

PROPERTY & CASUALTY:

To Thieves, Your Copper Fixtures Are a Goldmine!

Recent years have seen the value of copper rise steeply, ushering in an increased incidence of copper theft, including air conditioning unit parts, pipes and plumbing elements, even copper roofs. Copper theft can result in more than the loss of the metal itself, it can result in expensive damage to HVAC systems, water damage from compromised roofs and other potentially hazardous situations.

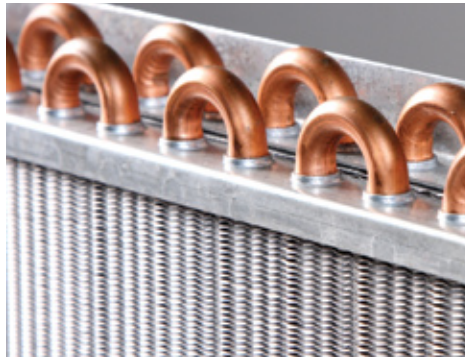
You can take steps to help protect your business and property from thieves:

Limit access to property – Place quality locks on all access points and avoid leaving doors and windows open or unlocked, even during business hours. If possible and appropriate, install effective fencing and routinely check its integrity to make it hard for thieves to enter and leave your property.

Lighting – Install lighting that illuminates exterior/high-risk areas of your property and inspect it regularly so you can replace

failed lighting as soon as possible. Thieves look for neglect when selecting targets.

Security alarms, cameras and personnel – Install alarms and motion sensors utilizing a reputable security company and keep monitoring payments current. Consider installing cameras around access points, high-risk areas or even the entire perimeter. Hire reliable personnel trained in governing security monitors and/or patrolling premises.



PERSONAL INSURANCE:

Bills Seek to Reduce the Cost of No-Fault Litigation & Fraud

In an effort to suppress the staggering costs associated with Florida's no-fault auto insurance law, the House Insurance and Banking Subcommittee has approved Bill CS\HB967, which is designed to help quash medical and litigation fraud. Under current Florida law, drivers are required to carry at least \$10,000 in personal injury protection (PIP) and regardless of fault, insurers have been bound to pay 80% of related claims. The no-fault law's intent was to limit the number of both uncovered drivers and small claims lawsuits, but insurance providers have stated the law has triggered an increased incidence of fraud by dishonest individuals, criminal organizations, and underhanded legal and medical personnel.

The new bill favors arbitration for most PIP claims, limits attorneys' fees to a \$10,000 maximum, mirrors Medicare's reimbursement rates, and allows insurers to cap charges for specific medical costs.

Adding to the reform movement, Representative Jim Boyd and Senator Elyn Boganoff presented bills aimed at reducing auto insurance fraud and outlining savings incentives to members who seek medical services from their insurer's network of approved providers.

The HIBS is expected to vote on the individual bills beginning this week.

EMPLOYEE BENEFITS & HUMAN RESOURCES CONSULTING: Did You Know?

The "Broken Arm" Poster Has Changed!

January 30th of this year, Rule 69L-6.007 of the Florida Administrative Code took effect, changing regulations regarding the workers' compensation, a.k.a. the "broken arm," poster. The new rule enhances the poster to include updated information and provides a mandatory Spanish-language version. Every employer with secured workers' compensation insurance must replace their current poster(s) with the new versions by April 30th.

Employers will receive the updated English- and Spanish-language posters from their workers' compensation carrier. Should you wish to implement the transition sooner, you can download and print copies directly from our website at www.lassiter-ware.com.



PROFESSIONAL EMPLOYER ORGANIZATIONS (PEOS) & STAFF LEASING SERVICES:

Florida PEOs – Is Deregulation Ahead?

Following the well-publicized malfeasance of a few Florida employee leasing companies late in the 1980s, reputable employee leasing companies (PEOs) collaborated with state officials to create a self-governing board to review, audit and assure the financial solvency of PEOs operating in the state. Since then, PEOs have been required to provide the state with quarterly financial statements, annual audited reports, and probative information about the people in charge. Each PEO has also been obliged to prove that it has adequate capital to run its business and pay appropriate payroll taxes, workers' compensation and health insurance premiums.

Now two proposed bills aimed at deregulating PEOs and other industries have passed through the Florida House Business and Consumer Affairs

Subcommittee. PCB BCAS 11-01 and its companion bill, PCB BCAS 11-02, argue that regulation has been a deterrent to many industries' ability to grow, expand and create jobs.

Opponents of the bills state that while many industries may not need the burden of regulation and may indeed be hindered by it, PEOs, whose functions include managing and dispersing billions of dollars annually, are in the unique position of affecting the livelihoods of many thousands of employees throughout the state. They further contend that the PEO industry's efforts to govern itself have been exceptionally successful, making it an icon of self-regulation that has engendered financial soundness and continued competition while maintaining the public trust.

SURETY & BONDING:

Court Favors Insurer Over Construction Company in Retainage Dispute

In a recent ruling, the United States Bankruptcy Court for the District of Nebraska decided that the insurance company AMCO, which paid the bond claims for a bankrupt construction company for an uncompleted project, was entitled to recoup its payments to the subcontractors and suppliers hired by the construction company. Because AMCO paid debts owed by the construction company, the court ruled that AMCO had the same rights as a project owner, and was therefore entitled to be first in line to collect damages from the contract's retainage fund, ahead of both the bankrupt construction company and the company's secured lender.

The court stated that since the construction company did not complete the job or pay its subcontractors and suppliers, the retainage funds held by the project owner were not owed to the company but to the payer of the bond claims. Because the ruling determined the company was not entitled to the retainage, it also voided the lending bank's lien rights.

This suggests for construction lenders in Nebraska and throughout the nation that if a construction company is not eligible to receive payment, a lender's lien rights are essentially rendered invalid, even if there is a surety bond attached.

FINANCIAL SERVICES:

Account-based Health Plan Contributions Suffer Drastic Decline

In an effort to contain costs, many employers have shifted from traditional employment-based health plans to account-based plans, which are marked by high deductibles (\$1000 and up) and are often linked to tax-advantaged health bank accounts. While the move has provided some relief to employers mired in the increasing costs of providing health coverage to their workers, a recent report suggests many businesses are scaling back costs even further.

According to a report from the Employee Benefit Research Institute (EBRI), employer support of account-based health plans took a steep

dive from 2008, when 37% of employers contributed \$1000 or more to employee plans, to just 28% in 2010. The study was based on data culled from health reimbursement arrangements (HRAs), health savings accounts (HSAs), and employer/employee records.

The economy is considered to be the culprit in the decline, yet countering the drop was a notable increase in employees' own contributions to their personal health plans. Contributions to family health coverage plans remained static.

The full report is available online at www.ebri.org.



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