Sylvia Group
of Insurance Agencies

Fall 2010

Health Insurance Updates

MASSACHUSETTS SMALL GROUP HEALTH PLAN UPDATE

After months of review by the Division of Insurance, all of the MA health plans have finally received approval of small group health plan rates for plans issued and renewed on or after April 1, 2010. As of early September, most groups have received their final renewal rates, although many of our clients were faced with very short time frames to review and respond to the rates and adjust their employee contributions. Fortunately, none of the health plans decided to retroactively adjust their rates or it would have been much worse for employers and employees.

We appreciate the patience everyone has shown through this process, and we want to remind our clients, now that rates have been finalized, if you need to look at options with other health plans to seek out more affordable coverage, please call Erica Silva at 508.742.9289 and she will coordinate the next step in getting alternate proposals for you.

FEDERAL HEALTH REFORM UPDATE: Grandfathered Plans

As of September 23, 2010, all new and renewing health plans will have to comply with new coverage requirements under the Patient Protection and Affordable Care Act (PPACA), unless the plan is 'grandfathered'. In some circumstances, even though you may not be making changes to your plan which would result in losing grandfather status, you may find your renewal plan includes the new requirements.

Please pay careful attention to your health plan renewal. If your plan is not automatically including the PPACA provisions, you will need to do so if you are changing carriers, contributions or copayments under your plan. If you are declaring your plan is grandfathered under the law, you are required to inform your employees of this status in writing.

As of your renewal date or loss of grandfather status on or after September 23, 2010, your health plan must meet the following coverage requirements:

- No annual or lifetime limit for coverage of "essential" health benefits
- Children cannot be denied coverage because of pre-existing conditions
- Health plans may not rescind coverage except for reasons of fraud
- Eligible dependents under the plan include children to age 26, regardless of student or marital status
- In-network preventative care included in the plan without any cost sharing (e.g. no copayment)
- Current non-discrimination rules will apply to health plans so that plans may not discriminate in favor of highly compensated individuals.

The process of determining your responsibilities under PPACA, and what changes are necessary, not only in your health plan but your personnel policies, is very complex. If you would like additional information about PPACA and its impact on your health plan, please be sure to contact our Financial Services & Benefits Department.

Who Will Take Care of You?

Who will take care of you, your spouse, or your aging parents if declining health or disabling conditions require long term care? With a baby boomer turning 65 every nine seconds, this question weighs on the minds of many of us.

If you missed our September webinar on long term care, but you know you need to start formulating a plan for your family, call our office to talk with our specialists and/or request our informational brochure "Planning for Long Term Care".

And if you are waiting for Uncle Sam to take care of your long term care needs, then be sure to sign up for our October webinar on the new federal CLASS Act . Upcoming seminars and webinars can be found on the back page of this newsletter.

New MA Oil Heating System Law Now In Effect

Massachusetts has a new law that took effect on July 10th. This new law requires the installation of either an oil safety valve or an oil supply line with a protective sleeve on systems that do not currently have these devices. It also requires insurance companies that write homeowner policies to offer coverage for leaks from heating systems that use oil.

Most homeowner policies do not currently include the coverage outlined in the new law, leaving many homeowners to pay for costly cleanups out of their own pockets. Although it is mandatory that insurance companies offer this coverage, purchasing the newly available coverage is optional for homeowners.

Who Must Take Action?
Owners of 1 to 4-unit residences that are heated with oil must already have or install an oil safety valve or an oil supply line with a protective sleeve. Installation of these devices must be performed by a licensed oil burner technician. Heating oil systems installed on or after January 1, 1990 most likely are already in compliance, but you should check to be sure.

Who Is Exempt?
Homeowners are exempt from taking these leak prevention steps if:
- the oil burner is located above the oil storage tank and the entire oil supply line is connected to and above the top of the tank, OR
- an oil safety valve or oil supply line with protective sleeve was installed on or after January 1, 1990, AND
- those changes are in compliance with the oil burning equipment regulations; a copy of the oil burner permit from the local fire department may be used to demonstrate compliance.

What Kind of Insurance is Available?
Homeowners who have been certified to be in compliance with (or exempt from) the leak prevention measures qualify to purchase insurance that:
- provides "first party coverage" of at least $50,000 for the cost of cleanup at the residence itself and reimbursement for personal property damage, AND
- provides "third party coverage" of at least $200,000 for the cost of dealing with conditions on and off the insured's property.

Call your Account Manager today to find out more about available insurance coverage.

Personnel Decisions - Criminal Records

On August 6th, the Governor signed into law a significant overhaul of the Commonwealth's Criminal Offender Record Information (CORI) system. This legislative makeover of the CORI system will require **all employers**, large or small, public or private, profit or not-for-profit, to revisit and most likely amend their current application forms and recruitment practices.

Employers Can Still Consider Criminal Records
Under the new CORI law, crime queries must be eliminated from application forms but are still allowed within the recruitment process. Employers may inquire about criminal records ***after*** the initial applicant screening process, during a verbal interview. The new CORI law also allows all employers to view an applicant's CORI records if knowing that information is "relevant to the nature of the employment." Under the new law, felony convictions will be available to prospective employers for ten years and misdemeanor convictions for five years, as long as there are no subsequent offenses. Murder and sex-offense convictions remain in the system permanently and cannot be sealed.

Do Criminal Records Create Any Pitfalls for Employers?
Yes. Employers have become increasingly aware of the importance of knowing if an applicant has a criminal record. Employers have a legal duty to make reasonable inquiries about whom they hire, and to provide a safe workplace. An employer who hires a person with a criminal record can be found liable for negligent hiring decisions under certain circumstances. Checking criminal records demonstrates due diligence. The Equal Emloyment Opportunities Commission (EEOC) has provided guidance for an employer's consideration of conviction records in employment decisions.

Final Thought
If your current application form contains crime queries, it must be changed immediately. It continues to be appropriate to inquire about criminal records during verbal interviews; however, you should proceed with caution. Employers should be careful to avoid automatically denying employment based on a criminal conviction.

Excerpts from Article Courtesy of:
Mike Foley
Foley & Foley, PC
www.foleylawpractice.com

Mandatory Liquor Liability Coverage

Governor Deval Patrick signed Chapter 116 of the Acts of 2010 into law on May 28, 2010. This new law mandates liquor liability coverage for all liquor-serving establishments and anyone filing a request for a liquor license.

As of August 28, 2010, all liquor licensees must provide proof of coverage with their local licensing authority when filing a request for a new liquor license or when renewing an existing liquor license. The new law requires that establishments maintain coverage under a liquor legal liability insurance policy for bodily injury or death for a minimum amount of $250,000 per person and $500,000 per accident resulting in injury or death of more than one person.

The law requires insurance companies to notify licensing authorities of any cancelation of coverage during the policy period, so policies must remain in force at all times in order to retain the liquor license.

The Sylvia Group has several markets for liquor liability insurance allowing us to offer competitively priced programs. Call us at (508) 995-4553 to find out more about your options.

Non-Profit Profile

The Schwartz Center for Children

"Where Loves Sees No Limits"

Since 1947, the Schwartz Center has been the region's leading provider of education, therapy and medical care for children with special needs. The Center's commitment goes beyond their young patients; they address the needs of the family too. Services include: Early Intervention, Day School, Rehabilitation, Pediatric Clinics, and other programs.

You can help the Schwartz Center continue their work as they depend on community support. Visit them at www.schwartzcenter.org or call 508-996-3391.

A New Low-Cost Flood Insurance Option

The Federal Emergency Management Agency (FEMA) has introduced a new flood insurance rating option for the National Flood Insurance Program (NFIP) to help reduce the financial burden placed on property owners whose buildings are newly mapped into a high-risk area.

Flood Maps Change

In 2003, Congress mandated that FEMA update the nation's flood hazard maps. This effort used the latest data and technology to identify communities' current flood risks nationwide. As a result, many property owners have found that their risk of flooding has changed. For some, it was reduced; but for others, it increased. While a property owner may have been able to buy a lower-cost Preferred Risk Policy (PRP) before the new flood maps became effective, any policy purchased after the map revision would have to be rated at more expensive standard rates. The PRP would have to be converted to more expensive standard-rated premiums at subsequent renewals. Recognizing the financial burden this placed on affected property owners, FEMA is extending the eligibility of writing the lower-cost PRP for two years after a revised flood map's effective date.

Eligibility for the 2-Year Extension

For policies effective on or after January 1, 2011, FEMA is applying the two-year PRP eligibility extension for: 1) buildings affected by map changes from October 1, 2008 to January 1, 2011; and 2) buildings affected on or after January 1, 2011.

Affected buildings previous to January 1, 2011: Buildings that have been newly mapped into high-risk flood zones (i.e. labeled "A" or "V" on the flood maps) due to a map revision on or after October 1, 2008, and before January 1, 2011, are eligible for a PRP for *two policy years* effective between January 1, 2011, and December 31, 2012. Policies issued as standard-rated policies or converted to standard-rated policies following a map change on or after October 1, 2008, could be converted to the lower-cost PRP for two years beginning on the first renewal effective on or after January 1, 2011. Buildings meeting these same conditions that were not previously insured may be issued as a new business PRP on or after January 1, 2011, during this same eligibility period.

Affected buildings from January 1, 2011 onward: Buildings that are newly mapped into a high-risk flood zone due to a map revision on or after January 1, 2011, are eligible for a lower-cost PRP for *two policy years* from the map revision date.

Buildings meeting the above requirements must also meet the NFIP's PRP loss history requirements. At the end of the extended eligibility period, policies on these buildings must be written as standard-rated policies; however, there are additional rating options available, which could result in additional savings (e.g., grandfathering, elevation rating, higher deductible).

What to Do

Whether a bulding is mapped in a high-risk or moderate-to-low risk flood zone, the property owner should always consider flood insurance as a way to reduce their overall risk. While the new PRP eligibility extension does not become effective until January 1, insurance companies wil be contacting policyholders at least ninety days before their policy expires. Policyholders should work with their insurance agents to provide the insurance company documentation to show that the building is eligible for the PRP extension.

Source: Federal Emergency Management Agency (FEMA)

Keeping You Informed: Upcoming Webinars & Seminars

Webinars

October 26th, 10:00 am
Health Care Reform and CLASS Act
Learn about coverage available to purchase under the new federal health care law (PPACA) and how it compares to private long-term care insurance plans.
Presented by Julie Jennings, LUTC, RHU, LIA

November 15th, 4:00 pm
Medicare Update - Preparing for 2011
Find out how the recently passed federal health care law (PPACA) impacts Medicare benefits and options for 2011.
Presented by Julie Jennings, LUTC, RHU, LIA

Seminars

November 9th, 8:00 am
Data Security Legislation: Compliance and WISP (Written Information Security Program) Creation
Required by MA law - If you do not have a WISP or want to make sure yours is adequate, don't miss this seminar.
Presented by Atty Mike Foley & Beth Sylvia Caldwell, COO

November 17th, 6:30 pm
Social Security
Presented by Nick Petronelli & Delia DeMello of the SSA
Learn about your Social Security Benefits; the difference between early and delayed benefits and what you need to know about Medicare. Ms. DeMello is an expert from Social Sec.

If you would like more information or are interested in signing up for any of our upcoming webinars and/or seminar, please give Kristine Arsenault a call at (508) 742-9247

Updating Your Coverage...We Can Help

What is Your Life Worth?

If you haven't worked with a professional to review your life insurance policies in the past three years, it is time to take a fresh look. A review will help you determine if you need more coverage, if you are paying too much for the coverage you have, or if you would be better off cashing in what you have. As an independent agency, we have access to most of the top insurance companies. Call us today for a review or to inquire about your options.

Some of the insurance companies we represent:

- SBLI
- Prudential
- ING
- MetLife
- John Hancock
- Lincoln

Replacement Cost vs Market Value

In the process of purchasing insurance coverage for a home or commercial building, many clients cite the market value of their home. A building's market value is not a factor in the amount of dwelling or building coverage that should be used to insure the building. The amount it would cost to replace or rebuild the building is the amount that should be used to decide on the coverage amount.

If you are not sure of what it would cost today to rebuild your home or commercial building, give us a call to request an updated building cost estimator.

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