



# The Alper Advisor

A Quarterly Publication

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## MARKET BLUEPRINT

# The New Economic Normal is NOT Normal

***Our latest Market Blueprint describes Trade Credit Insurance and the advantage it provides to policyholders. In respect to the COVID-19 pandemic, trade credit insurance policyholders are being challenged by insurance carriers when filing a claim for non-payment of a debt by a buyer. In many cases, policyholders have a strong argument supporting their claim, but they must be armed with facts in order to prove it. Alper's Director of Trade Credit Insurance Gary Kirshenbaum is available to provide guidance and independent advocacy on your trade credit insurance policy.***

**China trade disputes. Brexit. Falling oil prices. Big-box retail collapse. Coronavirus. Iran conflict. Slowing Chinese GDP growth.** With almost daily shifts in the global geopolitical and economic landscape, business leaders cannot become complacent. Particularly if your business is entirely domestic, it's even easier to ignore what may seem like distant issues on the other side of the globe. **The reality is that any one of your customers could fall victim to sudden rises in component costs, disruptions to their supply chain or the loss of a key client caused by this global instability.** This sudden shock could cause them to go from boom to bust overnight leaving you with outstanding receivables and serious financial strain.

The global economy is experiencing lower investments and increasing external pressures that are leading to slowing growth and increased insolvencies. In 2019, for the first time since the Great Recession, the U.S. recorded a 2.4% year-over-year increase in business bankruptcies with 38,944 cases filed according to the American Bankruptcy Institute and Epiq System.

The coronavirus outbreak is an additional stressor on an already too-slow world economy. The epidemic is expected to reduce 2020 Chinese GDP growth by 1% at a time when Chinese corporations defaulted on \$20 billion in business loans in 2019 alone. Out of human necessity, the Chinese government is shifting focus from making agreed-upon product purchases stipulated in the most-recent U.S. trade deal to devoting money and time to contain the deadly outbreak.

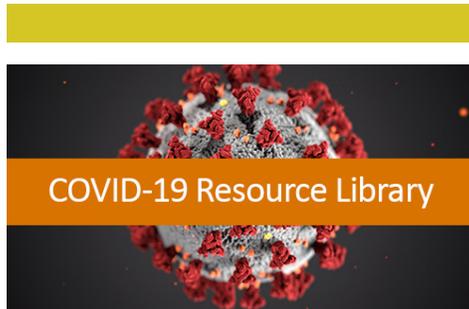
**What does this all mean?** This uncertainty has two-fold implications for your business. Upstream, you must keep close tabs on supply chains to ensure vendors are stable and you are prepared for any changes to pricing and/or supply. Downstream, you must keep an even closer eye on your key clients' businesses to continually assess their financial viability and adjust credit lines accordingly. Looking forward, companies need to be extra diligent about adding new customers at this time. Always check that you are giving credit to a creditworthy company. In this current environment, trade references, credit reports and financial statements are all history—2019 year end financials are ancient history. It's an incredibly fluid and volatile time making it very difficult to determine a company's financial condition and capacity to pay your invoices.

To protect you from the inevitable "when" moment that a key client(s) declares bankruptcy or defaults on their payments, a trade credit policy will reimburse you for their unpaid invoices. In certain cases, a trade credit policy will also cover losses should a bankruptcy court try to claw back past client payments that the court deems were preferential/unfair.

Trade Credit policies can be customized to insure all, or a portion, of your receivables. They are particularly valuable should

most of your revenue come from a small number of high-volume, low-margin clients, or if your receivables are the largest asset on your balance sheet. Trade credit policies also support your existing credit department with ultra-sophisticated credit verification technology to ensure risks are identified and appropriate credit limits set. **A**

**To discuss Trade Credit Insurance, contact Alper's VP & Director of Trade Risk Management Gary Kirshenbaum at 312-867-7306 or [GKirshenbaum@AlperServices.com](mailto:GKirshenbaum@AlperServices.com).**



## COVID-19 Materials At Your Fingertips

Like you, our inbox has been inundated with information on the rapidly changing world health crisis. Therefore, we have compiled a **COVID-19 Resource Library** to provide you with relevant information about the impact of the disease in the areas of Employee Benefits, Human Resources, Property & Casualty Insurance, Trade Credit Insurance and Personal Insurance.

We will continue to update this library as news evolves. [Click here to access the library.](#)



## Ask The Expert

*We interviewed Claims Management Services Director Regina Ruffin to learn more about her line of work.*

### **Can you describe your role?**

As the Director of Claims Management Services, it is my responsibility to provide high level claims oversight to our Clients. I coordinate the Loss Control and Early Intervention Client-focused programs, and I work with all divisions of Alper Services to collaborate on educational offerings to our Clients and new product development.

### **Who makes up the Claims Management Team at Alper?**

I have a great Team that includes a Senior Claims Representative Glenda Gonzalez, Claims Representative Adam McFarland and Workers' Compensation Risk Strategist Diane Pidgeon.

### **What is an average timeline from incident to closure?**

Work comp claims can vary due to severity, so our engagement can be as little as one day for a medical only claim, to as long as needed to reach closure. As a subject matter expert, Diane Pidgeon is able to hold the claim adjusters, attorneys, vendors and carriers to task, resulting in the most favorable outcome for the Client. Non WC Claims can also vary greatly. A simple auto claim can be closed in a matter of days, but a catastrophic claim may take many months.

### **What tools does Alper offer to help Clients lower their claims frequency and costs?**

The Claims Management Team prides ourselves in providing Client-specific tools to assist in claim mitigation. Claim reviews are extremely useful to understand the current volume of claims. Reports can be created to monitor claim frequency and severity and reserve increases and decreases. Through vendor partners, we are able to also provide loss control pre- and post-claim, along with Early Intervention for workers' compensation.

**What is your favorite part of your job?** Claims management can be a difficult task, but being able to help our Clients during their most vulnerable time, bringing them security and resolution, is absolutely rewarding.

**What do you want Clients to know about the claims process that they typically don't?** The Claims Management Team reviews their insurance policies each and every time there is a claim. We educate ourselves on available coverage, allowing us to better advocate on our Client's behalf.

**What are the biggest risk management misconceptions you hear from new Clients?** Companies often believe that proactive risk management is too costly. Exploration of our loss control measures would help them be better prepared for the unexpected, and ultimately lower claims costs when they happen. **A**

## SIMON HEGELE HEALTHCARE SOLUTIONS

If you've had an MRI or CT Scan, chances are the imaging equipment used to perform the procedure was installed by Wood Dale-based [Simon Hegele Healthcare Solutions \("Hegele"\)](#). An Alper Client for 15 years, Hegele organizes and manages the supply chain of high-tech nuclear medicine and imaging machines throughout North America, Latin America and Asia Pacific. With more than 150 employees, Hegele partners with the world's largest imaging manufacturers to transport and install these



intricate machines in highly sensitive health-care facilities, as well as refurbish second-hand

equipment to exacting manufacturer standards before shipping and re-installing them. Deemed an [essential business by the Cybersecurity and Infrastructure Security Agency \(CISA\)](#), Hegele's technicians continue to ensure critical medical equipment is installed worldwide, even while many communities remain under strict lockdown orders.

Alper is proud to have provided Hegele with a full range of insurance coverages since 2006— including workers' compensation, employee benefits, and property and casualty—as well as safety and loss prevention consulting services. According to CEO [Christoph Sitzler](#), operating under the guidance of [Chris Breck](#) and his Team at Alper gives him confidence that Hegele is both adequately

protected, as well as competitive in its benefits offerings. "One reason we have avoided any costly mistakes is the level of proactive thought and expertise Alper provides," he said. "Chris is quite often in the Hegele's office talking with people, and knows exactly what's going on in our company and is quick to identify issues and provide solutions before I even have to ask."

For example, when Hegele added the refurbishing business line and moved to a different facility, Alper identified myriad additional risks associated with the increased inventory and processes, and then presented Sitzler and his team with a proposal for additional coverages, as well as a risk mitigation plan. In the face of intense competition for specialized technical talent, Alper worked to benchmark Hegele's employee benefits program to maximize the firm's recruiting edge. Sitzler adds that Alper's Claims Management Team is there to seamlessly manage the occasional claim to mitigate any loss, plus to ensure their client relationships are not negatively impacted by a claim.

"It is a great feeling to have Alper on our team because, like a friendly neighbor, they are always looking out for us in good times as well as in bad," said Sitzler. **A**

### RISK MANAGEMENT

## Will COVID-19 Reduce Your Workers' Comp Premiums?

We've seen many of our Clients change their operations or even halt business activity altogether as a result of the coronavirus pandemic. If your day-to-day business has shifted due to COVID-19, it can impact your workers' comp premiums. Consider these scenarios:

- A business has suspended their operations due to COVID-19 but continues to pay their employees who are home and not working. *Is this payroll included in premium calculations for workers' comp?*
- Your business has limited operations due to COVID-19 and some employees are temporarily placed in new roles. *What classifications would you assign to employees in temporary roles?*
- Have your business operations changed or been temporarily interrupted due to the pandemic? *How does a change in your operations affect your class code and premium?*

Our AuditRate Experts can tell you how the coronavirus pandemic impacts your particular business. Please contact the Alper Services AuditRate Team to schedule a consultation:

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**Michelle Marten**  
E: MMarten@AlperServices.com  
P: 312-335-2154 **A**

# Inside Alper

We're excited to introduce our newest Team Members!

- **Jim Breck** – Director of Commercial Lines Division
- **Michelle Marten** – Director of AuditRate
- **Eric Schwartz** - Accounting Associate



On April 8th, Alper's Claims Management Division hosted several trusted expert partners to speak in a webinar titled **Your Company In A Post-COVID-19 World**. Topics included:

- Business insurance loss
- Insurance cost cutting measures
- The impact of COVID-19 on WC
- WC exposures while working from home
- How to sanitize your workplace before employees return

To access a recording of this informative webinar, click the link:

<https://bit.ly/3a3QyDD>



Alper's well-loved CostWatch newsletter made a reappearance in March with a refreshed look but the same consistent content. Each quarter a new issue will provide areas of cost savings specifically related to business insurance. We review trends and share examples of what we're seeing in insurance to impact your bottom-line.

Click [here](#) for a copy of the recent issue, and contact Beth Rooke to be added to the subscriber list, [BRooke@AlperServices.com](mailto:BRooke@AlperServices.com)

Interested in receiving our other publications? The **Benefits Focus** newsletter features trending employee benefits-related stories delivered monthly. Contact Will Pinn to be added to the list, [WPinn@AlperServices.com](mailto:WPinn@AlperServices.com).

Our quarterly **Personal Insurance newsletter** supplies education and tips on seasonal topics for the home, car, boat owner etc. Contact Mike Jones to add your email address to the list, [MJones@AlperServices.com](mailto:MJones@AlperServices.com).



The health of our employees and community is important to us. Therefore, in light of recommendations from the CDC and local government, the Alper Services Team is temporarily working remote.

You will not see an interruption in service as Alper Employees are fully equipped to work outside of the office to meet your needs. Please don't hesitate to let us know if we can provide additional assistance or answer any questions. We are available by email, telephone or video conferencing at your convenience.

We appreciate your partnership and are here to continue to support you, your business and your families as this national health crisis continues to unfold.

If your Company has goods or services which would benefit other companies in adhering to COVID-19 safety, sanitation or social distancing guidelines, please let your Alper Representative know so that we can share your information with other Alper Clients.

**ALPER SERVICES**



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