



# The Alper Advisor

A Quarterly Publication

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## AROUND ALPER

# Alper Services: A Year In Review

David Macknin, CEO and President

*2018 was a year of evolution and growth.*

Guided by our unwavering commitment to remaining independent and delivering big-brokerage resources with boutique-agency service, we invested significant time and resources to deepen our talent pool and hone our focus. And perhaps most importantly, we continued to be recognized as leaders in our field by our partners and industry visionaries.

### Expanded Talent

We began the year settling into our new headquarters in the historic Wrigley Building. From the very first day in the new space, I noticed an entirely new level of collaboration and energy throughout the office. With room to expand, we hired 12 new Team Members who added significant breadth of experience to our Property & Casualty, Employee Benefits, Personal Lines and Claims Management divisions. We also promoted five other Team Members to ensure their talents were applied optimally in the service of our Clients.

### Industry Accolades

As a testament to our focus on operational excellence, we were once again named a **Best Practices Agency** by Independent Insurance Agents & Brokers of

America—the third consecutive year receiving this honor. We were also named a Chubb **Cornerstone Agent** for Personal Lines and P&C for the third year running. This is a particularly important recognition as Chubb recognizes just 3% of their 15,000 agencies as those who deliver unparalleled service. And I'm especially proud we were voted one of the **Top Insurance Workplaces in America** for the first time by Insurance Business America (IBA). IBA asked industry employees to evaluate their company based on four attributes (Culture, Diversity, Compensation and Employee Development). Of the hundreds of insurance workplaces who entered, IBA named only 51 to this list.

### Honed Focus & Strong Leadership

As you may have noticed, our Marketing Team launched a series of briefs, called "Market Blueprints," each of which delivers insight and recommendations for tackling current issues with profound business and risk implications. And to ensure every member of the Team—from the newest to the most tenured—continues to deliver the level of service and support that has differentiated Alper Services for decades, we refreshed and rolled out our mission statement through a series of employee events. We then emblazoned the walls of each office and conference room with artwork to remind our Team Members, Clients and visitors of our key cornerstones that set us apart: People, Communication, Premier Client

Services, Technology and Growth.

In December, **Howard Alper**—after 52 years in the role—announced he would step down as Chairman, yet will continue to serve on the Board as a member and Chairman Emeritus. In his place, he and the Board of Directors appointed **Liz Levy-Navarro** as Chairman. Liz has served on the Board of Directors since 2017, and specializes in helping businesses evolve their service offerings to achieve profitable, long-term growth. In Howard's words, this move will ensure Alper Services remains independently owned and operated so we may focus 100% of our attention on servicing you, our Clients, versus a corporate owner. *Read more about Liz in her interview on the back page of The Advisor.*

As we welcome 2019, **Alper Services is better positioned than ever to help our Clients navigate an increasingly complicated and risky market while delivering service levels unimaginable from the largest brokerage firms.** I wish you and your teams a prosperous New Year.



# Illinois Laws Affecting You In 2019

Leslie Morse, Chief Operating Officer

*A New Year rings in new laws. Illinois law makers passed approximately 200 new laws which went into effect on January 1, 2019. Here are a few you should know about:*

## 1. Workers' Compensation

In a move which could potentially increase costs in an already expensive workers' comp system, Illinois lawmakers passed **Senate Bill 904** to address what was deemed "a growing crisis of unpaid workers' compensation medical bills." The law allows medical providers to go to Circuit Court to collect a 1% per month interest penalty if medical bills are not paid within 30 days, despite the fact that the Illinois Workers' Compensation Commission retains jurisdiction to adjudicate the actual medical benefit and bills.

It is not uncommon for employers and insurance carriers to delay payment on medical bills when there is a dispute on the causation of an employee's workers' comp claim. However, under this new law, interest will start to accrue on any unpaid medical bills, and it is foreseeable that medical providers with large unpaid bills over a period of time will seek judicial relief. In WC claims where the issues of causation or medical necessity may linger for years, the new law adds yet another layer of expense to be borne by Illinois employers and their insurance providers.

## 2. Business

**Senate Bill 2999** requires employers to reimburse employees for expenses incurred in order to fulfill their job responsibilities, including "bring your own device" policies which require employees to use personal cell phones, tablets or computers

for work purposes. Employers should establish clear written policies about which costs will be reimbursed, and they are not liable for any expenses incurred by the employee which exceed those policies.

**Senate Bill 3109** provides that the Illinois Department of Financial and Professional Regulation must provide professional licenses for all qualified applicants regardless of immigration status.

## 3. Personal

If you have out-of-state employees driving in Illinois, they now must keep proof of insurance within the vehicle at all times, according to **House Bill 4476**.

To further increase child safety in vehicles, the Child Passenger Protection Act now requires any child under the age of two years-old to be properly secured in a rear-facing child restraint system.

For a complete list of the new laws which took effect in Illinois on January 1, 2019, click [here](#).

For more information on the latest Illinois laws and how they apply to you, please contact:

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# Understanding and Defending WC Claims When "Horseplay" is Present

Please consider these facts. Peter Petitioner was at work and decided to play a trick on his co-worker Innocent Bystander. It was a hot day and the workers decided to take a break by sitting in an air-conditioned truck for a short breather. Peter P. made up a story and told Innocent Bystander one of their co-workers on the other side of the job site needed to talk to him about work. Innocent Bystander left the air-conditioned truck to seek out the other worker. Peter Petitioner took Innocent's seat inside the cool vehicle.

After about five minutes, Peter P. cooled off and left the truck. When he saw Innocent Bystander, he could tell Innocent knew Peter had fooled him. Peter took off running. Innocent ran after Peter P. who tried to jump across a trench. Peter P. landed awkwardly and broke his ankle. He then applied for workers' comp (WC) benefits. The employer denied coverage under the applicable WC Act for medical expenses, temporary total disability benefits and permanency/impairment.

Peter P. took his case to the State WC Board which ruled his injury arose out of employment but did not occur in the course of employment, therefore he couldn't receive workers' comp benefits. On appeal, the initial denial was affirmed.

Next, Peter P. appealed to that State's Supreme Court. The highest court issued a lengthy analysis and opinion that is illustrative for WC students and veterans.



The Supreme Court found the State WC Board got it right that Peter P's injury arose out of employment. To determine whether it was also in the course of employment, the Supreme Court said it would apply a four-part test in cases involving work injuries during horseplay. The four parts they felt we should consider:

1. The seriousness and duration of the horseplay
2. Whether the horseplay was during work or whether work was completely abandoned

3. Whether horseplay was an accepted part of the job, and
4. Whether the nature of the employment could be expected to include some horseplay.

In Peter P's case, the State's Highest Court ruled:

- Where there are no duties to perform, there is no work to abandon. No doubt running through the job site was dangerous. However misguided, the extent of Peter P's momentary and impulsive deviation during a lull in work was insubstantial.
- The evidence shows Peter P. didn't abandon his duties because there were none to abandon.
- Peter P. knew running on the job site was against the safety rules in the employee handbook.

There was also no evidence that horseplay was an accepted part of the job, even though workers played innocent pranks on each other occasionally.

- Multiple courts have found that employers whose work requires that men wait upon the job for work conditions, ought not to be heard to say that an accident, occurring out of the very conditions presented by the required waiting, is not compensatory.

The Court also ruled this test doesn't require all four questions be answered in the employer's favor to *deny* comp benefits.

This article was reprinted from [Keefe, Campbell, Biery & Associates, LLC](#).

## CLIENT SPOTLIGHT

# UCAN

Founded in 1869 as a Civil War orphanage, [UCAN](#) is one of Chicago's oldest social service agencies that provides programs and services to more than 15,000 at-risk Illinois children, youth and families. Programs include a therapeutic youth home, counseling, transitional and independent living programs, two therapeutic day schools, foster care placement, workforce development programs, leadership training and violence intervention and prevention programs. As UCAN's CEO [Zack Schrantz](#) explains, "Our vision is to help youth who have suffered trauma become our future leaders, which means we address their past as we provide the support and resources to help them become the leaders of tomorrow."

In 2015, UCAN opened the first phase of its new seven-acre campus in Chicago's North Lawndale neighborhood. With its sprawling facilities, youth dormitories, over 700 employees, diverse donor pool and growing range of programs, UCAN increasingly relies on Alper Services. Since 2004, UCAN has turned to its Alper Team of Experts to continually examine its emerging risks, manage its claims, ensure adequate risk-transfer measures are in place, and reduce its workers' compensation costs.

For example, when UCAN created a workforce development program to place young people in internship positions with area employers, the Alper Team identified inherent risks and architected a program to ensure coverage in the event a student's actions resulted in property damage or losses to employers. Alper's EVP, [Bobette Puckett](#), went so far as to arrange introductions with the UCAN program administrators and other of her Clients to find potential job placements for program participants. When UCAN planned construction of their new campus, it partnered with Alper to help establish and negotiate the insurance coverages and indemnification clauses in UCAN's contracts with the general contractor and its subcontractors.

As Zack explains, "The entire Alper Team works tirelessly behind the scenes to ensure our operations and procedures are optimized to minimize the risk of claims. The inherent risks in our programs are planned for, our insurance coverages adequate to cover these risks, and our claims handled efficiently and expeditiously. While not glamorous work, it's a critical piece of our business and allows me and my team to focus on giving our youth the help they need to be the leaders and achievers."

As they celebrate their [150<sup>th</sup> anniversary](#), UCAN can surely be called a transformative presence in our community. Our plan, as their risk manager, is to continue to fully support their mission of helping the youth of Chicago achieve their best and brightest future.

# Inside Alper

We're excited to introduce the latest additions to our growing Alper Team.



**Tim Scott**  
Chief Financial Officer



**Caroline Chapman-Giberson**  
Account Assistant,  
Personal Lines  
Division



**Katie Patel**  
Account Assistant,  
P&C Division



Congratulations to **Bill Lunzer**, P&C Account Assistant and **Natasha Rodriguez**, P&C Select Account Manager (pictured), for being named Alper's Employees of the Year for 2018.

Congratulations also to **Gregg Elstien**, Senior Vice President, for being named Alper's 2018 Producer of the Year!



In November, Howard Alper stepped down as Chairman of Alper Services, and he and Alper's Board of Directors appointed **Liz Levy-Navarro** as our new Chairman. We talked to Liz about her experience and what she sees for Alper's future.

### What is your background outside of your new role at Alper Services?

I am the CEO and Managing Partner of Orrington Strategies, a management and consulting firm dedicated to helping Fortune 500 clients achieve meaningful, profitable growth. I have an M.B.A. from The Wharton

School and have held executive and management consulting positions with A.T. Kearney, Capgemini and The Cambridge Group.

### Why the change in leadership?

Howard has led Alper for 52 years and felt the natural progression of the company was to appoint a new chair. He has always been a visionary, leading the industry in finding new and better ways to serve Clients. Howard wanted to have a hand in transitioning the leadership of the company to a person who is like-minded in this respect, someone equally passionate about serving Clients and helping them thrive and grow.

### What do you see for the future of Alper?

Over the years, Alper has become a leading independent insurance agency through taking an innovative approach to serving Clients. I have been impressed with how Alper continues to lead the industry in offering Clients differentiated value-added services, such as strong claim advocacy and proactive risk mitigation. I definitely see the commercial insurance industry and the risks our Clients face changing in important and meaningful ways. I am confident that Alper will continue to stay on top of these changes, and serve Clients with unparalleled expertise, dedication, and risk management solutions.



On Thursday, February 7<sup>th</sup> Alper will host an OSHA webinar on updates for 2019. **Roger Paveza** of Vista Safety Consulting will present new laws and answer your questions ranging from OSHA recordkeeping to electronic reporting requirements and more.

Look out for registration details in the coming days.



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