

# SRMA NEWSLETTER

## SUMMER 2008

### **General Meeting: August 12<sup>th</sup> Topic: Employment Law**

The SRMA's General Meeting will take place August 12<sup>th</sup> at 11:45 AM at the Hilton Garden Inn (corner of Summerlin and College Pkwy). This will be a joint meeting with Tri-County Specialty Contractors Association. The cost is \$25.00 per person and lunch will be provided. SRMA members and those considering membership are welcome to attend.

The topic for this meeting, presented by Mr. John Hament, will be:

#### **"HOT" NEW DEVELOPMENTS IN FEDERAL AND STATE EMPLOYMENT LAW FOR FLORIDA EMPLOYERS**

Compliance with the multitude of labor and employment laws continue to occupy an increasing amount of management time. Not only is the number of employment-related lawsuits and charges, such as discrimination/harassment and retaliation, growing, but so too are the types of claims. You need to keep abreast of current developments in the employment law arena - - a more daunting challenge than ever before. To avoid loss of time, adverse publicity, legal fees and costly verdicts, you must ensure that the best practices for your company are implemented and that appropriate preventive measures are in place.

**Mr. Hament will specifically address recent U.S. Supreme Court decisions involving age discrimination and retaliation, the issue of reviewing employee workplace text messages, Florida's new domestic/sexual violence employee leave act, the new federal Genetic Information Non-discrimination Act (GINA), Florida's new "bring your gun to work" law, and the new federal E-Verify program.**

**JOHN M. HAMENT** is a partner in the law firm of **KUNKEL MILLER & HAMENT**. The Firm represents employers exclusively in labor and employment law, in both the private and public sectors. Mr. Hament advises and represents employers in matters relating to discrimination, harassment, retaliation, wage & hour law, discipline, discharge, personnel documentation, collective bargaining negotiations, arbitrations, mediations, union organizing campaigns, unfair labor practices, strikes, OSHA, administrative, state and federal court proceedings. A graduate of Johns Hopkins University, Mr. Hament received his J.D. degree from the University of Baltimore Law School. He is a frequent guest lecturer and has written numerous articles and co-authored several treatises relating to labor and employment law. He is a member of The Florida Bar (Board Certified in Labor and Employment Law) and American Bar Association. Mr. Hament is admitted to practice before the U.S. District Courts for the Northern, Middle and Southern Districts of Florida, the U.S. Court of Appeals for the Eleventh Circuit, and the

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United States Supreme Court. Kunkel Miller & Hament has offices in Ft. Myers (satellite), Sarasota and Tampa.

### **NEW EXECUTIVE DIRECTOR FOR THE SRMA**

Introducing our New Executive Director, Chet Sadler. Mr. Sadler has lived in Lee County as a full time resident for over 11 years. He has degrees in Chemical Engineering and International Business and has been working in the Plastic Manufacturing Industry for 30 years plus. Currently Chet owns a Technical Recruiting business specializing in the manufacturing personnel at all levels. Chet is charged with organizing the manufacturing base in Lee County to encourage the economic development of Southwest Florida through manufacturing and to oversee the SRMA forum for the expression, exchange of ideas and information among its members. Mr. Sadler brings his broad background in manufacturing as well as membership in the LaGrange, GA and Fort Smith, AR manufacturing associations. He understands and is committed to the importance of manufacturing in the economic stability and long term growth of Lee County. Please join me in welcoming Mr. Sadler to the Southwest Regional Manufacturing Association.

### **WORKERS COMPENSATION INSURANCE**

Submitted by Matt Smith of Risk Management Insurance Fort Myers FL. Matt can be reached at 239.278.3939.

### **Understanding Your Experience Modification Factor**

One of the most important aspects of controlling workers compensation cost is understanding your experience modification factor, or more commonly called, your mod. Understanding your mod, how it is calculated and the data used to determine it enables you to further control your workers compensation costs.

### **What is an experience Mod?**

Essentially, your mod is a multiplier applied to your workers compensation premium with the purpose being to provide the policy holder with an incentive for reducing losses. The mod represents a credit or debit to the premium. If your operations loss experience is greater and more costly than those in your industry it results in a debit mod or a surcharge on your premiums. If its less costly, then a credit mod results.

### **Who calculates your experience mod?**

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Most states, including Florida, use the National Council of Compensation Insurance (NCCI), based in Boca Raton, to collect and calculate data used to determine your mod. NCCI is responsible for a realm of workers compensation subjects, including devising class codes intended to cover workplace exposures. NCCI devises the manuals and rules regarding classification that are used in most states, and also is responsible for determining the correct classifications for particular employers. Overall, NCCI is considered the workers compensation bureau, funded by insurance companies, and whose board is made up of insurance company executives. NCCI however, remains independent of those insurance companies.

### **What is the experience rating period?**

Your mod is calculated using payroll and claims data for the rating period. The rating period usually includes data for three policy terms excluding the most recent. For example, let's say your workers compensation policy renewed January 1, 2008. Data to determine your current mod would be January 1, 2004-05, January 1, 2005-06 and January 1, 2006-07. Data for January 1, 2007-08 would be excluded.

### **How to control and reduce your experience mod?**

The key to controlling your mod is accident prevention, reducing claims and lowering reserves on open claims. Quarterly claims meeting with your agent to review open claims and to devise a method to reduce reserves and close claims is extremely important. Open claims that sit with large reserves negatively affect your mod. Developing a sound safety program, including a return to work program and loss prevention procedures to reduce frequency is important as well. Developing a safety culture starts at the top and communicating this culture to your employees will go along way in controlling your workers compensation cost.

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**DON'T FORGET! The General Meeting is August 12, 2008 at 11:30 am, Hilton Garden Inn, Fort Myers. The cost is \$25 per person and SRMA members and those considering membership are welcome.**