10 involved large institutions where cyber security plays an integral role in operations, but this did not prevent their sophisticated defense systems from coming under attack, confirmed the report, titled "Top 10 Cyber Incidents 2021."

Indeed, some of the most damaging attacks were experienced by the likes of Microsoft, Kaseya and SITA, organizations whose products and services feed directly into the systems of third parties.

"We are noticing a drastic increase in both likelihood and severity of all types of cyber attack. We have seen a marked increase in ransomware attacks, their complexity and in the appetite to target smaller organizations," said Isaac Guasch, cyber security specialist at TMHCCI and author of the report.



Mike's Blog

Your Business NEEDS Employment Practices Liability Insurance – Learn Why

COVID-19-related employment practices liability claims are on the rise as companies everywhere embark on the rocky transition back to a pre-quarantine workplace. Both employers and insurance providers are struggling to respond to the changing landscape and mitigate growing insurance expenses. There's never been a more important time for businesses to protect themselves with employment practices liability insurance (EPLI), and it's not yet too late to do so.

The COVID-19 Vaccine

Now that the transition back to pre-pandemic life is in full-swing, many companies are requiring their employees to receive the COVID-19 vaccine before returning to work—about 30% according to recent data—a policy which has quickly led to an unprecedented spike in employment lawsuits regarding discrimination and workplace health and safety standards..

Employment Practices Liability Lawsuits Are on the Rise

Regardless of which side of the issue they're on, employees are proving that they are willing to take their cases to court; about 3,000 already have since the start of the pandemic. This obviously puts employers in a difficult situation. It's impossible to please everyone, so an influx of EPL lawsuits seems inevitable no matter how the problem is approached. Without a clear way to solve the issue as of now, EPLI is absolutely essential for a business that hopes to weather the swell in legal costs. The problem isn't likely to go away on its own, either. Experts expect to see the frequency of EPL claims continue to rise even further as the vaccine debate drags on.

To further complicate the issue, insurance providers are balking at the prospect of covering the number of EPL lawsuits their clients are suddenly facing. Some providers are either reducing the EPLI coverage they offer or increasing premium rates to defend themselves against the surge in legal costs. This change is forcing employers to scramble to find affordable EPLI before they find themselves solely responsible for a mountain of legal fees. There's still a chance to make preventative arrangements, as some insurance providers are taking a calculated risk by continuing to offer full EPLI coverage in hopes of capitalizing on its diminishing supply and increasing demand.

What Employment Practices Liability Insurance Can Do for You

Considering the labyrinth of legal combinations and potential lawsuits that COVID-19 has introduced, it's a good time to review the state of your business's insurance. EPLI insurance is currently an invaluable asset to safely navigating the post-pandemic employment arena.

Here are a few common scenarios in which EPLI could possibly protect your business:

An employee claims to have contracted COVID-19 at work due to inadequate health and safety practices in the workplace (namely, being required to work in close quarters with unvaccinated co-workers).

An employee claims to be a victim of discrimination after their employer terminates them on the grounds of non-compliance with a company mask or vaccine mandate.

Continued from Mike's Blog

An employee claims that they were subjected to an increased risk of exposure to COVID-19 because their employer failed to provide them with legally required personal protective equipment.

An employee claims that they were subjected to an increased risk of exposure to COVID-19 because their employer failed to take adequate disinfecting and social distancing measures.

An employee claims that their private information was exposed without their consent due to their employer's contact-tracing efforts.

Don't wait for the problem to get worse. Start looking for employment practices liability insurance now and prepare your business for the incoming wave of COVID-19-related employment practices liability claims. Want more information regarding EPLI coverage, call us 800-362-2809

Continued from page 1-Cyber Attacks in 2021 Cost \$600M With 40,000 Businesses Put at Risk

"But whether you are a small independent business or a large, international organization, the increasingly interconnected nature of the businesses that form our economies, is a key threat," he added.

"Even if you are confident that your cyber security measures are up to date, those of your partners may not be, so you may need to constantly redefine your perimeter."

Ranking the top 10 global cyber incidents by impact shows that targets of attacks operate in a range of business sectors including IT, airport security, banking, energy, software component providers and government databases, said TMHCCI in its analysis of the data.

"It's clear that organizations of all shapes and sizes need to understand that wherever they are and whatever they are engaged in, their business is at risk" said Xavier Marguinaud, head of Cyber at TMHCCI.

"But by gathering, analyzing and understanding the nature of these incidents, TMHCCI is able to better understand threat trends, attacker motivation and modus operandi. This insight allows us to provide effective insurance solutions that include tailored pre- and post-incident services to ensure your organization is best prepared for any cyber threats," Marguinaud continued.



The report named the top 10 cyber incidents in 2021 as:

- Kaseya. Kaseya is a managed service provider (MSP) that provides IT solutions to more than 40,000 companies worldwide. In July 2021, Kaseya's incident response team reported a potential security incident involving software that would potentially affect both on-premises and SaaS clients.

- Microsoft Exchange. On March 3, 2021, cybersecurity and infrastructure security (CISA) partners observed active exploitation of vulnerabilities in Microsoft Exchange Server products.
- SITA. On March 4, 2021, data stored on the SITA Passenger Service System (US) Inc. servers affected multiple airlines, including Star Alliance members (formed by Air Canada, SWISS, Lufthansa, Turkish Airlines, Singapore Airlines, among others), KrisFlyer and hundreds of thousands of passengers.
- Colonial Pipeline. On May 7, 2021, America's largest refined products pipeline went offline after a hacking group called Darkside infiltrated it with ransomware, which led to fuel shortages across the East Coast.
- Banco Pichincha. In early October 2021, Ecuador's largest private bank, Banco Pichincha, confirmed it had suffered a cyber attack, which disrupted operations and took its ATM and online banking portal offline.
- Belarusian. On Nov. 8, 2021, in light of the international tension against Belarus' authoritarian regime, the hacking group Belarusian Cyber-Partisans claimed to access the full database of those crossing the country's borders, including alleged movements of KGB officers and President Alexander Lukashenko himself.
- Poly Network. Poly Network facilitates exchange between several blockchains as users trade one cryptocurrency for another, such as trading Bitcoin for Ether. On Aug. 10, 2021, Poly Network suffered an anonymous attack in which over \$610 million in cryptocurrencies was stolen.
- RENAPER. Records of potentially 45 million Argentinian citizens were stolen in this Oct. 9, 2021 hack of RENAPER, Argentina's National Registry of Persons, which issued national ID cards. Personal data is now being sold in private circles.
- Apache Log4j. On Dec. 9, 2021, a Log4j software component vulnerability was released, which has had an incalculable systemic risk due to the widespread use of Log4j library in millions of products or app components.
- Volkswagen USA. A data breach affecting more than over 3.3 million customers from United States and Canada included information gathered for sales and marketing purposes from 2014 to 2019. On March 10, 2021, Audi and Volkswagen were alerted to the fact that an unauthorized third party may have obtained certain customer information.

ABM Weird Facts

Glaciers and ice sheets hold about 69 percent of the world's freshwater.

Just over 96% of the total amount of the world's water is held in its oceans, according to *Water in Crisis: A Guide to the World's Fresh Water Resources* via the United States Geological Survey (USGS). However, that's primarily saltwater. To find the bulk of the world's freshwater you need to trek to the poles, as 68.7% of it is encased in ice caps, permanent snow, and glaciers.

You May Be Shocked by How Much Healthcare Deductibles Have

Risen *High deductibles make paying for care difficult, but these tips could help.*

By Christy Bieber

Health insurance is supposed to help cover the costs of care, but there's a catch. Most policies come with an annual deductible. While your insurance will likely cover some services even if you haven't paid it yet -- such as preventive care or cancer screenings -- you'll have to pay out of pocket for most things until the deductible is met.

This can be a problem since deductibles have become much higher for most Americans. In fact, research published last year revealed that health plan deductibles have actually tripled over the past decade for policyholders with employer-sponsored health insurance.

This dramatic increase far exceeds the growth in income over the same time period, and it has occurred at the same time that insurance premiums have gone up as much as 50%. It has left more than half of all families with deductibles over \$1,500 for individuals and \$3,000 for families, while around one in five policyholders have a deductible of at least \$3,000 per person and \$5,000 per family.

If you're facing a very high deductible on your health insurance plan, it could interfere with your ability to get the care you need. You don't want to compromise your health, so it's important to ensure you're able to afford essential medical services. These tips may help.

See if you're eligible for a health savings account

A health savings account allows you to make a tax-deductible contribution to an account you can use for healthcare spending. You're eligible only if you have a qualifying high-deductible health plan, which for 2020 is a plan with a deductible of \$1,400 or higher and a \$6,900 maximum out-of-pocket limit if the policy only covers you, or a plan with a deductible of \$2,800 or higher and a maximum \$13,800 out-of-pocket limit for family coverage.



If you're eligible for an HSA, you can make contributions up to the annual maximum limit, which is \$3,550 for individual coverage or \$7,100 for family coverage in 2020. Those who are 55 or older can add \$1,000 to these limits since they're entitled to make an extra catch-up contribution.

The ability to make tax-deductible contributions can make covering the cost of your deductible much cheaper, especially since you can also withdraw funds tax-free as long as the money is used for eligible medical care.

Prioritize saving to cover your deductible

Whether you have access to a HSA or not, you need to have money saved to cover the cost of medical services up to your deductible. You can deposit this money into a high-yield savings account if you aren't eligible for an HSA.

Try to save as much as possible each month -- even if this means cutting your budget or earning income from a side gig -- so you can quickly build up this account. The sooner you have this money, the sooner you'll have the peace of mind knowing you can cover any care you might need.

If you have to tap into your savings when you or someone in your family gets sick or your budget again to restore your account balance ASAP; you never know when another medical problem could arise.

Talk to your doctor about covered care

Staying healthy can help you to avoid sick visits or other care that isn't covered until you meet your deductible. Check your policy to see what services you're entitled to before your deductible has been met.

Usually, each family member will be entitled to an annual exam, vaccines, and certain other kinds of preventive care. If you can get this care paid for, this can help you to catch problems early or even prevent health issues from occurring that might be expensive to treat.

Just be sure to let your doctor know you want to take advantage of all services covered by your insurance but don't want to undergo any procedures that aren't covered without finding out the cost first. Otherwise, you could end up being surprised by a big bill if you get a test you didn't realize wasn't included in the free care.

Don't let a high deductible interfere with your healthcare needs

There may be little you can do about a high deductible, especially if you have a limited choice of plans from your employer that all leave you with large out-of-pocket expenses.

But by saving up for the cost of your deductible in advance, you can ensure you and your loved ones get the care you need. If you can qualify for an HSA, all the better: You can score valuable tax breaks that make it easier to set aside the funds you need.

If you need help give ABM Insurance a call at 281-448-3040.

HSAs: the other retirement account

A recent Wells Fargo whitepaper, "Reimagining Retirement: Generational Strategies for 21st Century Challenges," surveyed baby boomers, Generation Xers and millennials to uncover each generation's thoughts and expectations about retirement.

One of the whitepaper's findings was that baby boomers expect Social Security to be their primary source for paying for retirement expenses, while Generation Xers and millennials foresee being more reliant on 401(k)s and IRAs. However, the whitepaper also found that 20% of baby boomers and Generations Xers and 30% of millennials listed "Other" as a primary source for covering retirement costs.

One reason HSAs get pigeonholed as medical-only accounts is their name: health savings accounts. Instead of thinking of HSAs as primarily for healthcare, it can be helpful to view them as IRAs with a tax-free medical bonus.

Like IRAs, HSA contributions are tax-free at the federal and state level (in almost every state), and earnings and interest grow tax-free. What's more, HSA withdrawals for qualified medical expenses are always tax-free too; this triple tax advantage is something other retirement plans simply can't match.

In addition, once HSA account holders reach age 65, they can use HSA dollars on nonmedical expenses and pay only income taxes on those funds, just like an IRA or 401(k). This means account holders never have to worry about overfunding their HSAs; any funds that aren't needed for healthcare costs in retirement can be used for general retirement expenses.

Also, HSAs don't have required minimum distributions, so the funds can continue to grow until

account holders need to use them. And if an HSA account holder lists a spouse as the beneficiary, the HSA becomes the spouse's after the account holder's death and retains all of its tax benefits.

The FICA tax consists of Social Security and Medicare taxes, and this combined tax is typically 15.3% (the Social Security tax is 12.4% on all wages up to \$132,900, and the Medicare tax is 2.9% on all wages). Employers and employees split the tax, so each typically pays 7.65%.

Contributions to a 401(k) or an IRA are always subject to FICA taxes, regardless of whether those contributions were to a traditional plan or a Roth plan. By contrast, HSA account holders never have to pay FICA taxes on contributions done via pretax payroll withholding through their employer's Section 125 plan, and neither does their employer. That's an extra 7.65% back to both the account holder and the employer.

However, since you didn't pay FICA taxes on the HSA contributions, you'd have an extra \$460 in take-home pay by the end of the year. You can then contribute that extra \$460 of annual FICA savings back into your HSA. Assuming a 6% market rate, over 40 years those FICA savings alone could grow to over \$75,000.

Prioritizing Your Retirement Savings

Knowing HSAs' superior tax benefits, you may want to consider structuring your retirement contributions to increase your tax savings:

1. Contribute enough to your HSA and 401(k) to get any employer matches. Always take advantage of any match your employer offers; there's no easier way to get free money.
2. Max out your HSA via payroll withholding. In 2019, the HSA contribution limits are \$3,500 for individuals under self-only insurance coverage and \$7,000 for individuals under family coverage. By contributing via payroll withholding, you're saving FICA taxes and putting money back into every paycheck. In fact, you could even calculate how much you're getting back in FICA savings and put that extra money back into your HSA.
3. If you have money remaining after maxing out your HSA, put it in your 401(k) or IRA. Although your contributions will be subject to FICA taxes, you're still getting significant tax savings.

This savings strategy requires reframing the HSA as general retirement vehicle rather than as a medical-only savings account. It means committing to keep HSA contributions invested for the future rather than pulling them out for current medical costs.

This mindset shift may not always be easy, but it's worth it. In the retirement planning arena, every dollar matters, and HSAs are, hands down, the best way to keep money out of Uncle Sam's pocket and growing for the future.

Give us a call so we may walk you through the process. Contact us at ABM Insurance & Benefits at 1-800-362-2809.

ABM Weird Facts

The fastest gust of wind ever recorded on Earth was 253 miles per hour.

Hang on to your hats because this isn't your average wind storm. In 1996, a tropical cyclone named Olivia hit off the coast of Barrow Island, Australia with such a force that it broke an incredible record. According to The Weather Channel, "Olivia's eyewall produced five extreme three-second wind gusts, the peak of which was a 253 mph gust," which blew past the previous wind record of 231 mph set in Mount Washington, New Hampshire back in 1934.



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Michelle has been very attentive to our needs regarding health insurance. She is reliable, thorough with details and able to answer difficult questions when they arise. She is willing to make herself available whenever assistance is needed and is always prepared whether in person or over the phone.

- Kimberly K.

IN THIS ISSUE:

Cyber Attacks in 2021 Cost \$600M With 40,000 Businesses Put at Risk Pg1-4

Mike's Notes Pg 2-3

ABM Weird facts Pg 4,6

You May Be Shocked by How Much Healthcare Deductibles Have Risen Pg 5-6

HSA's: the other retirement account Pg 6-7

Cyber Liability Insurance Pg 8

ABM 360 Pg 8

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