



# George Petersen Insurance Agency

## News You Can Use

### CAL/OSHA RULE CHANGE

## Masks for Vaccinated Staff No Longer Required



**I CAN SMELL THE COFFEE AGAIN:** Under the new rule, most vaccinated employees are not required to wear masks or physically distance at work.

**T**HE CAL/OSHA Standards Board has approved changes to the COVID-19 Emergency Temporary Standard that greatly loosen workplace restrictions that were implemented last year to protect California workers.

The biggest news in the changes is that workers who have been fully vaccinated are no longer required to wear face masks as protection or physically distance, regardless of the vaccination status of co-workers.

After the decision, Gov. Gavin Newsom issued an executive order enabling the revisions to take effect without the normal 10-day approval period by the state Office of Administrative Law. They came into effect when the office received the changes.

### The main changes

Here are the main changes affecting employers in California:

**Physical distancing and barrier requirements** – These are eliminated regardless of an employee’s vaccination status, except where an employer determines there is a hazard and for certain employees during major outbreaks.

**Testing** – Fully vaccinated employees do not need to be offered testing or be excluded from work after close contact with someone who has COVID-19, unless they have symptoms. Employees who are not fully vaccinated and exhibit COVID-19 symptoms must be offered testing by their employer.

**Masks** – Vaccinated workers are not required to wear face masks generally. For unvaccinated workers, masks are required indoors or when in vehicles, with some exceptions.

Employees are not required to wear face coverings when outdoors regardless of vaccination status, except for certain employees during outbreaks.

**Document vaccination status** – Employers must document the vaccination status of fully vaccinated employees if they do not wear face coverings indoors.

Cal/OSHA has deemed the following to be acceptable options for documenting an employee’s vaccination status:

- Employees provide proof of vaccination (vaccine card, image of card or health care document showing vaccination status) and the employer maintains a copy.
- Employees provide proof of vaccination. The employer must maintain a record of the employees who presented proof, but not the vaccine record itself.
- Employees self-attest to vaccination status and employer maintains a record of who self-attests.

**No mask retaliation** – Staff that choose to, are allowed to wear a face covering without fear of retaliation from employers.

**Respirator availability** – Unvaccinated employees may request respirators for use from their employers at no cost and without fear of retaliation from their employers.

Businesses that need help in securing N95 respirators for unvaccinated employees can find distribution locations for state-provided N95 respirators [here](#).

See ‘Employers’ on page 2



George Petersen Insurance Agency

### 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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## HOMEOWNER'S INSURANCE

# Is Your Coverage Keeping Up with Rising Costs?

**T**HE COST of buying and installing home building supplies is going through the roof, and it may leave you without enough insurance to rebuild should disaster strike.

Lumber and other construction material prices have skyrocketed, and so has the cost of labor as the building industry struggles with a manpower shortfall. These issues are adding significantly to the cost of repairing and rebuilding homes, so much so that some homeowner's policy limits may not be enough to pay for it all.

Sawmills slowed production in 2020 in response to the COVID-19 pandemic and stuck-at-home homeowners went on remodeling sprees. The result: Between late October 2020 and early May 2021, lumber prices more than tripled. They've dropped from their peak, but they remain more than 50% above the previous levels.

Labor costs for home construction and repairs are also increasing and contractors who build or remodel homes are in high demand.

### The effect on your coverage

Even if you are not building or remodeling a home, these cost increases can be a problem for you.

Homeowner's policies show a dollar amount (known as a "limit of insurance"), which is the most the company will pay for loss of or damage to the home. (This limit is typically designated as the limit for "Coverage A – Dwelling" on the policy's information page.)

This limit is based on the estimated cost of rebuilding or replacing the home should it be destroyed. But, an estimate made even a year ago may be insufficient to cover the new material and labor costs.

You may have insured your home for \$600,000 in 2019, but today it may cost \$700,000 or more to rebuild. Your insurer is obligated to pay only \$600,000, which would leave you to come up with the rest.

You may not be able to borrow that much on top of your mortgage. You may also have a deductible you'll have to foot the bill for as well.

### What you can do

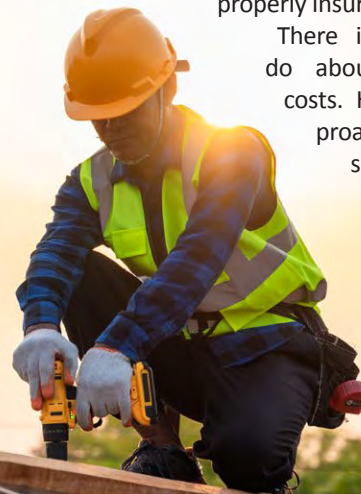
If you're concerned, contact us. We can review your policy to see if your current coverage is sufficient. While you're at it, this is a good time to ask us questions about your insurance:

- Does it provide coverage for rebuilding or replacing the home, or only for its cash value?
- Does it cover costs of meeting new building codes?
- Does it fully cover you if you're operating a business from your home or a detached garage?

It is important to get the answers before a loss occurs.

If you remodel or add on to the home, it is essential that you notify us or your insurance company. Your limit of insurance is based on the way your home was, but the home is no longer the same. Your carrier needs to know about changes before it can properly insure you.

There is not much you can do about rising construction costs. However, you can take proactive steps to make sure your insurance will protect you the way you need. ❖



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## Employers Must Maintain COVID-19 Prevention Program

**Review guidance** – Review the Interim Guidance for Ventilation, Filtration, and Air Quality in Indoor Environments.

**Ventilation** – Employers must evaluate ventilation systems to maximize outdoor air and increase filtration efficiency, and must evaluate the use of additional air cleaning systems.

### What remains

Parts of the Emergency Standard still in effect include:

- Employers must maintain an effective written COVID-19 Prevention Program that includes:
  - » Identifying and evaluating your employees' exposures to COVID-19 health hazards.

- » Implementing effective policies and procedures to correct unsafe and unhealthy conditions.
- » Allowing adequate time for handwashing and cleaning frequently touched surfaces and objects.
- Employers must provide training to employees on how COVID-19 is spread, infection-prevention techniques, and information regarding COVID-19-related benefits that affected employees may be entitled to under state or federal laws.
- Employers must bar from coming to work employees who have COVID-19 symptoms and/or are not fully vaccinated and have had a close contact from the workplace, if that close contact is work-related. ❖

## EMPLOYEE BENEFITS

# Lightening Your Employees' Premium Outlays

**A**STHE labor market tightens and businesses struggle to attract new talent, many companies are starting to boost their employee benefit offerings, particularly voluntary benefits.

But besides added benefit choices, what many employees want is relief from continually increasing health premiums as well as more options to choose from for their health insurance.

As we exit the ravages of the COVID-19 pandemic, more workers are looking to their employers to give them some relief from spiraling premiums and health care expenses. Here are a few things you can do.

### Reduce the employee's share of premium

You could pay for a higher percentage of the premium, which would reduce their monthly contributions. If that's not feasible, one tactic that can end up saving you and your employees money is offering to either pay a certain portion of the premium if they choose a silver plan, or pay for the entire premium for those who choose bronze plans.

The trade-off for the workers who choose the latter option is having no premiums, but more out-of-pocket expenses when they use health care services.

But if you are thinking about taking this route, please discuss it with us first as it's best to crunch the numbers to see how cost-effective it would be for you.

The other option is to just offer to pay for a greater percentage of the premium across the board on the policies you do offer. Obviously, that comes with added expense. But it's not a strictly financial decision, as a more generous benefits package can have the added advantage of helping you keep key talent and generate employee loyalty.

### Offer more choices

This can be a win-win for everyone. Younger, healthy employees that do not use health care services often can opt for a high-deductible health plan, which features a lower up-front premium in return for the participant having to spend more out of pocket for services they access.

But if someone doesn't use medical services often, this type of plan may be the right and most cost-effective option.

On the other hand, for older workers or those who see the doctor more often or have health issues, they may be more inclined to go with a preferred provider organization (PPO) to pay more for a higher premium in exchange for lower out-of-pocket costs over the year.

For the fifth year in a row, the percentage of companies that offer high-deductible plans as the sole option will decline in 2021, according to a survey of large employers by the National Business Group on Health. That may be a continuation of a trend, but the pandemic has also put an emphasis on improved employee benefits.

Here's a breakdown of the kinds of small group plans across the country in 2020, according to Kaiser Family Foundation:

- PPOs covered 47% of workers.
- HDHPs covered 31%.

- Health maintenance organizations (HMOs) covered 13%.
- Point-of-sale plans covered 8%.
- Conventional (indemnity) plans covered 1%.

### Hire more employees

The more people you have in your group health plan, the more the risk is spread around, which can yield lower premiums.

If you divide the risk amount of a small group of workers compared with a large pool, the law of averages dictates that the insurer will pay less in claims per worker in the larger pool.

In other words, the more staff you hire, the more risk is spread around, and the greater premium discount the insurer can offer.



### Talk to us

An experienced benefits consultant can help you analyze your spending, and a good broker can help you get the best rates thanks to their network and know-how.

We can provide the insights you need to make the best decision on which types of plans to offer your workers and the best plans for your and your employees' money. Contact us today to find what options will work best for your business and your employees. ❖

## State Launches Worksite COVID-19 Vaccination Program for Employers

The California Department of Public Health has launched a new program allowing employers to set up COVID-19 vaccination clinics for their staff directly at their worksites.

It has created a simple online process for employers to request approval for an on-site clinic or vaccination event.

Employers may also set up group vaccination appointments with a local, state-approved provider.

After you submit your request online, a CDPH representative will follow up within three business days. If approved, you will receive a list of local providers with which to arrange vaccinations.

For more information, visit the [Employer Vaccination Toolkit page](#).

## COVID-19 FALLOUT

# As Workplaces Open, Experts Fear Lawsuit Tsunami

**A**S MORE Americans return to the workplace, employers are now faced with the difficult issue of transitioning reluctant staff back as well as complaints and legal action from the most reluctant of workers.

Already some returning workers have started to sue their employers, often accusing them of not adequately protecting their workers against COVID-19 in the workplace or disability discrimination for failure to accommodate workers who have conditions that put them at heightened risk of severe symptoms. Insurers are bracing for an avalanche of litigation.

These lawsuits have been going on since the start of the pandemic, but they have been picking up steam since the start of 2021. Since the onset of the health emergency, there have been 2,294 employment COVID-19-related lawsuits filed throughout the country, according to Jackson Lewis, an employment and labor law firm that has set up a pandemic litigation tracker on its website.

## Types, number of complaints

- Disability, leave and accommodation: **915**
- Retaliation/whistleblower: **554**
- Discrimination and harassment: **405**
- Workplace safety and conditions: **151**
- Wage and hour: **135**
- Other: **134**

\* As of May 20

Source: Jackson Lewis P.C.

There are a few points that employers should consider as they bring staff back to the workplace:

### Deciding who should return

Transitioning workers back to the workplace will require delicate discussions, particularly with staff who may be reluctant about working indoors in close or relatively close quarters to others. It will require empathy on the part of the employer, particularly as some workers may be afraid.

For employees who are afraid, talk to them about how you can alleviate their concerns and work with them so they can feel comfortable about coming back.

Also make sure that decisions on who can continue working remotely and who will need to physically come to work are not discriminatory.

You need to be especially mindful of possibly discriminating against protected classes. You'll

need to establish protocols that are based on the employee's work function.

You may get into trouble if you offer remote work to only some workers who perform specific tasks, and require others who do the same work to come back to the office.

### Ensuring a safe workplace

Keep in mind that many of your staff may be reluctant or downright afraid to go back to the workplace and working near others. Employers need to make decisions on what protocols they will keep in place, considering the new Cal/OSHA regulations covered on page 1.

One of the best ways to reduce the chances of COVID-19 spreading in your workplace is to have employees who are vaccinated. There's a lot of debate right now about whether companies should require workers to get vaccinated.

While employers who want to require their workers to get inoculated against the coronavirus have received some cover under April 2021 guidance from the U.S. Equal Employment Opportunity Commission, you should tread carefully.

The guidance states that an employer can establish a mandatory vaccination policy if the need for it is job-related or if remaining unvaccinated would pose a direct threat to other employees, customers or themselves.

Still, many employers are wary of taking the extra step of requiring vaccinations, particularly as the vaccines currently authorized for use are under an emergency authorization (it's expected soon that the Food and Drug Administration will give final approval to the Pfizer and Moderna vaccines).

There are also other issues that employers have to consider, including religious objections.

Some employers, instead of requiring vaccination, are providing incentives to workers who get the vaccine.

### Requests for accommodation

With disability, leave and accommodation cases accounting for nearly half of all COVID-19 workplace cases filed to date, it's imperative that employers take requests for accommodation seriously.

If one of your employees asks to continue working from home because they have medical issues that put them at heightened risk of suffering a serious case of COVID-19, you will need to enter into negotiations with them to vet the request. If you deny the request, they may sue for failure to provide that accommodation.

This situation could also arise if an employee says they can't take the vaccine because of an allergy. If the employer mandates it anyway, the individual may say their employer discriminated against them because of it.

### The takeaway

While the pandemic has been fraught with a number of risks and challenges for employers and workers alike, transitioning back to normal operations will require planning and attention to workers who are reluctant.

Also, make sure your firm has employment practices liability coverage, which would help cover the costs of any litigation you may find yourself suddenly embroiled in.

It can cover your legal costs and any awards or settlements.

