



THE VIEWSLETTER

DISASTER RECOVERY PLANNING

The sheer number of hurricanes and wildfires this year has been an important reminder for every employer to have and/or review their emergency and disaster plans. Many government agencies offer resources employers can use:

- [Federal Emergency Management Agency \(FEMA\)](#)
- [FEMA library of resources for a business creating a disaster plan](#)
- [Occupational Safety and Health Administration \(OSHA\) emergency planning resources](#)

Risk management or safety professionals usually design the emergency and disaster recovery plan. Because these events can have a widespread effect on employees and operations, human resources should also be involved in disaster planning. A good emergency plan should encompass the potential risks in all of your locations. The government site, www.ready.gov, provides numerous resources to evaluate and plan for potential risks.

Disaster recovery plans should include:

- **Continuity planning** – review all aspects of your organization and identify critical functions that must be kept going to keep the business operating. Because emergency payroll operations will need to be developed, input from human resources will be critical for this review. The continuity plan should encompass your key clients and your key suppliers if either will be affected. The goal will be to continue operations if possible or to restore operations as quickly as possible if there has been a disruption.
- **Emergency planning for employees** – In most organizations, employees are the most important asset. Make sure you have an alert system to contact employees in emergencies. Also develop a way for them to contact you. Phones may be compromised so have different contact options available.



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- **Consider disabled employees** – Make sure you understand how to best help disabled employees when you design your emergency plan. For example, how will deaf employees know there's a fire in the building if they can't hear an alarm?
- **Make an evacuation plan** – make sure you have an evacuation plan. Pick an assembly site where your employees will meet if an evacuation is necessary and make sure all employees have left the building.
- **Make a plan to stay in place** – for weather events such as tornadoes, employees need to know the best possible place to take shelter in their work area.
- **Prepare for medical emergencies** – preparing for medical emergencies can vary depending on the situation. If you have an automated external defibrillator (AED) on hand, make sure you have employees trained to use it. Encourage employees to take basic first aid classes. Consider sponsoring onsite first aid classes as part of your organization's wellbeing program. Make sure your organization also has first aid supplies onsite. Encourage employees to inform HR of medical conditions that might require extra support or special care in an emergency.
- **Consider all types of alerts** – most emergencies, for example tornado or fire alarms, will require you to alert employees. Employers should also create an alert for workplace violence

DID YOU KNOW

To help pay for rising health care costs, employees are spending less as follows:

- 66% are reducing recreation and entertainment spending
- 63% are cutting back on retirement savings
- 48% are spending less on paying down debt
- 39% have cut contributions to investment accounts
- 27% are saving less for college expenses
- 24% have cut contributions to Health Saving Accounts (HSAs)

Source: 2017 Workplace Benefits Report Supplement: A Closer Look at Healthcare, Bank of America Merrill Lynch

situations. These alerts need to be subtle, especially in case of an active shooter.

The team working on your disaster recovery plan should have various capabilities. The plan should be recorded and available during an emergency.

It is likely your disaster recovery plan will not be complete on the first pass. Disaster recovery planning is about anticipating potential threats that could interfere with continuing business operations or help employees affected by disasters. It is important to review the plans annually. In addition, when other areas of the country are affected by a disaster, review your disaster plan. Would your disaster plan have allowed a continuity of business under those circumstances? Were there elements of the event that you did not discuss or consider when you drafted your emergency plan? Should you amend your emergency plan to take these potential issues into account?

Your organization should also consider informing your employees of the disaster plan. For example,

employees should know your evacuation plan in case of fire or any other reason that requires evacuation. Employees should be familiar with the assembly site and understand that it is important to gather together to make sure everyone is safe. Test your employee alert system. Show employees first aid kits and let them know which employees are trained to use the AED. Finally, train employees on the various alerts you may use during an emergency.

Natural or other potential disasters can affect operations and employees. Employers need to plan in advance to minimize the effect a natural disaster can have on operations and employees. All organizations need to devote time to disaster planning. These plans should be revisited annually to consider any potential holes or new situations.

Organizations hope that a disaster does not affect their organization or employees. However, if the unfortunate does occur, your organization should be prepared to restore operations and help your employees during the crisis. [MMA](#)

COMMUNICATION IS KEY

Think about the relationship your organization has with your employees. What aspects are critical? Of course, employee relationships with supervisors and co-workers are likely the core of the employer relationship. But what other aspects of your organization help strengthen relationships with your employees? Communication is also a key part of your organization's relationship with employees.

In a tight job market, retaining top performers is critical. Good communication, therefore, is essential. How you communicate with employees may be the key to keeping top performers at your organization.

Communication topics vary in most organizations. They include such topics as:

- Updates on the organization's goals

- Employee recognition
- Employee benefits
- Employee educational and training opportunities

Effective messages on these topics can help strengthen employee relations.

Some employees do not always keep your organization's benefits in mind. Competitors trying to lure key employees away from your organization will promote their benefits. Shouldn't you be promoting your organization's benefits as well? Perhaps it is time to look at your communications through the eyes of a marketing professional.

Think of it as selling the value of your organization to your current employees. Some communication topics will be better suited for a marketing makeover than others. If you start promoting all the benefits your organization offers with a marketing mindset, you can strengthen relationships with employees.

Next year may be the year you want to revamp your communication efforts. To get started, look at all the different areas in your organization that publish regular employee communications. Are all communication efforts run through Human Resources? Is there a corporate communications department that handles some aspects of employee communication? Start the process by mapping out different ongoing publications intended for your employees. Form a work group of employees from each area in your organization involved in employee communication. Make sure to include a representative from marketing and if possible, a baby boomer, a generation Xer and a millennial. A diverse work group will help you reach all your employees.

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YOUR QUESTIONS

- Q.** Our organization frequently hires employees from India. These employees relocate to the United States and become eligible for our health plan after the new hire waiting period. They typically have their spouses and children join them three to six months after they move here. My insurance carrier informed me that spouses and children cannot enroll in coverage when they arrive. They must wait for our next open enrollment. I am confused, I thought a loss of other coverage triggers special enrollment under the Health Insurance Portability and Accountability Act (HIPAA). The spouse and children lose coverage under the Indian government health plan when they move here.
- A.** This is a good question. HIPAA special enrollment rights allow otherwise eligible individuals to enroll mid-year in a group health plan, if they lose other group health plan coverage or health insurance. HIPAA does not consider a foreign government's health plan to be group health plan coverage. It is also not considered health insurance. Your insurance carrier is correct to say the spouse and children moving to the United States would not trigger HIPAA special enrollment rights. Health plans can be more generous than HIPAA special enrollment rights require, but with a fully insured plan, it is unlikely the insurance carrier will allow the spouse and children to enroll when they move to the United States. You should explain this to employees coming over from India. These employees may decide to enroll their spouses and children when they themselves are first eligible if their spouse and children are moving to the United States before the next open enrollment.

TREND TIDBITS

Employer cost increases in Southeast Michigan for 2017 after employer plan changes:

- \$ Overall health plan costs increased 5%.
- \$ PPO plan costs have risen approximately 5% in 2017.
- \$ Consumer Driven Health Plans (CDHPs) with Health Savings Account (HSA) funding increased just over 1%.
- \$ CDHPs without HSA funding increased about 0.5%.
- \$ HMO plan increases were interesting - Single cost increased less than 1%, while family cost went up about 9%.

Source: 2017 Marsh & McLennan Agency Michigan's Mid-Market Group Benefit Survey

Have the work group review all employee communications and ask the following:

- What is the goal of this communication?
- Is it effective in delivering the key message?
- How does it promote our organization to our employees?

The next step is to discuss how to improve communications. Areas to consider are:

- **Tone** – can you set a better tone? Focus on the positive of any issue or benefits communication. If the tone is positive, more positive energy will exist in your workforce.
- **Complexity** – can you simplify the communication? Think about increasing white space, eliminating complex sentences, and using illustrations or examples to explain. If it is too difficult to simplify complex topics, consider breaking them up into a series of newsletters

or video messages. Attention spans are not what they used to be.

- **Marketing message** – does your communication explain the benefit to the employee? For example, in communicating EAPs, do you include the message that you care about all employees and want them to have a confidential resource to help them through difficult times? For good company results, do you thank employees for their efforts in helping the organization succeed?
- **Media** – while your communications may be mainly in print, you should consider using other media as well. Videos will appeal to many of your employees. Simple messages could be made into memes. Embrace all the different types of media to engage employees of all generations.

Communication should be ongoing. Begin by reminding employees of all the benefits of working at your organization. Be

sure to share positive feedback and positive news and recognize employee efforts throughout your organization. Take the time to thank employees for their service. Finally, explain any negative news or press directly.

Communication is an evolving process at most organizations. How you communicate with employees will affect employee relations. In a tight job market, you want your key employees to be loyal and committed to your organization. Your competition might be enticing key employees to leave, but you can counter those efforts by promoting the reasons employees should stay. [MMA](#)

Technical Corner

DO YOU HAVE AN APP FOR THAT?

Employers are always looking for ways to encourage employees to think about their health plan costs. Employers have tried many approaches to engage employees in making cost effective decisions, but health plan costs and usage keep rising.

Perhaps employers can get employees more involved by focusing on the device that holds their attention – the smartphone. At this point, many of your employees use smartphones. Some employees are very proficient with them, others not so much. Most have started to use phones for daily activities. It is not uncommon to use a phone's navigation application, order coffee from a cell phone, check in on Facebook and track various retailers' reward programs.

Your employees would likely use smartphone applications to track and purchase healthcare services. However, they may need to learn how to use the health-related applications available to them. After open enrollment, consider informing them of smartphone applications that can help manage benefits. Different employers will recommend different applications, but consider investigating the following:

- Your health plan vendors' apps – most major insurance carriers and TPAs have smartphone apps to help employees manage their benefits and health care utilization.
- Prominent health systems in your area – many have mobile applications that link

to an employee's electronic medical record. In emergencies, employees can access their health records.

- Your pharmacy benefit manager – many offer a mobile application to help employees check drug pricing in a physician's office. This app gives employees a lot of power to ask doctors about less expensive drugs
- Your wellbeing vendors – some vendors offer mobile applications to help with good health decisions
- Your consultant – some have applications to help communicate benefits
- Fitness trackers – often your employees' fitness trackers can be linked to their smartphones to encourage employees to meet activity goals
- Nutrition or food tracking applications – employees may want to access nutrition information in restaurants or use a mobile app to help track calorie intake.

Most employers have tried to engage employees on these topics. Encouraging employees to use convenient and accessible smartphone applications would help. Many of your employees will appreciate knowing about mobile applications that can help manage benefits. Employees of all ages use their phones for many day-to-day activities. Encourage them to make managing their health and health benefits one more activity they can handle on the smartphone.^{MMA}

LIABILITY LESSONS

REDUCE ERGONOMIC INJURIES IN THE WORKPLACE

Finding good workers is half the battle. Once found, you need to keep them healthy and productive. Today approximately 20% of missed work days are due to injuries related to poor office design. Organizations that consider their employees' work environment and how it can affect health and efficiency (known as ergonomics) can potentially reduce workplace injuries.

Most organizations see the frequency of ergonomic-related injuries and costs grow each year. But the simple fact is that people need to perform physical work, whether at a factory, store, or an office.

Statistics from the Bureau of Labor Statistics (BLS) underscore the importance of considering ergonomics. For example:

- Work-related musculo-skeletal disorders (MSDs) account for one-third of worker injuries and illnesses annually, the most frequently-reported cause of injuries.
- Ergonomics-related injuries require more time off than other workplace injuries and illnesses.

OSHA and Liberty Mutual also found that overexertion injuries (lifting, pushing, pulling, holding, carrying, or throwing) cost businesses \$13.8 billion every year.

An estimate of the total economic burden of serious, nonfatal workplace injuries as measured by workers' compensation costs is nearly \$60 billion. Workplace injuries cost employers money.

TURNING LOSSES INTO A WIN-WIN

Modifying operations based on a good design that benefits the entire workforce is an easier solution than most organizations might think. One of the most effective ways to make these modifications is through a continuous improvement method known as a kaizen event.

Kaizen is a Japanese word that means "good change." These events help make employees' jobs safer and more efficient through the study of their work activities. The end results are recommendations for small, simple improvements in the work environment. The focus is on immediate action rather than longer-term, costly alternatives.

DAILY AND LONG-TERM IMPROVEMENTS

Kaizen events can help reduce an organization's total cost of risk and improve ergonomic-injury costs while boosting the bottom line and productivity. Consider these real-life examples:

- Adjusting the parts bin on an assembly line reduced reaching by 50%, which cut ergonomic risk to workers' shoulders and improved assembly speed by 4%.
- Placing pallets closer to the point of use eliminated the need for workers to carry 22 pound boxes 15 feet for over 200 times per shift.
- Lowering employees' computer monitors reduced backward neck bending and reduced neck and upper back discomfort.

While there are numerous ways to tackle ergonomic-related injuries, a kaizen event is a simple and effective approach that enables

employers to improve safety and efficiency. When conducted regularly in conjunction with other casualty risk reduction programs, kaizen events can help your organization achieve safety excellence.

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