



George Petersen Insurance Agency

News You Can Use

CORONAVIRUS FALLOUT

Ten Employee Lawsuit Risks During Pandemic

THE NOVEL coronavirus has caused immeasurable suffering, both physical and economic throughout the nation and the world.

For employers struggling to stay in business, this is a fraught time where mistakes in managing their workforces could lead to employee lawsuits. Here are 10 potential trouble spots to watch for.

1. Workplace safety – Businesses that still have employees working on-site run the risk that a single infected worker may send the virus ripping through the entire workforce.

While workers' compensation laws may prevent employees from suing, their family members who become ill or suffer through a worker's illness face no such constraints.

2. Sick time and paid leave – Congress enacted the Families First Coronavirus Response Act in March, guaranteeing full-time employees of small businesses 80 hours of sick leave (part-timers get a prorated amount.)

Mistakes in administering these benefits could prompt lawsuits.

3. Workplace discrimination – Because the coronavirus originated in China, there have been reports of Asian-Americans being targets of racist actions. Employers must take care to avoid the appearance of making workplace decisions based even partly on employees' race.

4. Americans with Disabilities Act – The ADA prohibits discrimination against disabled individuals and requires employers to make reasonable accommodations for these workers.

Employees who become ill from COVID-19 may have trouble breathing, speaking and working at their former pace. Employers must accommodate these workers to the extent that is practical.

5. Wage and hour violations – Non-exempt employees working remotely may be working more than their regular hours, missing rest and meal breaks, and using their own equipment.

Employers must keep careful records, reimburse employees for their use of personal equipment where warranted, and remind employees to take mandatory breaks.

6. Battered retirement plans – Stock markets have cratered since the beginning of the



year, taking retirement account balances down with them.

Questions may be asked about whether fund managers did enough to limit the damage. Employees who are not satisfied with the answers may go to court.

See "Discrimination" on page 2

New Name, Same Faces & Same Great Service

We are pleased to announce the acquisition of Shaw & Petersen Insurance. The Shaw & Petersen staff has joined George Petersen's E Street location in Eureka under the George Petersen name. We welcome the staff of Shaw & Petersen to the George Petersen family - their decades of combined experience, will only enhance our reputation of advocating for clients, and our strong roots in Eureka. [Read more about the acquisition here.](#)



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CONTACT US:

If you have a question about any article in this newsletter or coverage questions, contact your broker at one of our offices.

Auburn	Gualala
Colusa	Redding
Eureka	Santa Rosa
Fort Bragg	San Rafael
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Phone: 1-800-236-9046
E-mail: info@gpins.com

License No. : 0603247

WORKERS' COMPENSATION

Rules for COVID-19 Reclassification of Employees

THE CALIFORNIA Department of Insurance has approved special rules proposed by the Workers' Compensation Insurance Rating Bureau (WCIRB) to provide some relief to employers during the COVID-19 pandemic.

The new rules will allow employers to temporarily reassign the payroll of qualified employees to "8810 Clerical" and exclude the payroll for employees who are on paid leave during the state's shelter-in-place order.

Documentation will be important; below is a brief overview of what will be required.

The WCIRB expects auditors to review documentation showing the changes that have been implemented due to the Shelter In Place order.

For employees that are being reclassified as 8810 Clerical, documentation of the change in employee duties, as well as the start and end dates of the change in duties, will be required.

For furloughed employees on paid leave, documentation of the start and end dates of the furlough period will be required.

The regulations are being applied retroactively to the beginning of the shelter-in-place order and for this reason, the documentation does not have to be concurrent with the change in status.

If the employer did not send an e-mail or provide employees with a written memo at the time the changes occurred, a written notice addressed to the employee(s) after the fact acknowledging the effective date of the change in status will be required.

Temporary worker reclassification instructions

Reassignment to 8810 Clerical Office Employees

The insured must maintain records and the auditor will record on the audit:

- the employee's name
- the employee's payroll
- the modified job duties
- the effective dates the employee performed the modified work
- the documentation used to determine modified duty (e.g. memo or e-mail to the employee or special coding or department number shown in the payroll records).

Excluding wages paid to staff on leave

The insured must maintain records and the auditor will record on the audit:

- the employee's name
- the employee's payroll for the stay-at-home order
- the documentation used to determine paid leave status (e.g. memo or e-mail to the employee, or special coding or department number shown in the payroll records)
- effective dates of the paid leave.



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If Laying Off Staff, Avoid the Appearance of Discrimination

7. Health information privacy – Employee health information privacy is protected by law. Employers must secure the records of infected employees from unauthorized access by individuals within and outside the company.

8. Union contracts – Collective bargaining agreements may contain provisions that go beyond federal requirements for breaks, paid leave, layoff notices, and workplace safety.

Employers must keep their CBAs in mind and work with their unions to avoid contract violations.

9. Disparate impact from layoffs – If layoffs are necessary, employers must take a thoughtful approach when deciding which employees to part company with.

An appearance of singling out older workers or other protected classes under discrimination laws could invite lawsuits.

10. WARN Act – The Workers Adjustment and Retraining Notification Act requires some employers to provide at least 60 days' notice before layoffs. Many businesses' revenues fell off the cliff so quickly that they were unable to provide that much notice. ❖

YOUR PROPERTY

Protect Your Home from Wildfires

SUMMER IS here and that also means tinder-dry conditions and the threat of more devastating wildfires. Insurance companies have noted that the number of fires, their intensity and destructive force have all been growing with each passing year.

As insurers have gotten stricter in their underwriting for homeowner's insurance, many people in high-risk areas have seen their policies non-renewed.

Also, for homeowners that insurers will continue underwriting, insurance companies and firefighters are strongly recommending that they maintain a "defensible space" around their home. This space that can stretch up to 100 feet from the home, if maintained properly, can serve as a protective zone around your home, reducing the chances that the structure burns during a wildfire.

If your home is in an at-risk area, take these steps to increase the chances of it surviving a wildfire with minimal damage.

Prepare defensible space

Defensible space is essentially the last-ditch firebreak immediately around your home. Many fire prevention concepts are organized around the concept of maximizing defensible space.

To reduce the risk to your home, the California Department of Forestry and Fire Prevention (CalFire) recommends that you manage your property in two zones (see below graphic).

Beyond defensible space: Fireproofing

Besides tending to your defensible space, you can also take steps to fireproof your home using various fire-resistant materials and covers to reduce the chances of hot embers entering your home.

Cal Fire also recommends:

- Roofing your home with Class A-rated materials.
- If you have a wooden roof, treat it with a fire-retardant coating.
- Install non-flammable siding.
- Install mesh screens of 1/8" or less in vents and chimneys to block flaming embers.
- Replace single-pane windows with dual-pane ones.
- Use tempered glass in all windows.

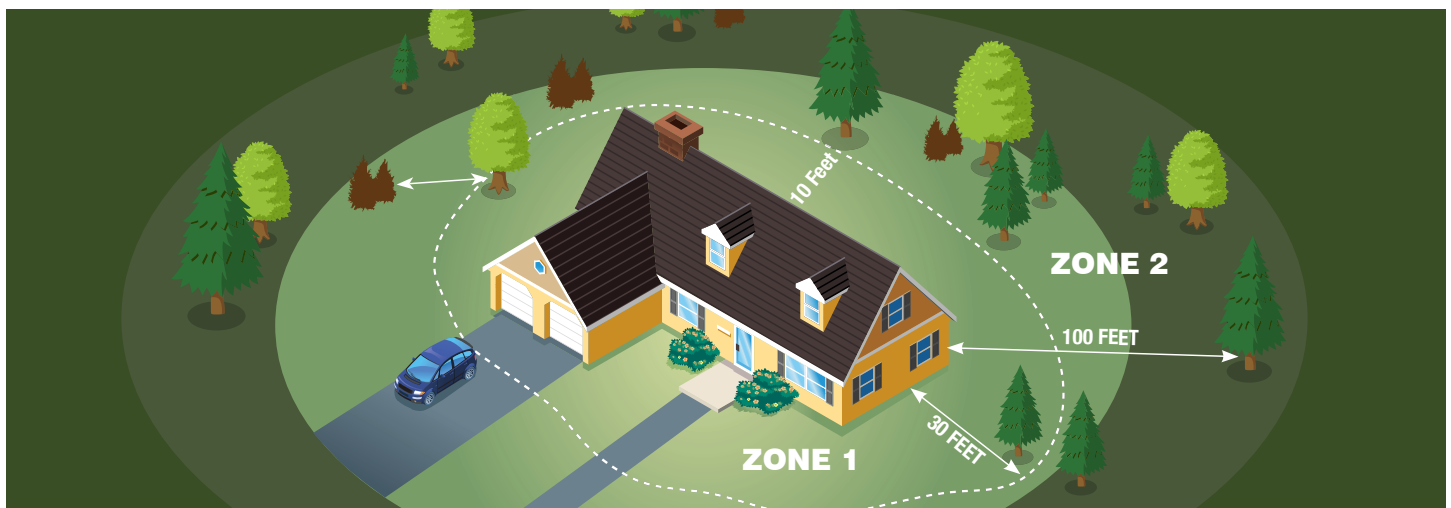
A final word

For more information on protecting your home and family, visit CalFire's website: readyforwildfire.org, where you can also download a smartphone app to help you personalize your wildfire action plan and receive text messages on active wildfires in your area.

Above all, keep yourself and your family safe. Don't try to be a hero and fight a wildfire by yourself with a hose. Do what you can, well before the fire, and know when to leave.

If your home is damaged, wait for authorities to give the okay for people to enter their homes again. ❖

MAINTAINING YOUR HOME'S DEFENSIBLE SPACE



Zone 1 (Extends 30 feet from structure)

- Remove all dead vegetation.
- Remove leaves and pine needles from your yard, roof and gutters.
- Remove branches that hang over your roof.
- Trim trees often. Keep branches 10 feet from other trees.
- Relocate wood piles to Zone 2
- Remove or prune plants and shrubs near windows.
- Remove vegetation from around and under decks.
- Create a separation between trees, shrubs and items that could catch fire, such as patio furniture, wood piles, swing sets, etc.

Zone 2 (Extends 100 feet from structure)

- Cut annual grass down to a maximum height of 4 inches.
- Create horizontal space between shrubs and trees.
- Create vertical space between grass, shrubs and trees.
- Remove fallen leaves, needles, twigs, bark, cones, and small branches. However, they may be permitted to a depth of 3 inches.

* San Diego County requires 50 feet of clearance in Zone 1. Check with your local fire department for any additional defensible space or weed abatement ordinances.



FAMILY SECURITY

Life Insurance Is Vital If You Are Self-Employed

AUTONOMY, FREEDOM, flexibility – there are certainly perks to being a self-employed individual. However, there are also some disadvantages, mainly not having a benefit plan provided.

You're essentially on your own when it comes to obtaining life, health, disability and other insurance benefits.

As a self-employed person, you are placing your family at significant financial risk if you don't own a life insurance policy.

Such a policy would not only provide your surviving family with a monetary benefit if something was to unexpectedly happen to you, but also provide coverage for your debts related to sole proprietorship.

Why it's important for everyone to be covered

Any credible financial expert will tell you that you need the protection of life insurance, whether you're employed by yourself or any other entity. It's even more important if you have a family or loved ones reliant upon your income.

Most people will be able to earn a living and support their family's needs and lifestyle as long as need be.

However, unexpected deaths happen every day. Without life insurance, such a sudden event could leave your family in an insurmountable financial crisis.

Imagine for a moment the financial repercussions your family might face should you die without life insurance and they lost the financial support of your income.

Would they be able to pay for your burial, funeral and medical bills; maintain their current lifestyle; meet financial obligations like mortgages, car loans, utilities, credit cards; and be able to send children to college?

If questions like the above give you any reason to question your family's financial security, then you need to have an effective life insurance plan in place to ensure that their financial needs and obligations will be provided for should you pass away.

Self-employed? You need it more

If you are self-employed, the law doesn't distinguish between your business and personal assets. In other words, you are financially responsible for any and all debts related to your business.

Let's say you are the owner of a sole proprietorship and you die. The business will legally come to an end in the eyes of the law.

The losses and/or debts related to your business, such as from business loans; federal, state and local taxes; money due to vendors, contractors, suppliers and employees; lease or mortgage payments; and so forth, are now the responsibility of your estate.

The result – your surviving family could be forced to sell off your personal assets to pay the business-related obligations and debts, thereby leaving them with less, if any, money to provide for their ongoing personal financial needs.

Such a scenario can be avoided by having a life insurance plan that will adequately cover both your business-related debts and your family's ongoing financial needs. ❖

THERE'S A LIFE INSURANCE POLICY FOR YOU
CALL US: 1-800-236-9046