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WORDS TO LIVE BY

"Only brands that stay transparent, actively engaged, and true to their promises will manage to capture hearts and minds, earn trust and loyalty, and command a premium."
-Stephen Covey

NEWS At-A-Glance

MCAC 149th State Meeting October 12-13, 2012 Prompts Attendees to Ask, "Am I Doing That?"

On October 12, 2012, MCAC launched the first day of its two-day 149th State Conference in Carlsbad, CA. Day 1 introduced a **sold out** product showcase where masonry industry service and material suppliers shared their latest offerings. At the meeting that same day, two guest presenters generated much buzz on safety and contractual issues. First up, Kelly Herold of Safety Compliance Company coached attendees on Cal/OSHA compliance standards focusing on unique heat illness regulations for the construction industry, silica dust exposures and remedies, and scaffold safety. After lunch, attorney Randy Finch of Marks, Finch, Thornton & Baird guided attendees on what to look for in contracts applicable to projects January 1, 2013 and later to make sure those contracts reflect the elimination of Type 1 indemnity clauses (indemnity for own active fault) passed by SB 474 in 2011 and effective January 1, 2013. Then Mr. Finch managed to sufficiently spook the group with his "Who is on my Scaffold and Why Are They Suing Me?" presentation when he stated that all **scaffold/equipment use waiver forms should include two (2) signatures (the user AND the mason contractor controlling the scaffold on the job site). Furthermore, inspectors should also be required to sign a waiver form. Are you doing that?** Taking this advice to heart, members unanimously approved development of a waiver form that would provide protections geared toward mason contractors and include the elements Mr. Finch recommended. MCAC is currently working on developing such a form and plans to unveil it to attendees of the next state meeting on February 5, 2013 in Las Vegas. To view the PowerPoint presentations of both Ms. Herold and Mr. Finch, please visit the MCAC website at <http://www.mca-ca.org/recent/mcac-149th-state-meeting>. The conference wasn't all business. We managed to sneak in a little fun with some raffle drawings during the product showcase and a game of golf on Day 2, and we owe some congratulations to our winners:

RAFFLE

- ❖ **\$50 VISA Gift Cards** (provided by State Fund) - Mike Bledsoe, Bledsoe Masonry, Inc. and Dana Kemp, MCAC Treasurer, Masonry Concepts, Inc.
- ❖ **Bottle of Silver Oak Wine, Golf for 2 at The Crossings @ Carlsbad, and a 1-Night Stay at The Sheraton Carlsbad Resort & Spa** – Tom Coyne, ORCO Block (Silver Oak provided by Jimmy Smith of Kretschmar & Smith Masonry; golf provided by The Crossings and hotel night provided by The Sheraton Carlsbad Resort)
- ❖ **The Biggest Bottle of Mexican Tequila I Have Ever Seen (5 liters!) and a \$300 Hawaiian Airlines Gift Card** – John Chrysler, MIA (tequila provided by Dennis Withsosky of New Dimension Masonry; Hawaiian Airlines gift card provided by MCAC)

GOLF

- 1st Gross – Tom Coyne, ORCO Block - \$100
- 2nd Gross – Bill Gibney, Modern Builders Supply - \$50
- 1st Net – Jack Lynch, J.A. Lynch Masonry, Inc. - \$100
- 2nd Net – Dana Kemp, Masonry Concepts, Inc. - \$50

Thank you to all of our sponsors and exhibitors! (A display of our event supporters is available at the web link above).



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State Fund Eliminates (Most) Group Programs Effective January 1, 2014

On January 1, 2014 the MCAC Group Workers Compensation Program with State Fund will cease to exist. State Fund has dramatically modified their trade association group program requirements and will not be offering group programs to associations with fewer than 500 members that would be eligible to participate in such a program. This change will effectively eliminate group programs for most associations in California. In a November 20, 2012 letter State Fund announced, " *This decision was not based on the performance of the groups as a whole or individually, but reflects a change in our Group Insurance business strategy.*" The MCAC Group Program has been with State Fund since 1967 and has been one of our most stable and beneficial programs to date providing more than \$1M in Admin Fee revenue to the association over the last decade alone. At its peak, the Group had over 100 policies and \$11M of premium. Today the picture is much different. Fewer contractor businesses, lower payrolls, new State Fund underwriting and broker rules, and increased carrier competition have eroded the group significantly. So, after 46 years, the long-standing MCAC/State Fund partnership will come to an end and a new vision and direction will ensue.

WANTED! Member Profiles

In an effort to bolster declining program revenue and enhance the benefits available to MCAC members, the MCAC board of directors initiated development of a new multiline group insurance program last summer to include Liability, Property, Auto, Equipment, and Umbrella coverages. Brokerage, HUB International, was brought in to assist with the new program. Then, an August 29, 2012 call to action and plea to contractor members from MCAC President, Jimmy Smith, asked each contractor member firm to complete a Member Profile to help give prospective insurance companies for the new program some basic information to guide their interest and fit for a new MCAC insurance group. Almost sixty (60) profiles were distributed. Eight (8) were returned. On September 20, a second request went out. One (1) profile was returned. The insurers were not impressed. At the 149th MCAC State Conference October 12 in Carlsbad, CA HUB representative, Mike Watts, described the program's possibilities and parameters reiterating the need for the previously requested member information. The elimination of the State Fund Workers Comp Program only highlights the pressing need to establish an alternative member program that will benefit both the members of the association with essential products at competitive rates AND the association itself with a funding mechanism that can be used to help MCAC continue representing the masonry industry and its member businesses. **WE NEED YOUR HELP! The Member Profile is attached to this newsletter. If you have not already, please send it in.** You may submit the form directly to HUB representative, Mike Watts (his information is on the profile), or send it to the MCAC office and we will get it to Mike. Your support is appreciated...and essential for the renewed growth, stability, and sustainability of our association.

MCAC Mourns the Loss of Joe Gallal

Long-time MCAC member, Joe Gallal of Masonry Masters, passed away last month at the age of 56 after a courageous battle with a brain tumor. Joe was the owner of Masonry Masters, Inc. based in Pomona, CA and a member of the association since 1977. Our sincerest sympathies go out to the Gallal family.



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Workers Comp Rates and Dual Wage Thresholds Going Up in 2013

If you have a new or renewing Workers Compensation policy effective January 1, 2013, the *Workers' Comp Executive* predicts you will see a 15.64% *actual* average rate increase from the same time last year. In what has been reported as an unprecedented move, Insurance Commissioner Dave Jones advised a 2013 rate increase contrary to the Workers Compensation Insurance Rating Bureau (WCIRB) recommendation of no increase. The Commissioner's November 30, 2012 announcement presented the rate adjustment in terms of 'averages to \$100 of payroll' benchmarking against *average filed rates* rather than a comparison of *actual approved increases or decreases used by insurance companies*. Under the payroll benchmark method, the rate increase is described as a modest 2.8%. A description of pure premium rates and insurer rates is available at the WCIRB website at https://wcirbonline.org/WCIRB/employer_guide/pure_premium_rates.html. Take a look, talk to your broker, then make your own prediction. Also going into effect January 1, 2013 is an increase to the **dual wage threshold** for masonry class codes 5027 and 5028 from \$24/hour to \$27/hour. A bright spot for MCAC State Fund Group participants (and all eligible State Fund policyholders) in all of this is State Fund's October 2012 announcement of a \$100M dividend to qualifying policyholders and a 7% rate reduction to take effect 1Q 2013.

<http://statefundca.com/news/FeatureArticles2012/100512-Dividend.asp>.

MCAC Joins American Subcontractors Association of California (ASAC)

MCAC has expanded its trade organization network to include membership in the American Subcontractors Association of California (ASAC). Although MCAC has had a relationship with the ASAC for several years and has long regarded them as an ally and advocate for subcontractor issues, we made it official over the summer by signing on the proverbial dotted line. I joined the ASAC Government Relations Committee and provided our first ASAC bill report to attendees of the 149th State Conference on October 12 in Carlsbad. An update of 2013 legislation will be made available to all MCAC members later this month. MCAC formerly obtained legislative updates through the Construction Industry Legislative Council (CILC). However, CILC had encountered significant struggles with the economy and determined at their annual meeting in November of this year to go "dormant" in 2013. One of the greatest MCAC member benefits is the network of relationships we maintain with affiliate industry associations. This means *we pay the dues so you don't have to*. When MCAC belongs to an industry association, we share the benefits of that organization with you. We are happy to add a leading voice on subcontractor issues to that roster – the ASAC.

MCAC Safety Contact and Online Resource

MCAC strives to inform its members on the importance of safety in the workplace and help members obtain tools that can be used to provide a safe work environment for employees. We do this by providing articles, access for State Fund Group 58 participants to a comprehensive safety library, seminars at member meetings, and other resources such as the Cal/OSHA pocket guide. If you would like safety information, MCAC wants to help.

Safety Contact - Julie Trost: (916) 966-7666

Online Safety Resource - Julie Trost: julie@mca-ca.org