



# THE INSIDER

NEWS AND EVENTS FROM THE BUILDERS GROUP



## RESOLVING CLAIMS, TOGETHER

Like a bicycle helmet or a seatbelt, insurance is a necessity many people purchase, but nobody hopes to use. When you need it though, you want it to work flawlessly. But, what does it mean to have your insurance come through when you make a claim?

Terry Morell of Morell Trucking found out. Terry and his brother, Trent, are co-owners of Morell trucking and Morell Companies, and have been TBG members for many years. On December, 17th, 2017 Terry's son Josh was securing a large load to the bed of a Morell truck when he slipped backwards and fell off the truck bed. Josh fell from twelve feet up, landed straight on his ear and, in spite of his safety equipment — a hard hat and his safety harness — he was knocked out cold.

Luckily, a driver passing by saw the accident and rushed to Josh's aid. After Josh was flown to a nearby hospital, the doctors informed Terry his son's situation was grave (he'd received a traumatic brain injury in the fall). There was a real chance he might not recover, or he would be facing a very slow recovery.

When Terry filed Josh's claim with TBG, his representative, Peggy Adermann (a friend of Terry's for many years) took charge of the situation.

Terry and Peggy had worked together on a number of claims and had become good friends in the process. He was relieved to have her in his corner again — she'd always been so meticulous with claims and was familiar with his company and employees. They both felt the

hospital's approach and care was not the best option for Josh and, Peggy assured Terry, one way or another she would get Josh the customized recovery plan he needed.

The hospital and care team treating Josh were strongly opposed to moving him and made it nearly impossible to proceed with any transfer. But Peggy was adamant that Josh would get the care he needed and she worked tirelessly with the hospital administration and Josh's care team to push for his transfer. When she was able to assure everyone they would be paid for their services, almost immediately she was able to secure the transfer approval and begin making Josh's transportation arrangements.

When Terry and his family arrived at their new hospital, they were greeted by a room full of care professionals and the absolute best team of doctors. What's more, they wanted Josh's family to be much more involved with his recovery, to help Josh with what would be an aggressive therapeutic strategy.

Thanks to Terry and Peggy's partnership, they were able to work quickly on a recovery action plan that got Josh back on the road to wellness. After only a week, he was able to return home and begin the next 6 months of recuperative therapy. He'd broken his cochlear (inner ear) in the fall and was equipped with an implant and hearing aid device to restore his hearing. And while Josh still needed further care, the important thing was, he could return to work without limitation sooner than expected.

Terry believes that, together with TBG's help and a huge outpouring of community support and prayers, they were able to bring Josh back from near death and return him to a normal productive life.

TAKE A LOOK  
**INSIDE**

2

Safety  
Summit

3

Paradigm: Simple Solutions  
for Complex Care

4

Are Payroll Companies Qualified to  
Manage Workers' Comp Insurance?

# SAFETY SUMMIT



▶ *Confined spaces, ladder safety and fall protection – just a sample of the safety training available at TBG.*



▶ *The summit show-stopper, our mobile safety trailer.*



▶ *Adam Tripp, Safety Services Manager, leading a tour through our training facility.*

Great things happen when we put our heads together. Last May, TBG had the honor of hosting a distinguished gathering of Self Insured Groups from across the country at the first ever Construction Safety Summit. Professionals from New Mexico, Michigan, Louisiana, Kansas, Hawaii and Florida shared best practices and ideas from their own workplace safety programs, forging partnerships that will help each group's participants limit their exposure and risks.

Topics covered during the Safety Summit include:

- Wearable Technologies
- Data Analytics
- Distracted Driving
- OSHA Citation Requirements
- Stress Management, Wellness and Telephonic Triage

If you would like to know more about the Safety Services that were highlighted at the Summit, we'd love to invite you to tour our state-of-the-art Safety Service and Training Center in Eagan. Here, visitors can see for themselves the resources that are available to TBG members, where our teams of safety experts provide hands-on training seminars for a variety of situations, from fall protection to hand/power tool safety and excavation safety. All courses are designed to meet your specific industry and needs. They are built to teach your employees how to work safer and smarter.

*TBG's team of Safety Service experts take safety training on the road with on-site, hands-on training seminars with our custom built safety trailer.*

**CHRIS FLEGEL**  
Senior Safety Specialist

We know you take safety seriously, and once you speak with our Safety Services Team, you'll see how we've taken safety training and compliance to the next level. We work with members to create customized safety programs that go beyond written policies to provide the framework for safety policies that create a culture of safety within an organization.

Come join us in Eagan for your own personal Safety Summit and see how we can work together to make safety work.

## PARADIGM: SIMPLE SOLUTIONS FOR COMPLEX CARE



Work plays a vital role in our lives. More than just a source of income, it provides a sense of fulfillment and identity, and promotes self-esteem and social interaction. When an employee is off work due to an injury or illness, an employer's ability to return them to meaningful work is critical to their overall recovery.

Paradigm Complex Care Solutions provides a cost effective solution for employers who are unable to provide modified work within an employee's capabilities. In providing modified transitional work assignments at local nonprofit agencies, employers can support their employee's recovery, while simultaneously supporting their local communities.

There are so many inspirational stories where lives have been enhanced through participation in a transitional

return to work program, like a Wisconsin truck driver who was assigned companionship work at a hospice. He liked his work so much, once his doctor returned him to full-duty, he continued volunteering at the site. Or the time our Transitional Program Manager received a phone call from the spouse of an injured worker who simply stated "Thank you for giving me back my spouse."

Paradigm's Complex Care Specialists see the benefits of community participation every day patients are on modified duty. Through participation, workers tend to recover mentally and physically faster and more completely before returning to work, often discovering in the process a newfound appreciation for helping others while helping themselves.

## MINNESOTA ADDRESSES WAGE THEFT WITH NEW LEGISLATION

The battle against wage theft just got a shot in the arm. Passed in May 2019, Minnesota's Wage Theft Law amends existing state labor laws, adds new wage and hour requirements and protections, and provides \$3.1 million over the next two years to provide the Department of Labor and Industry (DLI) with the funds to enforce Minnesota's wage and hour laws.

It is estimated that up to 40,000 Minnesota workers pursue complaints of wage theft each year because they have been denied fair pay for a day's work. Here are some key indicators that you may be a victim of wage theft:

- Didn't get your last paycheck?
- Paid less than minimum wage or not paid overtime?
- Required tip sharing?
- Unpaid wages or illegal deductions from wages?
- Working off the clock?
- Misclassified as an independent contractor?

The additional funding from this legislation will allow the Minnesota DLI to hire desperately needed staff. Funds will be allocated for targeted and strategic workplace enforcement. Additionally, the extra funds will go towards creating more effective education and outreach for employers, workers, and their communities.

Additional protections for workers, including adding criminal penalties for employers who commit wage theft, goes into effect August 1st. These provisions will make wage theft a felony and establish more fines for employers that fail to submit proper documentation of wages. When it passed in May the law was described by legislators as, "the toughest wage theft law in the country." If found guilty of stealing wages, an employer could face up to 20 years in prison and up to a \$100,000 fine.

Employers take notice: as of July 1, 2019 you must provide each employee with a written notice with required information about their employment status and the terms of employment on their first day of work. The notice must include a statement, in multiple languages, that informs employees they may request the notice be provided to them in another language.

## TBGEF'S 2019 GOLF FUNDRAISER

Last June, TBG's Education Foundation hosted its 16th Annual Golf Outing. In previous years, we've raised \$39,000 for scholarships, grants and school equipment across Minnesota, but this year, we were able to raise over \$60,000! As the Education Foundation's sole fundraising event, we are so grateful our Golf Outing was such a great success! Thanks to the generous contributions of all those intrepid golfers, we will be able to increase our efforts to create and drive more of the initiatives that directly impact young people wanting to discover a career in the construction trades. TBG would like to thank everyone who joined us for this fun and successful fundraiser. We're working hard on our game for next year and we can't wait to see you there!



# ARE PAYROLL COMPANIES QUALIFIED TO MANAGE WORKERS' COMP INSURANCE?

*By Frank Pennachio*

Some payroll companies who are attempting to gain traction in the Workers Compensation Insurance space are making some big claims: by processing your business's payroll, they'll make managing your workers' compensation premiums a snap, with fewer surprises. Some even go so far as to claim that your company won't have any premium audit problems.

While payroll companies are great at managing your payroll, members should be cautious of them managing your work comp insurance. Here is why it makes sense to leave workers' comp to the professionals.

Premium audit overcharges are common, and payroll companies can't solve them just because they process the payroll. While there is an advantage to adjusting compensation premiums from pay period to pay period — more frequent premium audits makes it easier to spot and correct overages — your business's payroll is not the only component of the premium audit.

To conduct error-free audits, the following issues must also be properly addressed:

- Allocating payrolls according to the correct class codes
- Deducting all excluded remuneration
- Accurately accounting for subcontractors, corporate officers, and business owners
- Handling general inclusions and exclusions properly
- Deducting any applicable wrap-up work correctly

Additionally, payroll companies are not currently held to the same rigorous standards of risk assessment, injury prevention, injury management, and risk financing as traditional insurance agencies.

It may be tempting to go the easier route that so many of these companies are promising. But insurance agents must not be intimidated by this sales pitch. Instead, agents should be leveraging their expertise



to demonstrate how they can create processes for clients that reduce the friction of doing business while ensuring all aspects of an audit, not just payroll, are considered.

**Frank Pennachio, Principal, Oceanus Partners a ReSource Pro Company**

*Frank Pennachio has more than 30 years of experience in the insurance industry as an agency owner, and producer. In 2009 he sold his agency and co-founded Oceanus Partners with his Partner, Susan Toussaint. Today, he is a full-time trainer and consultant to independent insurance agents, insurance carriers, agent associations, and technology companies with "agent as customer."*

**WE MAKE WORKERS' COMP WORK**



2919 Eagandale Blvd.  
Suite 100  
Eagan, MN 55121-1214