



RISK REPORT

July 2019 | VOLUME 2 | ISSUE 3

Prepare for Possible PG&E Power Shutdowns

P G&E HAS warned California residents and businesses that it may shut down the power grid for as long as five days for large portions of the state when there are high-wind conditions during the dry fire season.

That's because PG&E's infrastructure was found to be the cause of several recent wildfires.

PG&E sent letters to customers informing them that "if extreme fire danger conditions threaten a portion of the electric system serving your community, it will be necessary for us to turn off electricity in the interest of public safety."

With the specter of multiple-day power outages, businesses need to be prepared for keeping their operations going and preventing losses that may not be covered by insurance.

Just think how difficult it would be if you lost access to your computers, which are the nervous system of any business today. If you have no power, your operations could be shuttered for all intents and purposes.

There are a number of steps you can take to make sure your business is resilient and can keep functioning during power

outages, especially if they last a few days:

Identify vital business functions

Identify business processes that will be affected by a power outage. These processes will differ from business to business, but once you put them all down on paper, it will be easier for you to make a plan to keep them going.

Create a continuity plan

Once you've identified those processes, you should brainstorm on how you can keep them going without your regular power supply.

Create a plan outlining how employees should respond to the power outage. Post emergency numbers on sight for employees to call, including your electricity supplier to get an estimate on when power may be restored.

Back-up power a must

Consider investing in a back-up generator that can keep the critical functions of your firm going during a power outage.

Generators need to be used with ad-

equated ventilation to avoid risk of carbon monoxide poisoning. Never plug generators directly into power outlets. Never use a generator under wet conditions, and let it cool off before refueling.

Cloud storage and MiFi

If you have not done so, you should secure a means of paperless document and file storage on the cloud. If there is a power outage and an accompanying surge, you could quickly lose your data. Plan ahead with a cloud server.

MAKE A SURVIVAL KIT

Create a kit with at least the following:

- Cash
- Medical supplies
- Extra gas
- Portable phone batteries for devices
- Water
- Canned food
- Flashlights
- Rope and other basic items.

Keep the kit in an easy-to-reach place.

See 'Interruption' on page 2

CONTACT US



INSURANCE SOLUTIONS INC.

7750 COLLEGE TOWN DRIVE,
SUITE 101 SACRAMENTO, CA 95826

Toll Free: 877-223-4437
Fax: (530) 419-4811

E-mail: info@mindfulins.com

License #0167525



Workers' Comp

Construction Dual-Wage Changes Ahead

THE WORKERS' Compensation Insurance Rating Bureau of California will recommend dual-wage threshold changes to a number of construction classifications for the 2020 workers' compensation policy year.

The Rating Bureau will make the recommendations to the Department of Insurance during its annual rate filing in June. The recommendations would have to be approved by the state insurance commissioner.

While most workers' compensation classes have one rate, in some classes the difference in claims costs between high- and lower-wage workers is so great that a dual-wage classification is needed. In those cases, the workers above the threshold rate are assigned one rate, while those below that threshold are assigned a higher rate. This is usually because the higher-wage workers are generally more experienced and tend to suffer fewer workplace injuries compared to those below the threshold.

There are 18 dual-wage classes, but not all of them are in line for changes.

Opposite is the list of changes the Rating Bureau plans to recommend in its rate filing. ❖

PROPOSED CHANGES

Class	Current	Proposed
Masonry (5027/28)	\$27	\$28
Electrical wiring (5190/5140)	\$32	\$32
Plumbing (5183/5187)	\$26	\$28
Automatic sprinkler installation (5185/5187)	\$27	\$29
Concrete cement work (5201/5205)	\$25	\$28
Carpentry (5403/5432)	\$32	\$35
Wallboard application (5446/5447)	\$34	\$36
Glaziers (5467/5470)	\$32	\$33
Painting/waterproofing (5474/5482)	\$26	\$28
Plaster or stucco work (5484/5485)	\$29	\$32
Sheet metal work (5538/5542)	\$27	\$27
Roofing (5552/5553)	\$25	\$27
Steel framing (5632/5633)	\$32	\$35
Excavation/grading/land leveling (6218/6220)	\$31	\$34
Sewer construction (6307/6308)	\$31	\$34
Water/gas mains (6315/6316)	\$31	\$34

Continued from page 1

Business Interruption Coverage Can Cover Lost Income

You should also prepare a system of personal wireless hotspots, or MiFi devices, so that even when the internet goes down, you can finish important tasks requiring web access, such as setting up an e-mail auto-response.

Consider business interruption coverage

The best way to minimize the financial blow is to have the proper insurance in place.

A multiple-day power outage could really crimp your income stream and, if you lose money due to your inability to

operate, the typical business owner's policy won't cover lost revenue.

But, a business interruption policy would. These policies will reimburse you for lost revenues due to a number of events, including "service interruption" due to power outages and other utility services interruptions.

The important caveat is that the interruption was not caused by any of your own faulty equipment or wiring. But if the power company is shutting down power, any losses you incur should be a valid claim.



Human Resources

Don't Forget Anti-Harassment Training for Your Staff

IF YOU have not yet started on your efforts to provide anti-sexual harassment training to your California employees, you need to get working on it now.

Law passed last year puts the onus on most employers in the state to provide anti-sexual harassment training to their staff every two years.

Starting this year, employers with five or more workers must provide:

- At least two hours of sexual harassment prevention training to all supervisory employees, and
- At least one hour of sexual harassment prevention training to all non-supervisory staff.

To be compliant by Jan. 1, 2020, as per the law, these trainings need to take place in 2019. They must then be provided every two years thereafter.

This new law builds on legislation that has been in place since 2005 requiring employers with 50 or more employees to provide two hours of training to managers and supervisors every two years.

Timing of training

All employees – Under the new law, ushered in by SB 1343, most California employees must undergo anti-harassment training this year and every two years thereafter.

Supervisory employees – Supervisors and managers who are already covered by the aforementioned training requirements must continue to receive at least two hours of anti-harassment training within six months of becoming a supervisor, and at least every two years thereafter.

New employees – New employees must receive at least one hour of anti-harassment training within six months of being hired, and at least every two years thereafter.

Seasonal and temporary workers – This includes any employee that is hired to work for less than six months.

These workers are required to receive training within 30 calendar days after the date they were hired, or within 100 hours worked, whichever comes first.

Temp workers provided by an outside employment agency must receive anti-harassment training by the temp agency.

Training guidelines

Guidelines for what training should cover for employees have yet to be released.

The Department of Fair Employment and Housing is required to make available to employers on its website interactive training courses that satisfy the two-hour supervisory and one-hour non-supervisory employee training requirements. Those materials are not scheduled to be available until “late 2019,” according to the department’s website.

The agency has on its website some materials to help employers, including a sample training kit, which you can find here.

Trainers

Under the regulations for supervisory training, the training must be conducted by either:

- An employment law attorney, or
- A human resources or harassment prevention consultant with a minimum of two years of practical experience in sexual harassment prevention training, or
- A professor or instructor in a law school, college or university, and who teaches about employment law.

What training must cover

The training requirements for one hour of training have yet to be released. But you should use as a guide the following, which are in the California Code of Regulations:

- Definition of unlawful sexual harassment under the law.
- The types of conduct that constitute sexual harassment.
- Remedies available for sexual harassment victims in civil actions; potential employer/individual exposure/liability.
- Strategies to prevent sexual harassment in the workplace.
- Supervisors’ obligation to report sexual harassment, discrimination and retaliation of which they become aware.
- Examples that illustrate harassment and discrimination.
- Confidentiality of the complaint process.
- How to report harassment to management.
- The employer’s obligation to conduct an effective workplace investigation of a harassment complaint, and to take remedial action.
- Training on what to do if the supervisor is accused of harassment.
- The essential elements of an anti-harassment policy, and how to utilize it if a harassment complaint is filed.





Cal/OSHA Rulemaking

Protecting Outdoor Workers from Wildfire Smoke

CAL/OSHA is developing rules that would require employers of outdoor workers to provide respiratory equipment when air quality is affected by wildfires.

Smoke from wildfires can travel hundreds of miles and while an area may not be in danger of the wildfire, the smoke can be thick and dangerous, reaching unhealthy levels.

Many employers want to hand out respirators to outside workers, but regulations governing the use of ventilators can be burdensome.

The California Code of Regulations, Title 8, Section 5144 requires employers that distribute respirators to implement a written respiratory protection program, require seal-testing before every use and conduct medical evaluations prior to use.

What to expect

The regs are still in draft form and are unlikely to be completed this summer for the upcoming fire season.

But here is what you can expect:

The draft of the regulations would require that employers take action when the Air Quality Index (AQI) for particulate matter 2.5 is more than 150, which is considered in the “unhealthy” range.

The protections would also be triggered when a government agency issues a wildfire smoke advisory or when there is a “realistic possibility” that workers would be exposed to wildfire smoke.

All California employers with “a worker who is outdoors for more than an hour cumulative over the course of their shift” would be required to comply with these regulations:

- Checking AQI forecasts when employees may reasonably be expected to be exposed to an AQI of more than 150.

- Establishing a system of communication to inform employees about AQI levels and changes in conditions that can lead to bad air quality, and about protective measures.
- Training workers in the steps they would have to take if the AQI breaches 150.

PROTECTIVE MEASURES

Draft regulations call for the following steps:

First steps (if feasible):

- Providing enclosed structures or vehicles with filtration where employees can work,
- Relocating workers,
- Changing work schedules,
- Reducing work intensity, or
- Giving them additional rest periods.

Second steps

- If none of the above are feasible, the rule provides for voluntary respirator (without fit-testing and medical examinations) use when the AQI is between 150 and 300.
- If the AQI is above 300, fit-testing and a medical examination prior to use would be mandatory.

The regulations are pending with the Cal/OSHA Standards Board, which is expected to vote on them in July.

For now, if you do have outside employees who are confronted with working in smoky conditions, you should start stockpiling a two-week supply of N95 masks for all of your workers.



Produced by Risk Media Solutions on behalf of Mindful Insurance Solutions, Inc. This newsletter is not intended to provide legal advice, but rather perspective on recent regulatory issues, trends and standards affecting insurance, workplace safety, risk management and employee benefits. Please consult your broker or legal counsel for further information on the topics covered herein. Copyright 2019 all rights reserved.