



The Idea Exchange

EBX Newsletter

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Phil Bobadilla,
President



Constance Lemere,
Vice President

The President's Corner

Thank you for reading our newsletter! This month's issue features new and exciting articles that could help improve your business and give you more insight into your insurance needs.

Regards,

Phil Bobadilla, President
We go beyond your expectations!

Who should buy Employment Practices Liability Insurance?

Most company owners think Employer Practice Liability is protection from lawsuits from sexual harassment and discrimination. Though EPLI protects damages resulting from workplace-liability claims, there are other things to consider as well.

In the past few years employers have become more aware that they are legally responsible for their employees' actions. In an article written by ALLBusiness.com they cite the following: *Between 1992 and 1996, the number of civil-rights cases filed in federal court more than doubled from 10,771 to 23,152. This, combined with the growing number of employment-related liability lawsuits, has driven the increased demand for EPLI. Today more than 50 national insurance companies offer this type of coverage.*

What EPLI Covers

EPLI covers defense costs, judgments and settlements (up to the policy limits) for the corporate entity, former and current employees, directors, and officers. It covers a variety of workplace-related legal actions, including:

- Discrimination
- Sexual harassment
- Wrongful termination
- Breach of employment contract
- Negligent evaluation



**Del Ann Norvelle,
Account Manager**

- Failure to employ or promote
- Wrongful discipline
- Deprivation of career opportunity
- Wrongful infliction of emotional distress
- Mismanagement of employee-benefits plans

EPLI policies do not cover workers' compensation, bodily injury or property-damage cases, nor do they cover cases that another insurance policy specifically covers.

Other items to think about

Arizona has just signed laws that address Medical Marijuana and "Safety Sensitive" positions. These laws cover a variety of how to discipline and or terminate employees who are impaired. It is also important that you know the Federal Laws as they pertain to Medical Marijuana when you have a Care Giver or a Medical Marijuana Patient working for you.

If you have an Employee Manual, it should be checked for accuracy. Is it up to date and does it include wording to cover the following liability exposures;

- Workers with histories of drug or alcohol abuse.
- Zero-tolerance policies toward workplace harassment, discrimination, and alcohol and drug abuse.
- Employee handbooks that define the skills and performance you expect for each position.
- Workplace liability such as Safety Sensitive positions. (Drivers, Operators, Sales Agents, Service Providers, etc.)



**Blanca Mares,
Benefit Admin
Specialist**

EBX is associated with a very good H.R. policy and procedure firm named achieveHR. Maria Utagawa, SPHR can help you to develop programs, write manuals, and review exposures you may have. Contact our office or go to our web site for more information.

Should you purchase EPLI Insurance Coverage?

Businesses can actually reduce the exposure of workplace harassment and discrimination by purchasing EPLI. Insurance carriers will generally review a clients workplace for liability before they issue a policy. This review can help to reduce any future exposures to lawsuits. Social Media procedures, supervision, and sexual harassment liabilities are some items that should be reviewed.



**Dionne Pugh,
Benefits/Marketing
Specialist**

Premiums

Generally an insurer calculates premiums by determining the amount of coverage a business needs and its potential risk. An insurer will base rates on several risk factors, including the number of employees at a company, the turnover ratio, whether or not the business has a human resources department, and any past harassment or bias suits against the company. Businesses with 10 or more employees and no prior claims can expect to



pay approximately \$1,500 to \$1,800 per year. Typical lawsuits can average \$50,000 to \$100,000.

As a reminder, people can sue for anything at anytime for anything.

Phil Bobadilla
President

Business Overhead Expense Insurance

How long would your business survive if you were temporarily disabled? How would you pay the salaries of your employees and meet your monthly expense obligations? Some statistics would have you believe at least 50% of persons aged 35 will suffer a disability lasting at least 90 days before they attain the age of 65.

When a disability occurs, generally three things are sure to happen to a business owner:

- their regular living expenses will continue to occur;
- business expenses will continue to occur; and,
- at this most inopportune time, the income earned from the business will be severely interrupted.

Business overhead expense (BOE) insurance is designed to reimburse a business for overhead expenses in the event a business owner becomes disabled. This is not the same as personal disability insurance which usually pays benefits to age 65. A business overhead expense policy pays a shorter benefit of one to two years after a waiting (elimination) period. It is generally considered that no business can stay open more than two years if the owner is disabled and the business will either be shut-down or sold.

These policies also work where there is more than one owner. If there is a business partner each partner can take out a policy to accommodate their share of the expenses.

The premiums paid for the business overhead expense insurance is a legitimate, tax-deductible business expense; however, the benefits are treated as taxable income when paid.

Generally, there are two conditions which must be met to trigger the payment of benefits:

- total disability due to injury or sickness must be present and
- the expenses covered by the policy must be incurred during the disability.

Typically, eligible business overhead expenses are:

- employee salaries
- employment taxes
- employee benefit costs
- rental payments for property and equipment
- principal and interest on mortgaged business property
- utilities
- accounting and legal fees

- business insurance expenses
- interest on business debts
- property taxes
- general office supplies

If you are interested in learning more about Business Overhead Insurance please give our office a call.

Vice President
Constance Lemere

Your Life Events Legal Plan Third Area of Coverage Trial Defense

"Your Provider Law Firm Always Stands Ready"

An experienced attorney is on your side should you or your spouse be named the defendant or respondent in a covered civil or job related criminal action filed in court. You have 60 hours (2.5 hours pre-trial time) of attorney time available to you your first year. Your hours increase each year, through your 5th year of Membership. The fifth year you would have 300 hours with (4.5 hours pre-trial time and 295.5 trial time).

What a great benefit! This benefit grows every year for the first five years you own your membership. So you ask what is it worth to me? With the average attorney fees being around \$ 200 per hour, times 60 hours your first year you have \$12,000 worth of attorney time if you need it. The fifth year it would be \$200 per hour times 300 hours for a total of \$60,000 worth of attorney time. Your membership didn't increase one dollar during that time period, you still pay the same amount you started with. Now that's building towards the future.

Did you know that you are three times more likely to be in court than you are to be admitted to the hospital?

Please give us a call if you have any questions about how you and your family members are covered within the Life Events Legal Plan.

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Pre-Paid Legal Services
Independent Associates/Directors
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480-329-8312 Ted
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Arizona Offers Hope, Compassion and Support to Cancer Survivors and Their Loved Ones



The Wellness Community - Arizona (TWC-AZ) has been supporting cancer survivors and their families since when we first opened our doors in March, 1999. Our mission is to provide "the other half of cancer care" through a diverse range of cancer-specific education, nutrition, exercise, stress management, and art and music therapy programs. Today, we offer more than 130 free monthly programs, including professionally-led support groups, educational workshops and mind/body classes utilizing the "Patient Active Concept," in which people impacted by cancer learn vital skills that enable them to regain control, reduce isolation and restore hope, regardless of the stage of disease.

Last year, we hosted over to 14,200 visits at our historic home in downtown Phoenix, a 2,400-square-foot historic bungalow that provides the foundation of a nurturing environment that is a welcome respite from the clinical setting of many hospitals, medical offices and clinics. Also sharing our one-acre property are the Phoenix Suns Exercise and Wellness Center and a 2,200-square-foot, state-of-the-art Teen and Family Center, where we offer education, support and cancer wellness programs for teens and families living with cancer.

TWC-AZ recently established a Cancer Support Network™, founded upon partnerships with leading hospitals like John C. Lincoln Breast Health and Research Center and the Comprehensive Cancer Center at St. Joseph's Hospital. We're also reaching out to serve new areas of the Valley by forging alliances with community organizations like Banner Thunderbird Medical Center and Valle Del Sol Latino Cultural Center, and faith-based organizations like Paradise Valley United Methodist Church.

When we first launched in Arizona, there was little recognition of the evidence showing that "psychosocial" support programs like ours significantly improve treatment outcomes and survivors' quality of life. Today, these benefits are well established and embraced by the medical profession as a critical part of the treatment process.

If you or a loved one is contending with cancer, we invite you to attend one of our Newcomer Orientations, held every Monday at 6 p.m. and Wednesday at 10 a.m. at our 360 E. Palm Lane home. For more information, please contact TWC-AZ at (602) 712-1006 or www.twccaz.org.



Preventing Heat-Related Illness

Summer is quickly approaching in AZ and as we have already hit some 3-digit temps,

some would argue that it is already here. While us Arizonans love playing and swimming in the sun, here are a few important tips in preventing heat-related illnesses.

Your body keeps itself cool by letting heat escape through the skin, and by evaporating sweat (perspiration). If your body does not cool properly or does not cool enough, you might suffer from a heat-related illness.

Anyone can be susceptible to heat-related illness. Those at greatest risk are children under 4, adults over 65, people who are overweight, and people who are ill or on certain medications. Heat-related illness may be serious or even deadly if unattended. Staying healthy during the summer is easier if you take the time to protect yourself by making sure you are drinking enough water and limiting your exposure to the heat.

- **Drink water.** Even people that stay mostly indoors all day should drink at least 2 liters of water per day. Folks that spend time outdoors should drink 1 to 2 liters per hour that they are outdoors. People that do strenuous activity outdoors should be very careful- your body can lose up to 4 liters of water per hour during strenuous activity. You and your family should carry water with you and drink even if you do not feel thirsty. Avoid alcohol and caffeine, which dehydrate the body. Avoid using salt tablets unless directed to do so by a physician.
- **Dress for the heat.** Wear lightweight, light-colored clothing. Light colors will reflect away some of the sun's energy. It is also a good idea to wear hats or to use an umbrella. Always apply sunscreen to exposed skin.
- **Eat small meals and eat more often.** Avoid foods that are high in protein which increase metabolic heat.
- **Slow down.** Avoid strenuous activity. If you must do strenuous activity, do it during the coolest part of the day, which is usually in the morning between 4:00 a.m. and 7:00 a.m.
- **Stay indoors when possible.**
- **Take regular breaks** when engaged in physical activity on warm days. Take time out to find a cool place. If you recognize that you, or someone else, is showing the signals of a heat-related illness, stop activity and find a cool place. Remember, have fun, but stay cool!

Dionne Pugh
Benefits/Marketing Specialist

Article from http://www.azdhs.gov/phs/oeh/protect_from_heat.htm

Don't forget to check out our facebook and twitter pages!

twitter: <https://twitter.com/EBXAZ>
facebook: <http://tinyurl.com/ebxfacebook>

Want to be "in the know" every month?



Sincerely,

Employee Benefit Exchange
We go beyond your expectations!