



George Petersen Insurance Agency

News You Can Use

PREPARING FOR 2023

Getting a Head Start on Open Enrollment

AS OPEN ENROLLMENT is right around the corner, now is the time to gear up to maximize employee enrollment, help them make the best selections for their own personal circumstances, and stay compliant with relevant laws and regulations.

Here are some pointers to make open enrollment fruitful for your staff and your organization.



Remember: Some employees need more help in choosing a plan that is right for them.

If they choose the wrong plan, they may end up overspending on premiums or out-of-pocket expenses.

applicable – such as the summary of benefits and coverage.

ACA affordability standard

Under ACA rules, applicable large employers must offer “affordable” plans, based on a percentage of the employee’s household income. For 2023, the affordability percentage is 9.12% of household income. At least one of your plans must meet this threshold.

Out-of-pocket maximum

The ACA’s out-of-pocket maximum applies to all non-grandfathered group health plans. The limit for 2023 plans is \$9,100 for self-only coverage and \$18,200 for family coverage.

Make sure your plans comply with them.

Get spouses involved

Benefits enrollment is a family affair, so getting spouses involved is critical. Encourage your staff to share open enrollment information with their spouses so they can make informed decisions on their health insurance together.

Encourage any spouses to schedule an appointment if they have questions about benefit plans. ❖

Review what you did last year



Review the results of the previous year’s open enrollment efforts to make sure the process and the perks remain relevant and useful to workers.

How effective were your various approaches and communication channels, and did you get any feedback about the process itself?

Help them sort through plans

Help them figure out which plan features fit their needs, and how much the plans will cost them out of their paycheck and out of pocket.

Use technology, particularly the registration portal that your plan provider offers.

Also, hold a meeting that highlights plan changes, new offerings and how to compare plan costs and benefits. Consider both an in-person and virtual meeting, and record the virtual meeting so it can be watched later.

Start early with notifications

Give your employees early notice of open enrollment and provide them with information on the various plans you offer.

Encourage them to read the information and urge them to consult with your human resources staff if they have questions.

Plan materials

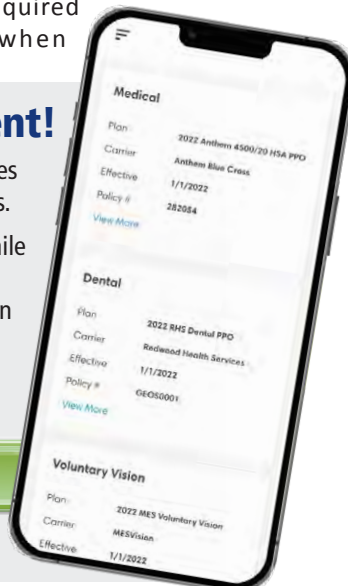
Make sure to provide your employees with updated summary plan descriptions or a summary of material modifications.

Confirm that open enrollment materials contain required notices, when

Go Paperless This Open Enrollment!

Our Employee Benefits Portal offers you and your employees a solution for an easy, secure, paperless enrollment process.

Employees can use the portal to enroll in their benefits, while accessing plan comparisons, contributions by pay period, and policy information easily. The employer’s administration process is also streamlined with tools to track employee enrollment progress, reports for employee census, payroll deductions, and more.



[Click here to learn more about the portal](#)

[Or call your agent today!](#)



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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.

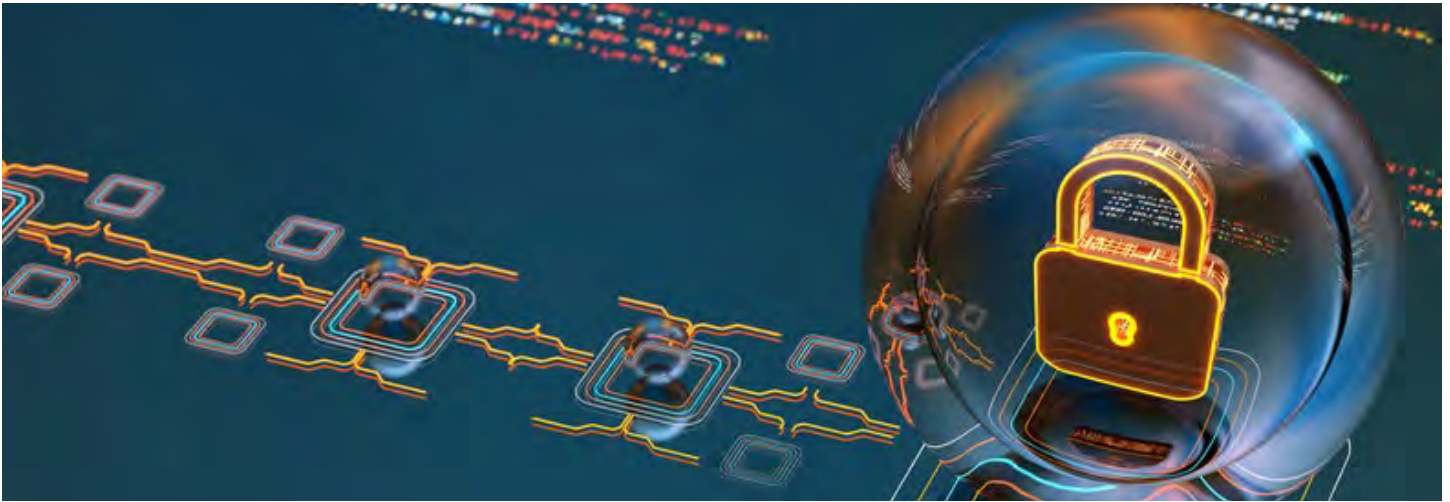
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Eight Reasons You Need a Cyber Insurance Policy



WITH REPORTS of cyber criminals increasingly focusing on smaller companies for targeted attacks, businesses that store sensitive data need to consider how they protect their information systems.

While you can install firewalls and take other precautionary measures, should an attack occur, you will be left facing untold costs, possible fines and lawsuits.

One way to protect your company is with a cyber liability policy. Here are eight reasons why your firm may need coverage:

1. Data is a valuable asset

Your data is almost certainly worth many times more than the physical equipment that it is stored upon.

A cyber policy may provide comprehensive cover for data restoration and rectification in the event of a loss, no matter how it was caused and up to the full policy limits.

2. Downtime not covered by business interruption policy

If a cyber attack, computer virus or malicious employee brings down electronic point-of-sales software or other important electronic functions, a traditional business interruption policy would not respond.

Cyber insurance can provide coverage for loss of profits associated with a systems outage caused by a virus or cyber attack.

3. Cyber crime is the fastest-growing type of crime

Thanks to the internet, your business is exposed to the world's criminals and is vulnerable to attack at any time of the day or night.

Cyber insurance can provide comprehensive crime coverage for a wide range of electronic perils that threaten your financial resources.

4. Liability if data is exposed

Non-disclosure agreements and commercial contracts often contain warranties and indemnities in relation to data security that can trigger expensive damages claims if a breach occurs.

You may be sued and subject to fines for not acting quickly and notifying clients whose data may have been breached.

A cyber liability policy can help cover these various costs.

5. Steep costs loom

Global credit card crime is worth over \$7.5 billion a year, and increasingly this risk is being transferred to the retailers whose customers' credit card data is breached.

Under merchant service agreements, compromised businesses can be held liable for forensic investigation costs, credit card reissuance costs and the actual fraud conducted on stolen cards.

These losses can run into hundreds of thousands of dollars for even a small retailer. Cyber insurance can help protect against these costs.

6. Breach notification laws

Breach notification laws generally require businesses to notify individuals that were potentially affected if their data was exposed.

Customers who have had their data compromised expect openness and transparency from the businesses they entrusted it with. Cyber policies can cover costs associated with providing a breach notice and in some cases cover credit monitoring costs for a few years.

7. To keep your reputation intact

Although there are certain reputational risks that can't be insured, you can insure your reputation in the event of a security breach. When your systems have been compromised, you run a risk of losing the trust of loyal customers, which can harm your business far more than the immediate financial loss.

Cyber insurance may not only help pay for the costs of engaging a PR firm to help restore your reputation, but also for the loss of future sales that arises as a direct result of a breach.

8. Small firms are increasingly being targeted

While large-scale attacks in the news often involve big companies, small firms are also at risk and often don't have the financial resources to get back on track after a cyber attack or other kinds of data loss.

According to Symantec's "The Threat Landscape in 2021" report, the fastest growth area for targeted attacks is on businesses with fewer than 250 employees, accounting for 31% of all attacks.

A cyber liability policy can protect smaller companies against the potentially crippling financial effects of a privacy breach or data loss. ❖

TECH RISK

Staff Texting Blows Holes in Communications Policies

IF YOUR employees are communicating with each other and clients via texting or instant messaging using their own phones, should you ever need access to those communications you could be in for a rude surprise.

While the immediacy of texting and instant messaging is great for business as it allows faster communications, better collaboration and more responsiveness - there are downsides. Your organization is likely not able to easily track and retrieve those communications if the employees are using their own phones for messaging.

It becomes even harder if the communications are via messaging apps like WhatsApp or another encrypted messaging service.

As an employer, it's important that you set clear rules for communications for your employees in order to protect your company's interests, particularly if you are sued and require backup evidence to support your case.

Plaintiffs' lawyers have already started demanding the production of text messages and e-mails during discovery. If litigation ensues on an issue, you may have a duty to preserve text messages if they are business-related. When they are on one of your employees' phones, you have another hurdle to overcome.

Roadblocks

There is a history of instant messaging and texts on phones; the trouble is how do you access it if you need it?

In most cases, an employee who uses their phone for work will gladly provide the text or messaging communications when asked, but if they refuse, things get trickier. Due to privacy laws, you cannot demand to see their phone and open apps and files.

But various courts have ruled that employers have a right to compel discovery for business-related text messages sent on a worker's personal device.

However, the courts have not been inclined to allow an employer to look at an employee's personal device if the individual didn't use it for written business communications. In other words, the employer can't go on a fishing expedition on their employee's phone looking for "evidence."

If you're caught in a situation where your employee refuses to turn over business-related e-mails, or deletes them, discuss options with your lawyer.

Pre-empting the problem

Texting and instant messaging are a potential minefield for employers. It's your right to access all employee's company communications and communication between employees, clients, and vendors.

To ensure you have a handle on it, you should set rules on the method of communication staff may use for business purposes.

Setting the Ground Rules

- Require the use of company-issued devices for all business-related communications.
- If you don't want texting or instant messaging of any kind for company business, that needs to be spelled out – including ramifications for breaking the rule.
- If you decide to allow texting and instant messaging, your policy should be clear on what kind of communications are okay (using WhatsApp, for example).
- Create policies on the use of personal devices for business purposes, including rules for preserving business-related data on these devices.
- Set policies that give you the right to access employees' mobile devices to obtain and preserve business-related data if necessary.

The above steps may ensure that you can access communications that could be crucial if your firm is drawn into litigation.

As mobile phone communications evolve to new platforms, ensure that your policy includes broad definitions of messaging apps to cover any new ones that will eventually come to market.



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COST TREND

Auto Insurance Rate Hikes Show No Signs of Slowing

A NUMBER OF factors including surging inflation are converging to drive up the cost of auto insurance.

Nationally, car insurance rates are increasing by an average of 4.9%, according to approved rate filing data from S&P Global Market Intelligence. The website insurify.com predicts rates will increase on average 12% next year.

The latest rate increases are in part due to a larger trend of climbing claims costs over the past decade and fallout from the COVID-19 pandemic. Here's a look at what's driving rate hikes:

More accidents – When more people returned to the office and kids returned to school, driving picked up in 2021 and 2022 – accidents surged. There was a 7% increase in fatal crashes in the first quarter of 2022, compared to the same period the year prior, according to the National Highway Traffic Safety Administration.

Additionally, distracted driving due to smartphone use has been on the rise over the past decade, resulting in fatal car accidents which increased 30% during the period (according to the NHTSA).

Cost of repairs – The cost of repairs has been climbing over the past decade as carmakers have incorporated more and more technology into their vehicles. But the COVID-19 pandemic spawned supply chain issues that have resulted in a shortage of replacement parts, and higher prices for those parts.

Due to supply chain issues snarling vehicle production worldwide, the cost of both new and used cars has also pushed prices higher. The price for new cars and trucks rose by 11% between June 2021 and June 2022, while the used car and truck market saw a 7% increase.

Cost of medical care – The cost of health care is also a major factor in car insurance rates since coverage pays for injuries caused to third parties. The Centers for Medicare & Medicaid Services reports that health care spending increased 4.2% in 2021 and 9.7% in 2020.

This means that when someone is injured in a car accident, the resulting medical costs are greater than what they were in previous years.

What about me?

Your individual premium is based on your personal rating factors, so if you're considered a good driver and live in an area with fewer accidents, you may see a lower rate increase than others.

But if you are facing an increase, there are a few steps you can take:

Revisit your current policy – Read your policy to understand the various coverages you have, deductibles, the limits for liability and damage, and any discounts you may be getting.

One way to reduce your premium is to increase the deductible. But understand that whatever the deductible is, that's what you'll have to pay out of pocket if you are found at fault in an accident.

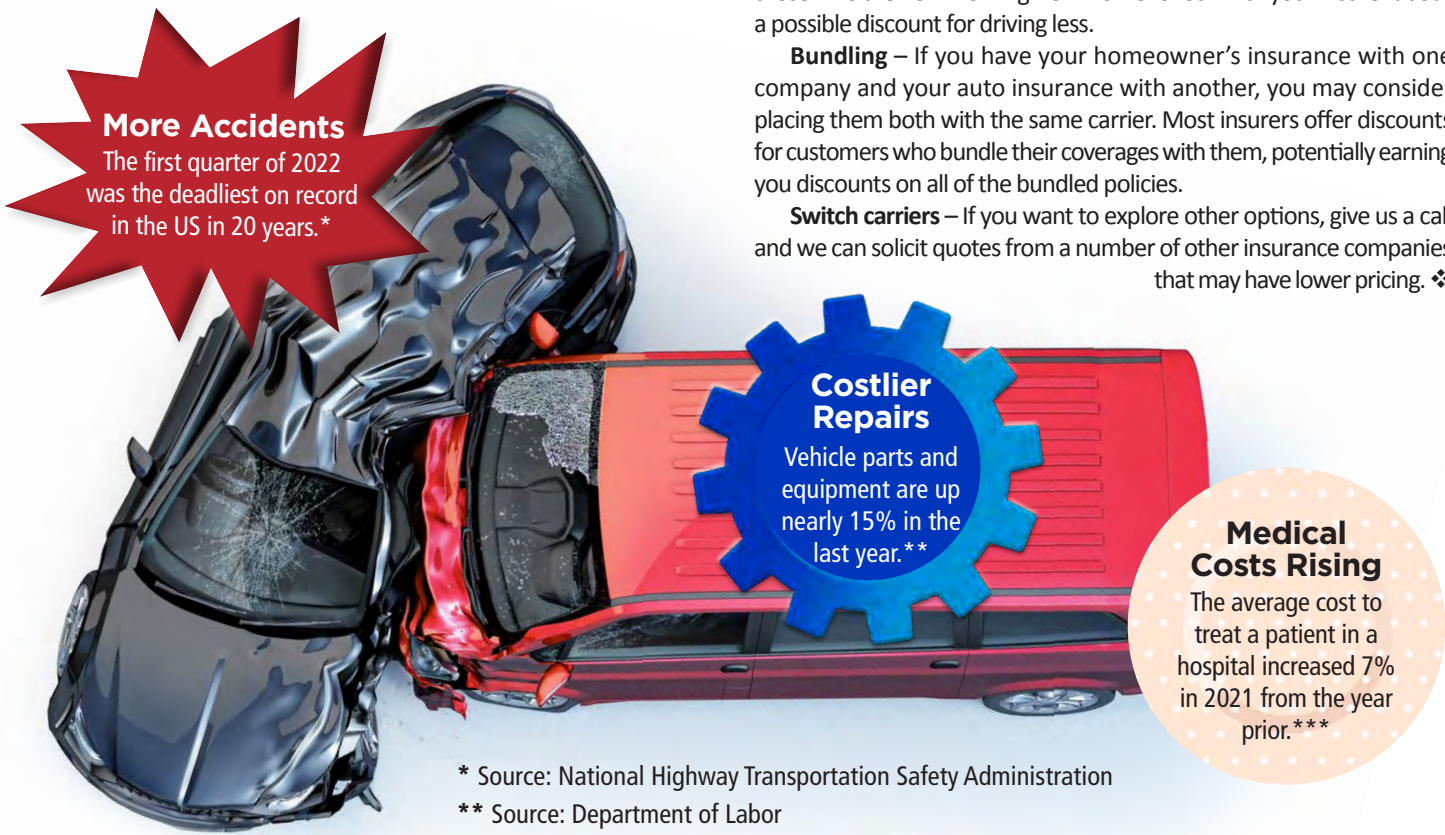
You may also find that you have purchased coverages that you may not need, such as a towing package. If you are already paying for a AAA membership and you have a towing package, you may want to eliminate the latter to reduce your premium.

Look into discounts – Many insurers offer good-driver discounts, discounts for the kind of car you drive (minivan drivers have lower rates, for example) and discounts to good students.

Also, many people are driving less than they used to, especially those who are now working from home. Check with your insurer about a possible discount for driving less.

Bundling – If you have your homeowner's insurance with one company and your auto insurance with another, you may consider placing them both with the same carrier. Most insurers offer discounts for customers who bundle their coverages with them, potentially earning you discounts on all of the bundled policies.

Switch carriers – If you want to explore other options, give us a call and we can solicit quotes from a number of other insurance companies that may have lower pricing. ❖



More Accidents

The first quarter of 2022 was the deadliest on record in the US in 20 years.*

Costlier Repairs

Vehicle parts and equipment are up nearly 15% in the last year.**

Medical Costs Rising

The average cost to treat a patient in a hospital increased 7% in 2021 from the year prior.***

* Source: National Highway Transportation Safety Administration

** Source: Department of Labor

*** Source: PricewaterhouseCoopers' Health Research Institute