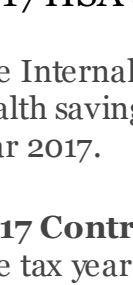




November Newsletter



Employee Benefits

2017 HSA and Health FSA Contribution Limits Announced

The Internal Revenue Service (IRS) has announced the inflation-adjusted contribution limits for health savings accounts (HSAs) and health flexible spending arrangements (health FSAs) for tax year 2017.

2017 Contribution Limits

The tax year 2017 contribution limits for HSAs and health FSAs are as follows:

• **HSAs:** The annual limitation on deductions for an individual with self-only coverage under a high deductible health plan (HDHP) is \$3,400 (up from \$3,350 for 2016). The annual limitation on HSA deductions for an individual with family coverage under an HDHP is \$6,750 (unchanged from 2016). For 2017, an HDHP is defined as a health plan with an annual deductible that is not less than \$1,300 for self-only coverage or \$2,600 for family coverage (unchanged from 2016), and annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) that do not exceed \$6,550 for self-only coverage or \$13,100 for family coverage (unchanged from 2016).

• **Health FSAs:** The annual dollar limitation on employee contributions to employer-sponsored health FSAs rises to \$2,600 (up from \$2,550 for 2016). For more information, please see IRS Revenue Procedures [2016-28](#) and [2016-55](#).

Visit our [HSAs, FSAs, and Other Tax-Favored Accounts](#) section for more on HSAs and health FSAs.

*Source: [HR360](#)

2016 ACA Transitional Reinsurance Program Contributions Form Due by November 15

Employers sponsoring certain self-insured plans that use a third-party administrator in connection with claims processing, claims adjudication, and enrollment functions ("contributing entities") must submit their [2016 Annual Enrollment and Contributions Submission Form](#) and schedule a payment for the 2016 benefit year no later than November 15.

Reinsurance Contribution Process

To successfully complete the reinsurance contribution process, contributing entities (or third-party administrators or administrative services-only contractors on their behalf) must register on Pay.gov (or confirm a password if such entities registered for the previous benefit years of the program) and submit their annual enrollment counts of the number of covered lives of reinsurance contribution enrollees for the 2016 benefit year using the 2016 form.

2016 Contribution Amounts

The 2016 reinsurance contribution rate is \$27.00 per covered life. For the 2016 benefit year, contributing entities have the option to pay:

- The entire 2016 benefit year contribution in one payment, no later than January 17, 2017 reflecting \$27.00 per covered life; or
- In two separate payments for the 2016 benefit year, with the first remittance due by January 17, 2017 reflecting \$21.60 per covered life, and the second remittance due by November 15, 2017 reflecting \$5.40 per covered life.

Our Transitional Reinsurance Program section features additional information on the reinsurance contribution process.

*Source: [HR360](#)

IRS Releases Final 2016 Forms 1094 and 1095

The Internal Revenue Service (IRS) has released the final forms and instructions for Forms 1094 and 1095 for calendar year 2016 reporting. Employers are required to report in early 2017 for calendar year 2016.

2016 Forms and Instructions

The following calendar year 2016 reporting forms and instructions are now available:

[Form 1094-C \(transmittal\)](#)

[Form 1095-C](#)

[2016 Instructions for Forms 1094-C and 1095-C](#)

[Form 1094-B \(transmittal\)](#)

[Form 1095-B](#)

[2016 Instructions for Forms 1094-B and 1095-B](#)

Information Reporting Deadlines

Applicable large employers (ALEs)—generally those with 50 or more full-time employees, including full-time equivalents (FTEs)—must furnish a Form 1095-C to each of its full-time employees by January 31, 2017. Forms 1094-C and 1095-C are also required to be filed with the IRS by February 28, 2017 (or March 31, 2017, if filing electronically).

Insurers, self-insuring employers, and other parties that provide minimum essential health coverage (regardless of size, except for large self-insuring employers) must furnish a copy of Form 1095-B to the person identified as the "responsible individual" by January 31, 2017. The responsible individual is the person who, based on a relationship to the covered individual(s), the primary name on the coverage, or some other circumstances, should receive the statement. Forms 1094-B and 1095-B are also required to be filed with the IRS by February 28, 2017 (or March 31, 2017, if filing electronically).

Employers subject to both reporting provisions (generally self-insured employers with 50 or more full-time employees, including FTEs) will satisfy their reporting obligations using Forms 1094-C and 1095-C.

In addition, please be advised that Forms 1095-B and 1095-C must be electronically filed if the reporting entity is required to file at least 250 of the specific form.

Visit our [Information Reporting](#) section for more on the information reporting requirements.

*Source: [HR360](#)

New Federal Overtime Rule Effective December 1

Effective December 1, a new rule updates the regulations governing which executive, administrative, professional, and highly compensated employees are entitled to the minimum wage and overtime pay protections of the federal Fair Labor Standards Act (FLSA).

Current Rules

In many ways, the current federal rules provide an exemption from both the minimum wage and overtime pay requirements of the FLSA for bona fide executive, administrative, and professional employees who meet certain tests regarding their job duties and who are paid on a salary basis at not less than \$455 per week (\$23,660 per year). "Highly compensated employees" (HCEs) who are paid total annual compensation of \$100,000 or more and meet certain other conditions are also deemed exempt.

New Rule

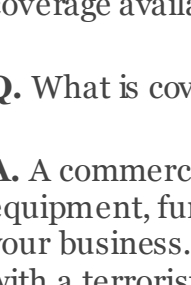
The new rule updates the salary and compensation levels needed for executive, administrative, professional, and highly compensated employees to be exempt. In particular, the final rule:

- Raises the salary threshold from \$455 a week to \$913 per week (or \$47,476 annually) for a full-year worker;
- Increases the HCE total annual compensation level to \$134,004 annually;
- Amends the regulations to allow employers to use nondiscretionary bonuses, incentives, and commissions to satisfy up to 10% of the new standard salary level, so long as employers pay those amounts on a quarterly or more frequent basis; and
- Establishes a mechanism for automatically updating the salary and compensation levels every 3 years, beginning on January 1, 2020.

Note: When both the FLSA and a state law apply, the employee is entitled to the most favorable provisions of each law.

Our [Fair Labor Standards Act](#) section features additional information on exemptions from the law's minimum wage and overtime requirements.

*Source: [HR360](#)



Business Insurance

Shopping for Business Insurance

SMALL BUSINESS BASICS

In many ways, shopping for business insurance is similar to making other important purchases, such as buying a car. You'll want to compare prices, features and quality. At the same time, evaluating your business risks, determining your insurance needs and weighing options can be a complex process. Follow the steps below for the best results.

Assess Your Risks

As a first step, evaluate your business risks. What business property, including inventory and equipment, do you own? Do you have employees? What is the nature of your business? This basic snapshot of your business risks will help an insurance professional provide recommendations about the coverage your business needs.

Talk to Insurance Professionals

You may already work with an insurance professional, but if not, you'll want to find the right one who is familiar with the risks of your specific business. When shopping for business insurance most business owners use a broker. A qualified broker can help you collect all the information and paperwork you'll need to apply for a policy, and help you comparison shop among several options and quotes. Before hiring, review the broker's background and experience as well as the services provided and any fees charged.

Compare Rates

As a general rule, you'll want to get business insurance quotes from at least three different companies. To the greatest extent possible, the prospective policies should offer similar coverage so that you can clearly compare price.

Evaluate Insurers, Policies and Services

When purchasing business insurance, price is just one consideration. You'll also want to make sure a potential insurer is reputable and in good financial condition. You can check with your state's insurance department to confirm that insurers and insurance professionals are licensed in your state. In addition, review policies in depth. Does one policy have exclusions that another does not? In the case of litigation, does the insurer provide an attorney or reimburse you for an attorney you choose? Finally, assess as best you can the level of service you will receive from your insurer.

Lower Your Premiums

Finally, there are several things you can do to keep insurance costs down. For example, choosing a higher deductible can lower your premiums significantly, as can setting up a risk management/loss reduction program. Insurers will often lower your rates for putting a program in place that will minimize losses from fire, theft and employee and customer injuries. Once you've weighed these options, you're ready to make your decision—and with your business insurance purchased, you can operate your company with greater peace of mind.

Review Your Risks and Insurance Policies Annually

It is important to review and adjust your coverage on an annual basis. If your business is expanding, you have purchased or replaced equipment or are working with vendors internationally, you may have new or greater liabilities that require greater insurance coverage. Talk to your insurance professional prior to each year's renewal to determine what adjustments should be made to your business insurance policies.

*Source: Insurance Information Institute, Inc.

Does My Business Need Terrorism Insurance?

BUSINESS INSURANCE Q&A

Terrorism insurance is offered separately or as a special addition—called an "endorsement" or "rider"—to your standard commercial property insurance policy. A standard business policy alone will not cover losses caused by terrorism.

Terrorism coverage is a public/private risk-sharing partnership that allows the federal government and the insurance industry to share losses in the event of a major terrorist attack. The Terrorism Risk Insurance Act (TRIA), which was enacted by Congress in November 2002, ensures that adequate resources are available for businesses to recover and rebuild if they are the victims of a terrorist attack. Under TRIA all property/casualty insurers in the U.S. are required to make terrorism coverage available.

Q. What is covered by terrorism insurance?

A. A commercial terrorism policy covers damaged or destroyed property—including inventory, equipment, furnishings and inventory. It may also cover losses associated with the interruption of your business. Terrorism insurance may also cover liability claims against your business associated with a terrorist attack.

Q. What's excluded in a commercial terrorism insurance policy?

A. Depending on your state, a terrorism insurance policy may exclude coverage for fire following Nuclear, biological, chemical and radiological (NBCR) attacks are also excluded, except in the life, health and workers compensation lines of insurance.

Cyber risks are also an emerging terrorist threat. It is possible that property damage or injuries to employees could be caused by a cyber-attack—for instance an attack that causes equipment to malfunction. On the other hand, most computer attacks are not violent and do not cause physical damage. In general, terrorism insurance is unlikely to cover a cyber-attack, and a small business concerned about this risk should consider purchasing separate cyber liability insurance.

Q. How does terrorism insurance work?

A. Losses are only covered by a terrorism insurance policy if the U.S. Department of the Treasury officially certifies an event as an act of terrorism. This requires that the act be violent and be driven by the desire of an individual or individuals to coerce U.S. civilians or governments. No act shall be certified by the Secretary as an act of terrorism if property and casualty losses, in the aggregate, do not exceed \$5 million. The act must also cause at least \$100 million in damage to be considered a terrorist attack.

The definition of a certified act of terrorism has been expanded to cover both domestic and foreign acts of terrorism.

Factors to Consider When Deciding Whether to Buy Terrorism Insurance

About 60 percent of U.S. businesses have terrorism insurance. A few factors to consider when deciding whether or not to insure yourself against terrorism include:

Business Location—Rural and residential areas are less likely to be targeted by a terrorist attack. Commercial urban centers, as well as airports and train stations, have a higher risk for terrorist attack.

Cost—Premiums for terrorism coverage range from \$19 to \$49 per million of insured value, depending on the size of the company. The expense generally represents 3 to 5 percent of a company's property insurance costs.

Type of Business—Certain industries—such as the energy sector—have a higher risk of being targeted by terrorist attacks. If your business is part of a high-risk industry, you may want to consider purchasing terrorism insurance.

*Source: Insurance Information Institute, Inc.



Personal Insurance

Why Did My Auto Insurance Costs Go Up Even When I Didn't File a Claim?

Auto insurers price their policies based on a number of factors. Sometimes these cost factors go up, and sometimes they go down. In most states, costs are currently rising. Your actions, as a policyholder, can affect what you pay, too. For instance, if you add another car, or a teenage driver to your policy, your costs will increase. Alternatively, your costs will decrease if you drop either a car or a driver from your policy.

But there are also other factors outside of your control that could cause rates to increase, such as the crashes other people are involved in. The number of crashes, and the cost of these crashes, are a component of auto insurance pricing in every state. For example, drivers living in large metropolitan areas are likely to pay more. This is simply because there are more cars, therefore more crowded roadways, increase the number of car crashes in those cities. On top of all that, speed limits are also being raised. Speed is the single-biggest contributor to crashes in which driver error is cited as the cause. Distracted driving is an issue everywhere. In big cities and small, people texting, talking or otherwise occupied with another activity while driving is being blamed in part for more crashes.

Auto insurance covers more than vehicle repair. It also covers the cost of injured crash victims' medical care and lost wages as well as the repairs and/or replacement of vehicles and any property damaged in a crash. In recent years, medical and auto body repair costs have increased at a rate much faster than inflation. Legal costs have gone up, too.

Another trend affecting the cost of auto insurance is that with the unemployment rate falling, more people are driving both to and from work. And with more disposable income, they are presumably driving more for leisure. They also have the means to purchase more expensive cars. And while many of these cars have all types of safety features that might help in accident avoidance, these cars' often high-tech components are also more expensive to fix and replace once damaged.

Auto insurers are committed to reducing U.S. crash rates. They fund the Insurance Institute for Highway Safety (IIHS), support efforts to combat distracted driving as well as drunk or drugged driving. In addition, auto insurers offer discounts to policyholders who take defensive driving courses or drive fewer miles.

Consumers can take proactive and positive steps to reduce auto insurance costs. Talk to your insurance professional to make sure you're getting all of the discounts to which you're entitled. And if you're not satisfied, shop around to see if another auto insurer offers you a policy which meets your needs at a lower cost.

*Source: Insurance Information Institute, Inc.

Protecting Your House From Mold

When it comes to keeping your home mold-free, a strong offense is definitely your best defense. To prevent mold, eliminate moisture from your home and be on the lookout for signs of possible growth, such as musty smells or watermarks on walls and ceilings.

Caught early, mold can usually be removed by a thorough cleaning with bleach and water. To prevent mold from re-growing, however, it is essential that the source of the moisture be eliminated and the affected area properly dried, cleaned, and if necessary, replaced. Also, remember to bag and dispose of any material with moldy residue such as rags, paper or debris.

Mold, like rot and insect infestation, is generally not covered by a homeowners insurance policy. Standard homeowners policies provide coverage for disasters that are sudden and accidental. They are not designed to cover the cost of cleaning and maintaining a home. If, however, mold is the direct result of a covered peril such as a burst pipe, there could be coverage for the cost of eliminating the mold.

According to the Centers for Disease Control and Prevention (CDC), mold is everywhere. It grows year-round and can be found both indoors and outdoors. Outdoors, mold is commonly found in shady, damp areas and in soil. Indoors, it can be found where humidity and moisture levels are high, such as in basements, kitchens, bathrooms and on ceilings and wall interiors where water from leaky pipes, roofs or windows can accumulate. While most molds pose no threat to humans, the CDC warns that certain molds can produce heat fever-like allergic symptoms. If you or your children have symptoms associated with mold, see a physician. Keep in mind, that many symptoms associated with mold exposure are common to other illnesses.

To help prevent the growth of mold in your home, the I.I.I. suggests the following:

Reduce Humidity In Your Home

Keep the humidity level in your home between 30 percent to 60 percent by using air conditioners or dehumidifiers.

Put exhaust fans in kitchens and bathrooms.

Don't install carpets in damp areas such as basements or bathrooms.

Don't let water accumulate under house plants.

Use Mold-Reducing Products

Clean bathrooms with bleach and other mold killing products.

Add mold inhibitors to paints before application.

Keep Your Home and Belongings Dry

Inspect hoses, pipes and fittings - Consider replacing hoses to major appliances like washer and dishwasher every five years. A typical water hose costs \$5-\$10

Refrigerator ice maker and water dispenser

Water heater

Dishwasher

Washers

Kitchen and bathroom sinks

Bathroom toilets

Keep gutters clean of leaves and other debris.

Maintain your roof to prevent water from seeping into your home.

Be Careful After A Flood Or Other Water Damage

Properly dry or remove soaked carpets, padding and upholstery within 24-48 hours after a flood to prevent mold growth. Anything that can't be properly dried should be discarded.

Remove standing water as quickly as possible. Standing water is a breeding ground for microorganisms, which can become airborne and inhaled.

Wash and disinfect all areas that have been flooded. This includes walls, floors, closets, shelves, as well as heating and air-conditioning systems.

If you have any questions regarding mold and homeowners insurance, contact your agent or company representative. They can provide information on how to maintain your home and may also be able to provide the name of an expert in mold-remediation. You can get more information on mold by accessing the CDC.

*Source: Insurance Information Institute, Inc.