

PEO INSIDER®

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THIS MONTH'S FOCUS

PEO RISK

STRATEGIC APPROACHES
TO RISK MANAGEMENT

WORKPLACE SAFETY

CYBERSECURITY

COVER STORY

FRANK W. CRUM, JR.

AN INDUSTRY PIONEER

Haley Crum, Frank W. Crum, Jr., Matt Crum

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NAVIGATING THE FUTURE: A SNEAK PEEK INTO NAPEO'S LEADERSHIP RETREAT

BY STEVE POLITIS, ESQ.

As we geared up for this year's first quarter board meeting and retreat, there was a palpable sense of excitement and purpose among all who make up NAPEO leadership. This year's retreat in the picturesque landscapes of Marana, Arizona, concluded about a week ago, and marked a crucial juncture for us. It sets the stage for next year's strategic planning retreat which occurs every three years.

The venue, a beautiful resort in Dove Mountain, offered a serene backdrop for robust discussions and collaborative efforts. Make no mistake, this retreat is not about enjoying the scenery. We had an important agenda that required our collective focus and dedication.

One of the key features of this year's retreat is that we have new facilitators who have prior dealings with our esteemed CEO, Casey. The decision to bring in fresh perspectives and ideas reflects NAPEO's commitment to innovation and growth. The facilitators not only guided us through the immediate discussions, but also gained valuable experience before next year's strategic plan review—a critical milestone that will shape the trajectory of NAPEO's future.

As we gathered in Arizona, our talks were partly framed by our existing strategic initiatives. We also discussed some of my initiatives as chair of our great association, each designed to propel our industry forward.

One of my initiatives is to examine how to keep past chairs involved who still want to participate. Their longevity, wealth of experience and insights can prove invaluable as we continue to navigate the complex landscape of PEOs. The board retreat is a perfect forum to discuss this and explore ways to harness the collective wisdom of our past chairs.

Another initiative that demands our attention and should be a big part of our retreat is diversity, equity, and inclusion (DE&I). While we have made some strides in this area, there is still room for improvement. We need to consider how we can become a more inclusive industry. This is not a matter of checking boxes; it should be about fostering an environment where all voices are included. By collectively focusing on DE&I, we can draw on the diverse perspectives within our membership to drive meaningful progress.

Becoming the voice of small and medium businesses (SMBs) is another critical initiative of mine. This involves

working closely with other associations and groups and perhaps forming a subcommittee dedicated to exploring these opportunities. By doing so, we strengthen our position as advocates for the backbone of our economy, SMBs.

Lastly, nurturing an environment where new PEOs can be created is vital. To achieve this, we must forge closer ties with associate members and find mentors. Their guidance and support can be instrumental in nurturing the next generation of PEOs, ensuring the continuity and growth of our industry.

In Arizona, minds met, ideas clashed, and resolutions were forged. This board retreat is not just a meeting; it's a catalyst for change. As we prepare to delve into these initiatives and much more, I am confident that the shared wisdom of our leadership will chart a course that ensures NAPEO's continued success and relevance. The future is ours to shape, and the journey began in Arizona. ■



STEVE POLITIS, ESQ.

2023-2024 NAPEO Chair
CEO
Alcott HR

C-SUITE

SIMPLOY ANNOUNCES NEW COO, CFO LEADERSHIP APPOINTMENTS

NAPEO member Simploy recently announced the promotion of Chassie Smith to Chief Operations Officer (COO) and Tracy Keuss to Chief Financial Officer (CFO). As COO, Smith will be responsible for operational strategy, client services, financial management oversight, team leadership, and quality assurance. As CFO, Seuss will focus on financial management, staying current with tax law changes across various states, and preparing the accounting team for the company’s projected growth.

“As Simploy enters into a high-growth phase, it is critical that we have folks at the helm who understand and are committed to our mission. Chassie and Tracy have demonstrated this commitment, and coupled with their expertise and industry knowledge, I am confident that Simploy’s leadership will be able to guide us to new successes. Simploy’s revitalized leadership team will bring fresh perspectives, new ideas, and powerful strategies to the rest of the organization - reinforcing the dedication to our mission and to relentless improvement,” said Carson King, vice president of Simploy.



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KUDOS

BLAKE HARDIN OF T&T STAFF MANAGEMENT NAMED TO BOARD OF INFRAGARD



Blake Hardin, chief information officer of NAPEO-member T&T Staff Management, has been elected to the Board of Directors of the El Paso, Texas chapter of Infragard. The Infragard Member Alliance- El Paso Chapter (known as IMA-EP) is a public benefit, FBI-affiliated 501(c)(3) non-profit organization managed by all volunteer elected Board of Directors. It serves as a

public-private partnership among U.S. businesses, individuals involved in the protection and resilience of U.S. Critical Infrastructure, and the Federal Bureau of Investigation. Board members play a critical role in helping the organization achieve its mission to enhance the nation's collective ability to address and mitigate threats to critical infrastructure by fostering collaboration, education, and information-sharing through a robust private sector/government partnership. Congratulations, Blake!

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LEADERSHIP

FRANK FIORILLE OF PAYCHEX AWARDED THE DCRO INSTITUTE CERTIFICATE IN RISK GOVERNANCE

The DCRO Institute recently announced the award of the prestigious Certificate in Risk Governance® to former NAPEO board member Frank Fiorille, vice president of risk management, compliance, and data science at Paychex. “For decades, Frank has had a focus on the positive use of risk knowledge in pursuing strategic goals,” said David R. Koenig, president and CEO of the DCRO Institute, in a release announcing the award. “It’s only natural that he would further that work at the board level using our positive governance of risk-taking philosophy. We look forward to his growing influence and impact.”

CONGRATULATIONS

PAT CLEARY APPOINTED AS CHIEF GROWTH OFFICER AND BOARD MEMBER OF VENSURE EMPLOYER SERVICES

NAPEO member Vensure Employer Solutions announced last month the appointment of Pat Cleary as the company’s chief growth officer and as a member of Vensure’s board of directors. Cleary previously served as president & CEO of NAPEO from 2011-2023. Alex Campos, CEO of Vensure Employer Solutions, stated, “We are thrilled to have Pat join the leadership team at Vensure. His proven track record and depth of experience within our industry aligns nicely with our next phase of growth in 2024 and beyond.”



GROWTH

PRESTIGEPEO RANKS ON 2023 LARGEST PRIVATELY HELD COMPANIES LIST

NAPEO member PrestigePEO recently announced that it ranked 18th on Crain’s New York Business’ largest privately held company list for 2023. This marks the third year that the company has kept its placement in the top 20 among more than 100 organizations. “Maintaining a position in the top 20 among New York businesses is truly remarkable. With numerous companies in the greater New York area, being acknowledged by Crain’s serves as the motivation to continue excelling in this industry. We take pride in our ongoing progress, expanding service models, and enhanced product offerings. I commend our teams for their hard work and achievements in 2023, and I am confident that we will achieve even greater success in 2024,” said Andrew Lubash, PrestigePEO founder and CEO.

RETIREMENT

TRINET’S BURTON M. GOLDFIELD ANNOUNCES RETIREMENT

NAPEO member TriNet, Inc. has announced that former President and CEO Burton M. Goldfield retired from the company and Mike Simonds has been appointed his successor as President and CEO as of February 16, 2024. “After having the privilege of serving as TriNet’s President and CEO for more than 15 years, now is a perfect time for me to retire. It has always been my goal to build TriNet into an amazing and enduring company which we have achieved. It has been an honor to lead such a remarkable team and experience the growth and success we accomplished together, including our 10-year trajectory as a public company— and the prospects for 2024 and the future are very bright,” said Burton M. Goldfield in a news release announcing his retirement. ■



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STRATEGIC APPROACHES TO

RISK MANAGEMENT

BUILDING A POSITIVE SAFETY CULTURE: PROCESS AND BENEFITS

BY SCOTT A. JOHNSON

Safety in the workplace is not merely a set of rules and regulations; it's a culture that permeates every aspect of an organization. A positive safety culture is not just about avoiding accidents; it's about fostering an environment where employees prioritize safety, well-being, and accountability. In this article, we'll explore the process and benefits of building a positive safety culture within a company. Safety culture refers to the values, beliefs, attitudes, and behaviors that employees share regarding safety in the workplace. It goes beyond compliance with safety regulations and is deeply ingrained in a company's ethos. A positive safety culture prioritizes the well-being of employees that creates and

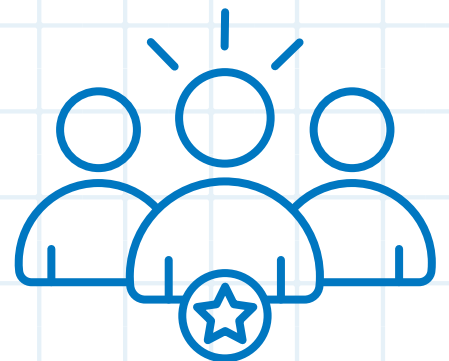
integrates an atmosphere where safety is everyone's responsibility.

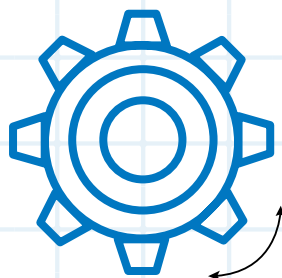
PROCESS OF BUILDING A POSITIVE SAFETY CULTURE

LEADERSHIP COMMITMENT

Leadership commitment is first and foremost among all of the following building blocks of a positive safety culture. Leadership commitment is the cornerstone of building a robust safety culture within an organization. It sets the tone, establishes priorities, and influences the behaviors of every member of the workforce. In the pursuit of a positive safety culture, leaders play a pivotal role in shaping attitudes, fostering accountability, and creating an environment where safety

is not just a priority, but also an integral part of the organizational ethos. When leaders prioritize





AGEMENT

safety, employees are more likely to follow suit. Demonstrating a commitment to safety through actions and decisions sets the tone for the entire organization.

EMPLOYEE INVOLVEMENT

Dovetailing into leadership commitment is employee involvement. Engaging employees in safety-related decisions demonstrates a commitment to a collaborative approach. Leaders should seek input, listen to concerns, and involve employees in shaping safety protocols which creates a sense of shared responsibility. This can range from risk assessments to the development of safety protocols. When employees have a say in safety measures, they feel a greater sense of ownership and responsibility.

TRANSPARENT COMMUNICATION

Transparent safety communication fosters trust among individuals by providing clear information about

potential risks and safety measures, promoting a culture of 360-degree accountability and awareness. By its very nature, it aids in preventing accidents, ensuring compliance with safety protocols, and empowering people to make informed decisions in various settings. The establishment of open lines of communication regarding safety clearly conveys safety policies, procedures, and the reasoning behind them.

Additionally, this transparency encourages employees to report safety concerns without fear of reprisal which leads to a more inclusive workforce.

TRAINING AND EDUCATION

Training influences behavior by instilling a safety mindset. Employees learn to identify potential risks, make safer choices, and adopt habits that contribute to a positive safety culture. This behavioral change is integral to sustaining long-term safety practices. Continuous learning needs to be

systematic and at a regular cadence. This includes not only initial onboarding, but ongoing education to keep everyone informed about the latest safety standards and best practices. Safety training helps employees develop the necessary skills to handle equipment, machinery, and tools safely. This practical knowledge is essential for preventing accidents and injuries in the workplace.

RECOGNITION AND REWARD SYSTEMS

Acknowledging safe practices: Implement a system to recognize and reward employees for adhering to safety protocols. This positive reinforcement conveys the importance of safety and motivates others to follow suit.

Hazard identification and reporting: Encourage a proactive approach to identifying and reporting hazards. Establish a system where employees can easily report potential dangers



Engaging employees in safety-related decisions demonstrates a commitment to a collaborative approach. Leaders should seek input, listen to concerns, and involve employees in shaping safety protocols which creates a sense of shared responsibility.

and ensure that prompt action is taken to address these concerns.

Investigation and continuous improvement: When incidents occur, conduct thorough investigations to understand the root causes. Use these incidents as learning opportunities to continuously improve safety measures and prevent future occurrences.

BENEFITS OF A POSITIVE SAFETY CULTURE

REDUCED ACCIDENTS AND INJURIES

A positive safety culture encourages employees to prioritize safety, fostering a mindset where individuals actively engage in safe practices. This leads to increased awareness, adherence to safety protocols, and open communication about potential hazards. When everyone is committed to safety, there's a collective effort to identify and address risks, ultimately reducing accidents and creating a safer work environment. When employees prioritize safety, they are more likely to follow safety protocols, reducing the likelihood of incidents.

INCREASED PRODUCTIVITY

A safe workplace is a more productive workplace. A positive safety culture can increase productivity by minimizing accidents and injuries, reducing downtime associated with investigations and recovery. When employees feel secure and supported,

they are more likely to focus on their tasks, leading to improved efficiency. Additionally, a positive safety culture often correlates with effective communication and teamwork, further enhancing productivity through streamlined processes and collaborative efforts. Simply put, when employees feel secure and supported, they can focus on their tasks without constant worry about potential hazards.

EMPLOYEE MORALE AND ENGAGEMENT

Prioritizing safety contributes to higher employee morale and engagement. Positive safety culture boosts employee morale and engagement by creating a sense of well-being and job satisfaction. When workers feel that their safety is prioritized, it fosters a positive work environment. This, in turn, enhances morale as employees are more confident and less stressed about potential hazards. Engaged employees, who feel valued and secure, are likely to be more committed, proactive, and collaborative in their work, contributing to an overall positive workplace atmosphere.

COST SAVINGS

Safety incidents can lead to significant financial costs. By preventing accidents and injuries, organizations can save on medical expenses, compensation claims, and potential legal issues.

ENHANCED REPUTATION

A positive safety culture contributes to a positive overall reputation. Customers, partners, and potential employees are more likely to be attracted to organizations that prioritize the well-being of their workforce.

COMPLIANCE WITH REGULATIONS

A positive safety culture ensures better compliance with safety regulations. This not only avoids legal issues but also establishes the organization as a responsible and ethical entity.

Building a positive safety culture is an ongoing process that requires commitment, communication, and collaboration. It's an investment in the well-being of employees and the long-term success of the client organization. PEOs that prioritize safety not only help create a secure working environment for their clients, but the client may also reap the benefits of increased productivity, employee engagement, and a positive reputation. As safety becomes a shared value, organizations can look forward to a future where the well-being of their workforce is at the forefront of every decision and action. ■



SCOTT A. JOHNSON
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MANAGING THE NOISE OF RISK: WHAT IS ERM?

BY DAFNI LEFLORE

During a January 2024 episode of the podcast “On Purpose,” creator and host Jay Shetty sat down with former First Lady of the United States Michelle Obama. He asked one pointed question that may by far be the thoughts and sentiments of most organizations in such a disruptive business climate.

“What is the thing that keeps you up at night now, or what is your biggest fear now, after having overcome so many?” Shetty inquired.

“It has less to do with me personally and more to do with the world that we’re in,” Obama states. “There’s such a thing as knowing too much, and when you’ve been married to the president of the United States who knows everything about everything in the world, sometimes you just want to turn it off. Those are the things that keep me up because you don’t have control over them,” she continued.

WHEN WE TURN IT OFF

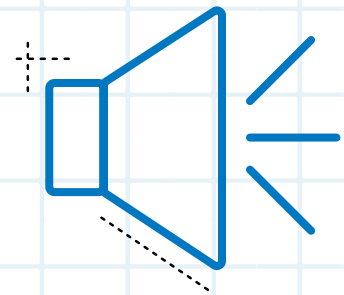
It is quite evident that disruption has been here for some time now and the business community has not been able to “turn it off” or ignore it. We have seen countless examples where companies

knew what was coming, but the inherent desire to “turn it off” just made more business sense. Many times, focusing on the controllable is the easier and less costly thing to do. Blockbuster and Polaroid are two examples of companies that knew digitalization was an uncontrollable, emerging risk but could not pivot and manage their expectations of just how quickly it would change the world. Even more recently, the PEO industry was impacted by the closing of regional banks, requiring more robust payroll processing resiliency plans. Whether it’s controllable or not, it is imperative that businesses not continue to ignore emerging threats as though events are too impossible to occur. Instead, they should rely on a trusted advisor to manage the noise of disruption while balancing day-to-day, apparent demands.

WHAT IS ERM?

Enterprise Risk Management, or ERM, serves as that very advisor that maintains a broad, forward-looking view of risks to organizations. According to North Carolina State’s Poole College of Management Enterprise Risk Management Initiative,¹ “the objective

of enterprise risk management is to develop a holistic, portfolio view of the most significant risks to the achievement of the entity’s most important objectives”. The “e” in ERM signals that

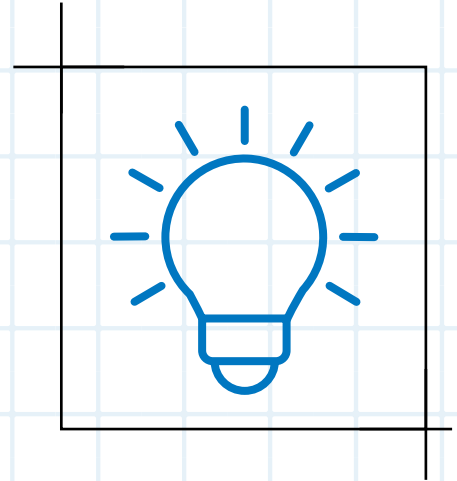


ERM seeks to create a top-down, enterprise view of all the significant risks that might impact the strategic objectives of the business. In other words, ERM attempts to create a basket of all types of risks that might have an impact – both positively and negatively – on the viability of the business.

To achieve this, ERM focuses on three main processes. First, ERM identifies broad level risks such as operational, financial, legal, strategic, and technological. Secondly, ERM assesses those risks based on factors such as impact (i.e., how will it feel), likelihood (i.e., what are the chances it will be felt), velocity (i.e. how soon will it be felt), control effectiveness (i.e. have we reduced the impact), and

management preparedness (i.e., are we ready to feel it) to determine the look and feel of those risks to the organization. Thirdly, ERM manages and monitors how these risks are behaving in the presence (or absence) of mitigating actions (based on the level of risk a company is willing to tolerate) over time as they may otherwise be deeply interdependent across a company's people, processes, and systems.

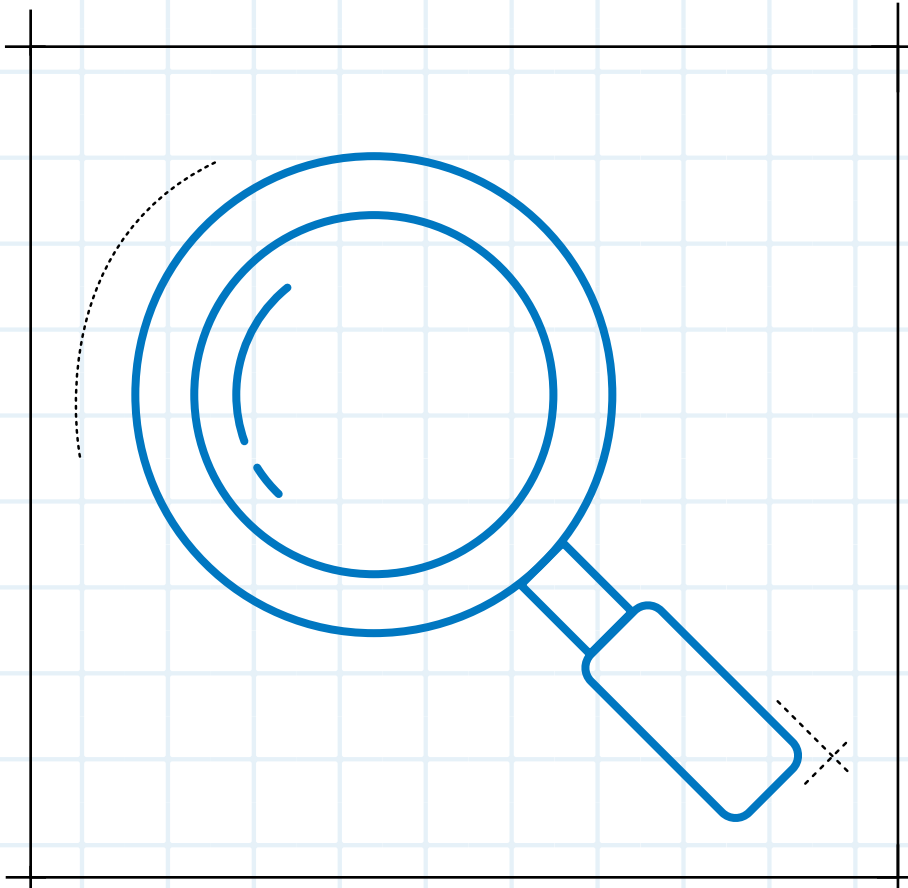
The early identity of ERM was not always as broad as it is today, however. Risk management has always been a part of business operations, but it is typically siloed within individual departments such as security, insurance, and safety. These departments manage risks specific to their areas of

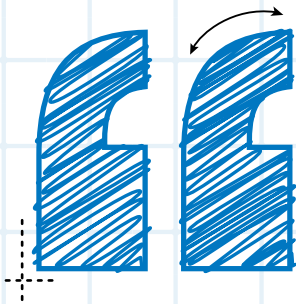
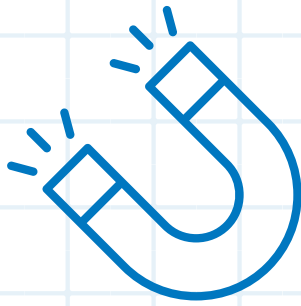


expertise, maintain a reactive view of risks, tend to be risk adverse, and have limited coordination or integration across the organization. Throughout the 1990s to 2000s, several high-profile corporate scandals and failures, such as Enron and WorldCom, prompted the need for a more holistic, proactive approach to risk management that included greater transparency and accountability amongst senior leaders and boards. Regulators began requiring formal ERM programs for U.S. financial institutions and some government-sponsored enterprises. By 2008, the global financial crisis further emphasized the importance of effective risk management with a stark reality: The crisis exposed weaknesses in risk management practices, leading to a renewed focus on ERM within non-financial sectors.

MANAGING THE NOISE

It is critical to have a risk oversight program constantly scanning the risk landscape for potential threats as the volume and complexity of risk is increasing. The 2023 Global State of Risk Oversight Report² highlights that 55% of companies of different sizes and industries have experienced a major operational surprise within the last five years. However, only one third of organizations





The 2023 Global State of Risk Oversight Report² highlights that 55% of companies of different sizes and industries have experienced a major operational surprise within the last five years.

have complete ERM processes in place. For companies that do have a formal ERM program, ask yourself what they see that others do not. According to the 12th Annual Executive Perspective on Top Risk for 2024 and a Decade Later,³ below are top risks for leaders in all industries to consider.

Top 5 Risks for 2024

1. Economic conditions, including inflationary pressures
2. Ability to attract, develop and retain top talent, manage shifts in the labor market expectations and address succession challenges
3. Cyber threats
4. Third-party risks
5. Heightened regulatory changes and scrutiny

Top 5 Risks for 2034

1. Cyber threats
2. Ability to attract, develop and retain

top talent, manage shifts in the labor market expectations and address succession challenges

3. Adoption of digital technologies requiring new skills in short supply
4. Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces
5. Heightened regulatory changes and scrutiny

As can be noted, each of the above risks can have a material impact on the PEO industry. The question is not if these risks will truly manifest, but rather when they will do so. This is not the only question, however, that should be asked. Whether you have a dedicated ERM program or not, leaders are encouraged to talk to their teams and ask these questions about the above risks: Do we know enough about this risk? Which of these risks should “keep

us up at night”? Has this risk been “turned off” in terms of our willingness and/or ability to give it more attention? Is it controllable or non-controllable? And if controlled, how well controlled is it? Have we considered the opportunities associated with this risk? How might this risk impair our ability to meet our long-term strategy? Have we gotten so comfortable with our ability to successfully react that we are undervaluing our need to proactively respond to any of these risks? ■

¹ <https://erm.ncsu.edu/library/article/what-is-enterprise-risk-management>

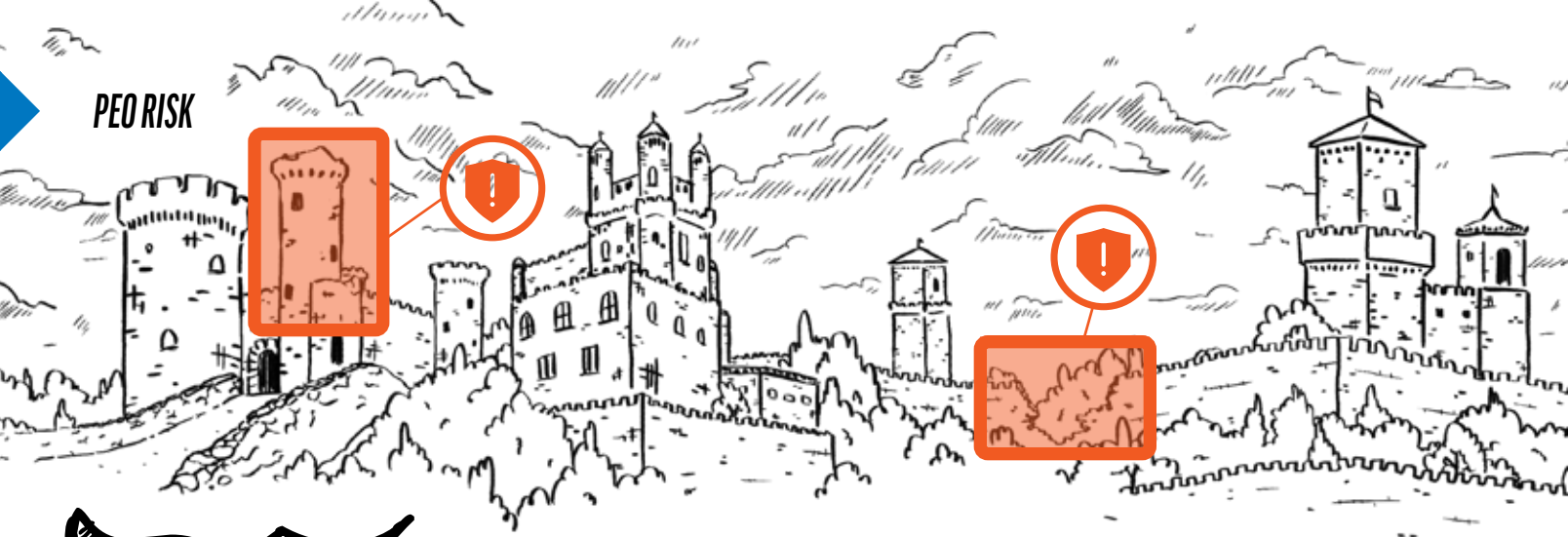
² https://erm.ncsu.edu/az/erm/i/chan/library/2023_AICPA_CIMA_ERM_Global_State_of_Risk_Oversight.pdf

³ <https://erm.ncsu.edu/library/article/report-executive-perspectives-on-top-risks-for-and-a-decade-later>



DAFNI LEFLORE

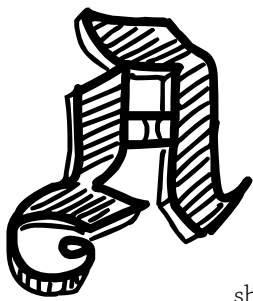
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Workplace

NAVIGATING RISK: A GUIDE TO PRIORITIZING SAFETY, INJURY PREVENTION, AND FIELD LOSS CONTROL

BY CHRIS SULLIVAN



A robust risk management and safety program functions as the guardian helping protect employees from injury, shielding an organization from potential harm, and also generating a multitude of other benefits extending far beyond just meeting OSHA safety compliance standards. In addition to the primary purpose of ensuring the safety and well-being of employees, an injury-free work environment enhances employee morale and productivity, and instills confidence and pride in those running the day-to-day operations for any PEO clients alike.

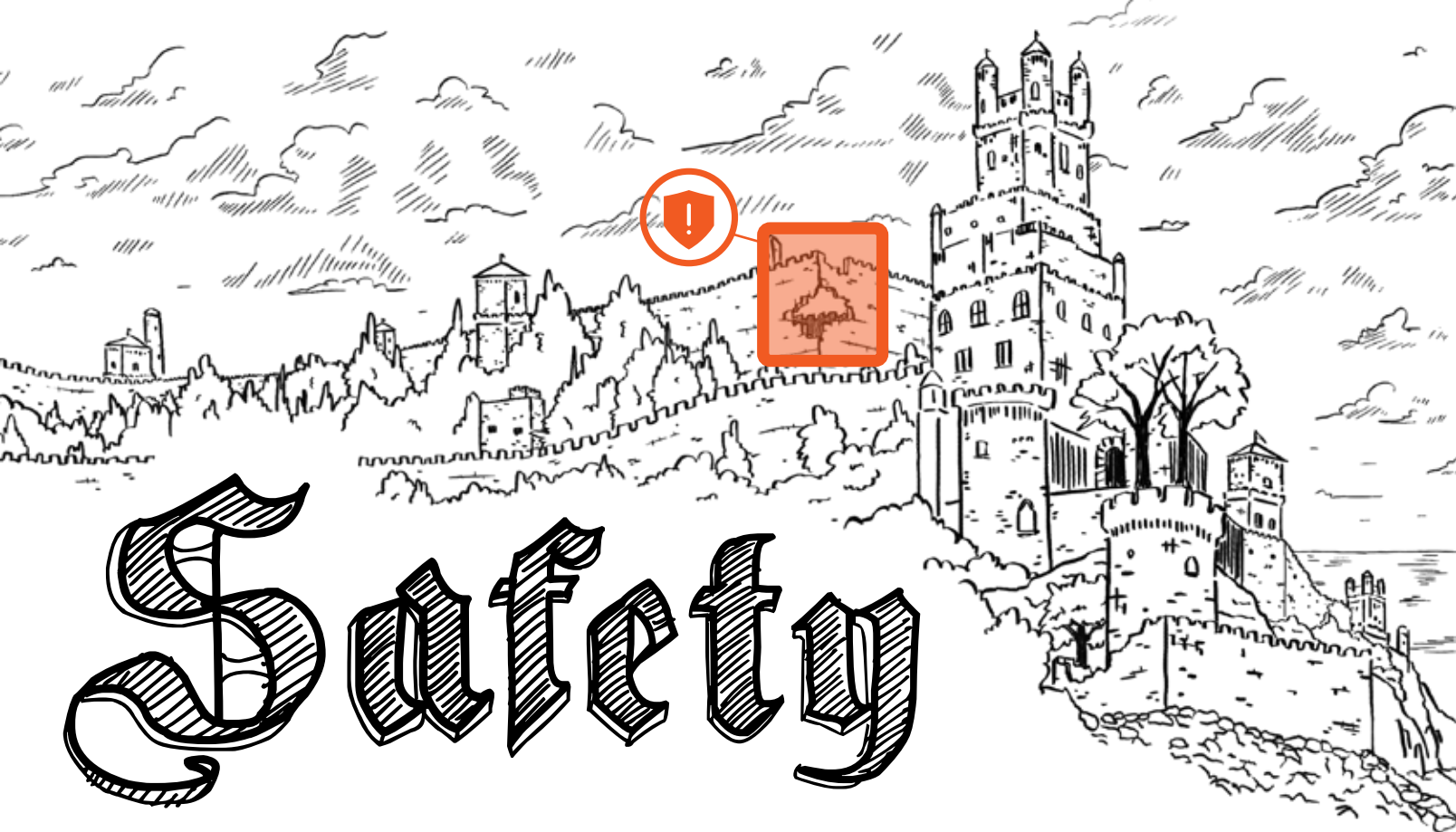
By directly and actively mitigating risks, businesses safeguard their assets while preventing potential financial losses and preserving their reputation within the marketplace. This article explores the integral steps of cultivating an enduring safety-centric mindset by practicing risk management fundamentals, pivotal to maximizing the value of the PEO relationship.

UNDERSTANDING THE LANDSCAPE

Embarking on a journey toward workplace safety excellence begins with a meticulous exploration of the client's professional landscape to evaluate exposures and assess their unique needs. A PEO's investment in internal field loss control professionals (as part of the PEO's service offering) would allow the PEO to conduct regular client

worksite inspections designed specifically to the client's industry, would help unveil unmitigated hazards or risk exposures (operational, physical, chemical, ergonomic, biological) and assist with risk improvement action plans.

According to the Florida Office of Insurance Regulation's 2023 Workers' Compensation Annual Report, loss control measures that reduce the frequency of the number of claims and/or severity of the value of claims also result in lower premiums for employers.¹ Organizational leadership at the PEO and the client level also plays a critical role in championing a sound safety program creation and implementation, encouraging employees to report safety concerns, and fostering a culture of vigilance and shared responsibility.



Safety

Encouraging PEO clients to empower their employees by maintaining an open-door policy on work-safety issues fosters communication between workers and managers, allowing direct feedback on potential safety concerns. For those closer to the data, analyzing historical loss performance has been proven valuable in identifying recurring incident trends and highlighting locations or areas of concern.²

RISK MITIGATION STRATEGIES

Once a PEO understands its client's business environment, the PEO can prioritize risks based on a combination of severity, likelihood, and potential consequences. This ensures the strategies adopted will prevent and mitigate the most prominent risks and foster a safe and resilient workplace. To do so, a PEO's risk management personnel should recommend clients implement preventative safety measures such as engineering controls like machine guards and ventilation systems or setting in place administrative controls like mandatory new employee safety orientation,

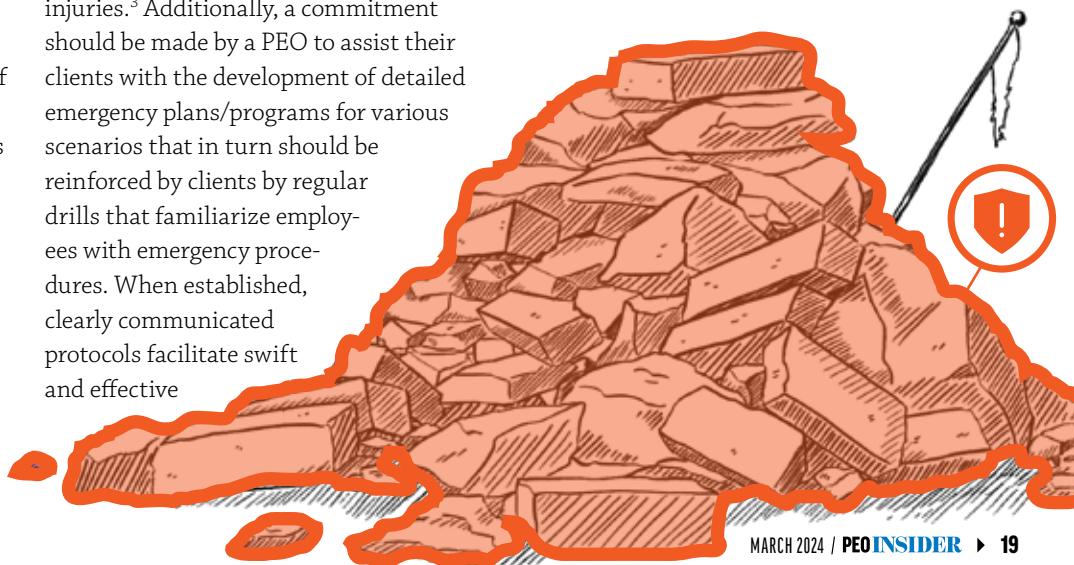
thorough work procedures, and frequent documented training designed to minimize exposure to hazards, reduce human error, and prevent accidents.

Highlighting employee safety, PEOs can also assist with selection and management of personal protective equipment ("PPE") vendor programs (slip-resistant shoes, safety glasses, etc.) and emphasize the benefits of proper use of PPE. According to *The Journal of Safety Research* (2023) there is a significant association between the lack of PPE use and work-related injuries.³ Additionally, a commitment should be made by a PEO to assist their clients with the development of detailed emergency plans/programs for various scenarios that in turn should be reinforced by clients by regular drills that familiarize employees with emergency procedures. When established, clearly communicated protocols facilitate swift and effective

responses during crises. This comprehensive and holistic approach reflects a dedication to proactive risk management, promoting a culture of safety and resilience across any organization's operations.

SETTING THE FOUNDATION

A strong risk management and safety program is highly dependent on not only the formation of sound safety practices, but also in its successful implementation and general adoption by the workforce. PEOs must actively foster and support a





Once a PEO understands its client's business environment, the PEO can prioritize risks based on a combination of severity, likelihood, and potential consequences. This ensures the strategies adopted will prevent and mitigate the most prominent risks and foster a safe and resilient workplace.

safety-oriented mindset among their clients and worksite employees through RM/LC resources and tools geared towards regular and comprehensive safety training sessions, ensuring that all worksite personnel are well-versed in potential hazards recognition and mitigation as well as safe work practices. It has also proven effective to create environments which encourage open and transparent communication which empower employees to report safety concerns without fear of reprisal. Additionally, PEOs should encourage their client's organizations to actively involve employees in the safety improvement process through a safety committee membership, or a safety suggestion program which values employees' insights and contributions.

Promoting a resilient safety culture across any organization begins at an employee's inception. PEOs can begin by ensuring the client's organizations integrate safety into the onboarding process for new employees, instilling a safety-conscious mindset from the very beginning of their employment. Recognizing the importance of acknowledging and incentivizing safety initiatives, PEOs and their clients should also collaborate to implement programs that reward and celebrate employees' commitment to creating a safer workplace. Leadership engagement and involvement in these safety initiatives assist in setting an example and emphasizing the critical importance of maintaining a safe work environment. Through these collective efforts, organizations can ensure safety is ingrained in every aspect of their operation and promote the well-being and success of their team.

MEASURING SUCCESS

With a sound safety culture framework and risk mitigation strategies in place, monitoring safety programs and identifying means and methods of continual improvement would ensure that exposure to injury is reduced and safety remains a priority as any organization evolves overtime. The key to measuring success of a safety program is meticulously tracking key performance indicators (KPIs) aligned with primary safety objectives. Establishing KPIs that directly correlate with reducing incident rates and enhancing response times helps prioritize safety strategies and identify areas where intervention would be impactful. Equally crucial is the implementation of a system to capture and analyze leading indicators, such as near-miss reports, allowing for the early identification of potential risks and fostering a preemptive risk mitigation culture.

Regularly communicating progress updates to worksite employees, and not

just keeping data at the management level, ensures transparency. Similarly, celebrating safety milestones through company-wide communications, events, and recognition programs acknowledges collective achievements while also motivating a sustained commitment to the safety strategy. In addition, the creation of a feedback loop for ongoing risk assessment helps PEOs and their clients adapt to dynamic risk factors.

Accomplishing this may include the implementation of regular safety meetings or forums, fostering an environment where employees actively contribute feedback and insights on safety concerns. Sharing lessons learned with stakeholders and utilizing incident data to effectively update safety protocols and training programs demonstrate a commitment to not only mitigating risks but ensuring the sustained evolution and adaptability of risk management strategies within the dynamic PEO sector. Ultimately, the dividends of a

comprehensive risk management and safety program coupled with meaningful field loss control activities heavily contribute to overall organizational stability, longevity, and the pursuit of excellence for all PEOs and their clients. Putting employee safety first benefits everybody. ■

1 Florida Office of Insurance Regulation. (2023). 2023 Workers' Compensation Annual Report. Retrieved from https://www.florir.com/docs-sf/default-source/property-and-casualty/workers-compensation-annual-report/oir-2023-workers-comp-annual-report.pdf?sfvrsn=1611d953_4.

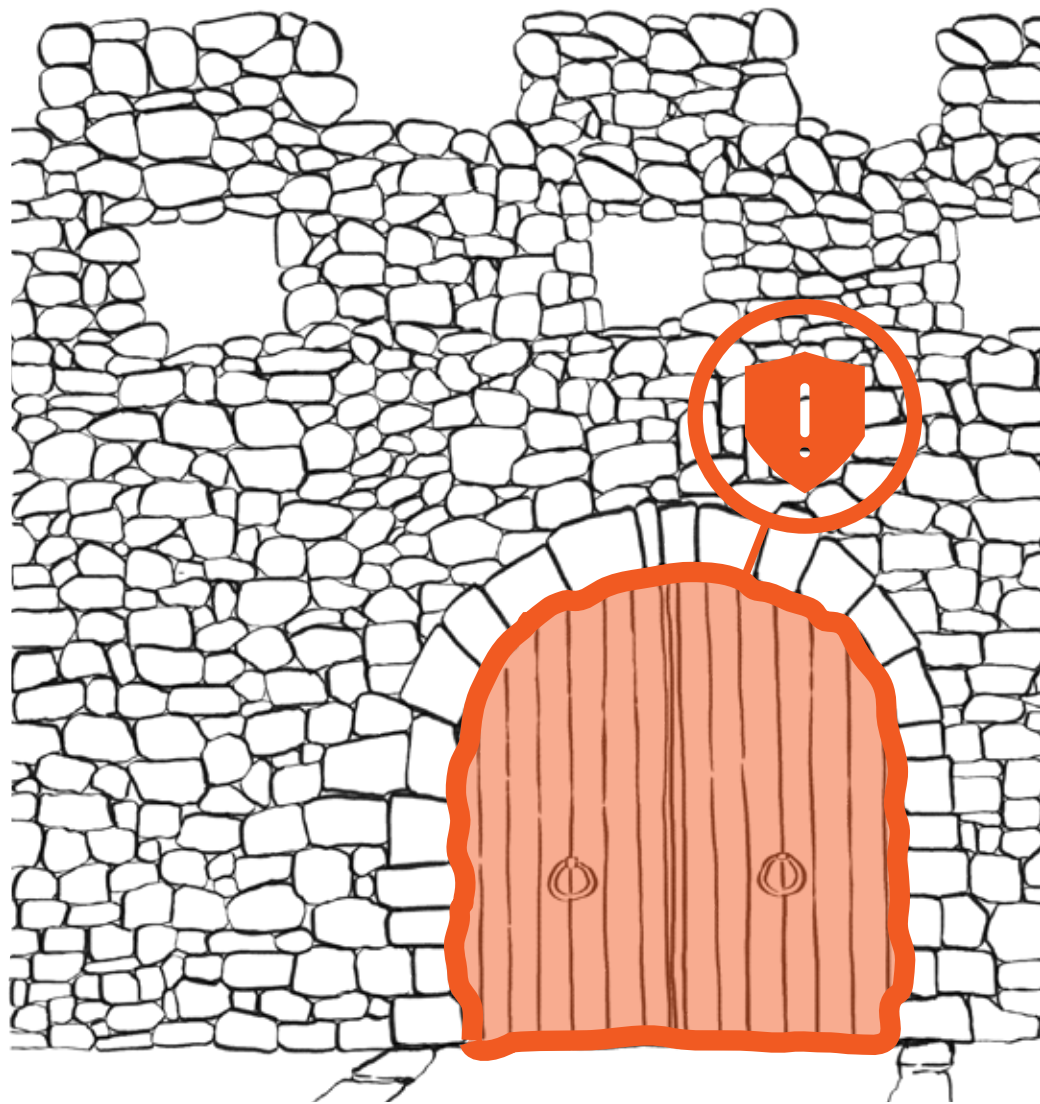
2 Aven, T. (2016). Risk assessment and risk management: Review of recent advances on their foundation. *European Journal of Operational Research*, 253(1), 1-13. <https://doi.org/10.1016/j.ejor.2015.12.023>.

3 Journal of Safety Research. (2023). PPE non-compliance among construction workers: An assessment of contributing factors utilizing fuzzy theory. 85, 242-253. <https://doi.org/10.1016/j.jsr.2023.02.008>.



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CYBER SECURITY

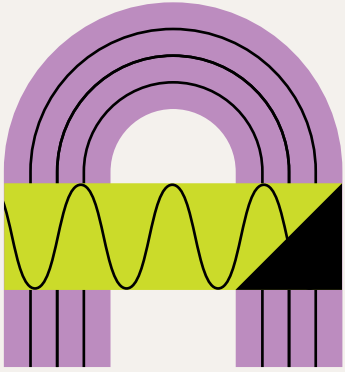




RITTY

PEACE OF MIND OR SLEEPLESS NIGHTS: 6 QUESTIONS TO ASSESS CYBER RISK FOR PEOS

BY FRANK BIANCHI



As the rate of digital transformation continues to accelerate across all industries, insufficient cybersecurity guardrails and policies remain a pressing threat to the insurance and benefits ecosystem. PEOs are attractive targets for cyberattacks because of the sensitive personal information they maintain.

Implementation of a robust cybersecurity program, including protecting

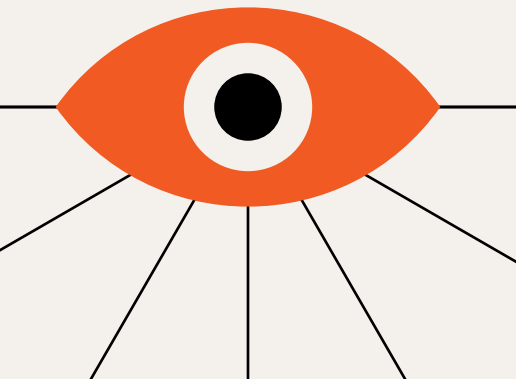
sensitive data and safeguarding critical infrastructure, is a vital component of any organization's operations and essential to preserving trust with customers and partners. One ransomware attack can undermine the financial stability of small-medium sized firms and impact their reputation in the industry. Your answer to the six questions below will help you understand your company's risk profile and the urgency with which you need to act.

SIX QUESTIONS THAT DEFINE YOUR CYBER VULNERABILITY

Question 1: Do you have 24 x 7 x 365 cyber monitoring in place protecting your endpoints to prevent the risk of a cyber intrusion?

Vulnerability scans and endpoint penetration tests are critical to understanding your risks. They should be run daily as part of your production cycle. Today's technology leverages AI to identify patterns of potential cyber intrusion and will isolate and control attempts made by increasing sophisticated malware.

Priority: Very High





Question 2: What is your approach to file sharing and data ingestion for payroll, agent/broker data, and third-party interfaces?

Most PEOs process hundreds of files monthly for payroll, COBRA, enrollment, FSAs/HSAs, workers' comp, retirement, premium billing, payments, and insurance. Does your PEO mandate file transfer protocols (FTP) to centralize file delivery and inoculate any potential malware or ransomware? Have you implemented APIs to integrate data sharing through verified sources that are accessible through secure applications?

If FTP and APIs are in place, you have taken a key step towards controlling the quality of data entering your transaction processing systems. If you are primarily relying on Microsoft Excel sheets for transaction processing, you are operating at considerable risk of cyber intrusion. The risk has increased with remote work from home scenarios where personal use and business use may intersect. In addition to cyber concerns, you may find that you are not in compliance with PII and PHI data privacy if SSN's and other info are being sent via Microsoft Excel and stored in databases in a non-encrypted format.

Priority: High

Question 3: Have you implemented cyber hygiene steps such as frequent password changes, multi-factor authentication, stopped use of USB drives, and implemented VPN for secure access control for production systems?

The remote work model is part of the new way of work, but requires tightening policies to prevent personal practices from undermining corporate standards and policies. Passwords saved in the browser are often hacked allowing bad actors to access your systems. Malware or ransomware can be launched from programs stored in a USB drive. Production processing using unsecured networks is also easily hacked.

Priority: High

Question 4: Do you understand the vulnerabilities of third-party applications and data transfer tools that you are using?

Hackers use an approach called zero-day exploit when they have found a vulnerability before the software provider does or before the necessary patches are available to their customer base. Zero day refers to the fact that a software vendor or device vendor has zero days to fix a flaw that malicious actors have gained access to. Many recent intrusions involved one tool or solution and impacted multiple organizations simultaneously.

If you do not have a third-party risk plan, you are operating in good faith but at higher risk that vendors are applying

cyber best practices. Future negotiations with partners should include due diligence on security practices, and new contractual agreements should outline security expectations.

Priority: Very High

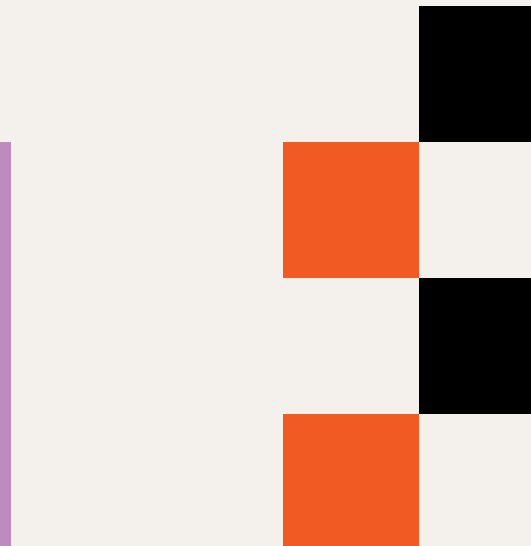
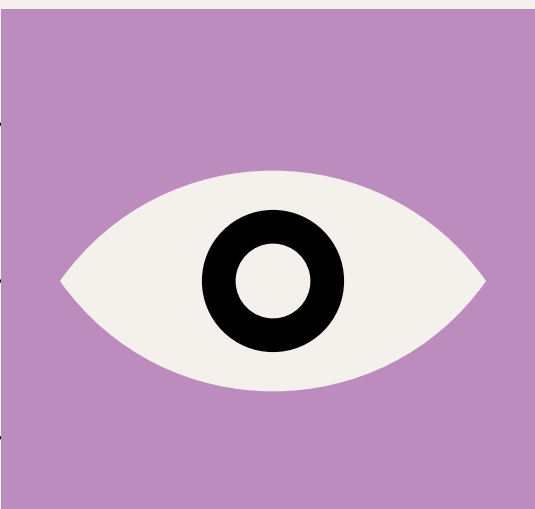
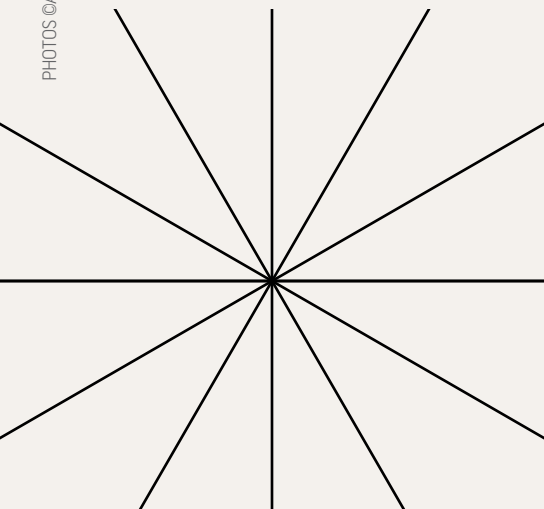
Question 5: Do you have mandatory cyber awareness training in your organization for all employees and contractors and scheduled regularly?

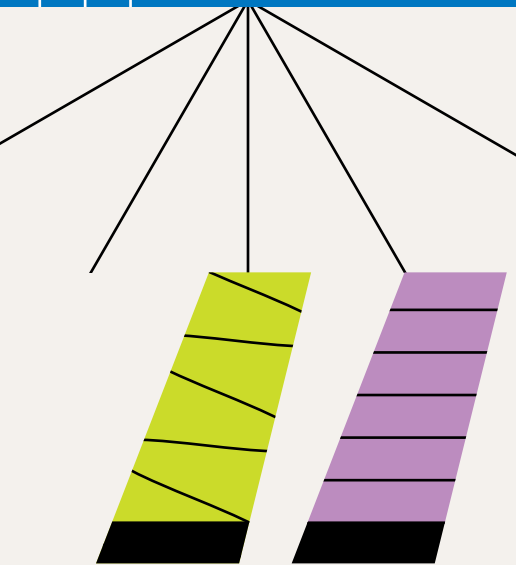
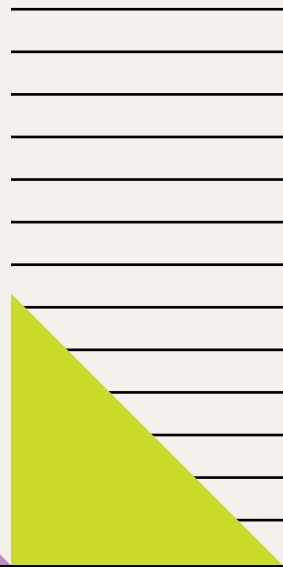
A major source of ransomware and malware intrusions is from email and texts. This creates a huge challenge to your "human firewall." Hackers are very sophisticated using AI and other tools, mimicking content used in daily production and often requesting a time critical action to staff who are heads down on production.

Did you know that 30% of professionals in all industries are "phish prone" to click a link or open an attachment that appears legitimate? In addition, phishing attacks, in which attackers trick email users into divulging sensitive information, remain the most common entry into a system. With regular digital training and testing programs, and simulated scenario tests, organizations can reduce their risk to under 10% after one year of digital training.

Priority: Very High

PHOTOS © ADOBE STOCK/VIDI STUDIO, KRAKENIMAGES.COM, LUISMOLINERO





Implementation of a robust cybersecurity program, including protecting sensitive data and safeguarding critical infrastructure, is a vital component of any organization's operations and essential to preserving trust with customers and partners.

Question 6: Do you have a documented communication plan if a cyber intrusion occurs?

This includes contacting investors, executives, internal staff, customers, third-parties, legal, vendors, media, and insurers. This communication plan is critical to isolating the issue, mitigating risk of bad press, and limiting loss of revenue and customers. This plan also includes the steps to recover from backups and get production back in order. Cyber insurance policies usually require organizations to have a formal information security management program (ISMP) in place to reduce the risk and cost of an attack.

Priority: Very High

These six questions should all be considered high or very high priority since they represent standards for protecting your organization. Small organizations are not immune to cyber-threats. In fact, hackers often target small to medium sized businesses because they often have less sophisticated cybersecurity measures in place. Recognizing that every organization, regardless of size, can be a target is an essential step in prioritizing cybersecurity.

Finally let us close on the point that cyber insurance does not replace the need for robust cybersecurity measures. Cyber insurance is a financial safety net; it does not prevent cyberattacks or guarantee complete recovery. Investing in proactive cybersecurity measures is crucial for preventing incidents in the first place and minimizing potential damage. Also, the cost of cyber insurance goes up when the practices outlined in this article are not in place and in some cases might exclude ransomware payments.

So, what should you do immediately? I recommend one immediate step for all firms, which is a 4-week vulnerability assessment. The cost of a security breach is potentially a catastrophic financial issue that some firms will not recover from. You gain peace of mind associated with predictable costs and significantly reduced risk. ■



FRANK BIANCHI

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*Per the 2023 NAPEO Financial Ratio & Operating Statistics Survey Results...

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HOW DEEPFAKES AND AI ARE TURBOCHARGING SOCIAL ENGINEERING

BY HART BROWN

In the last few weeks, a groundbreaking case of social engineering made the headlines. A multinational company in Hong Kong was scammed out of \$25 million after an employee attended a video conference call with multiple deepfake recreations of the company's executives and other employees.

It appears that the scammers were able to recreate the individuals using publicly available footage. An employee, working in the company's finance department, attended a video conference call after receiving a phishing email message from someone appearing to be the company's

CFO asking for a transaction to be made. In that video call, apparently all members of the call were known executives to the employee and were deepfaked. Only the employee was an actual member of the company.

After attending the conference call, the scammers reportedly kept in touch with the employee for a week through additional video calls, messages through WhatsApp, and emails. During that time, the employee was given fraudulent instructions to conduct as many as 15 financial transfers.

The scam was unraveled by the employee after a conversation with headquarters. The employee reported that

both the live images and voices of others on the call seemed real and recognizable. This is the first known case in Hong Kong to involve a successful scam using multiple deepfakes in one video call.

While there have been instances of deepfakes being used in social engineering, the breadth and elaboration of the deception in this case is pretty staggering. So too is the combined \$25 million mistake.

Earlier this year, I hosted a webinar around deepfake technology. In the webinar, we demonstrated how easy it is to create a convincing deepfake.

As an example, below is a picture of myself, Hart Brown, the webinar's facilitator, and the CEO of FPOV.



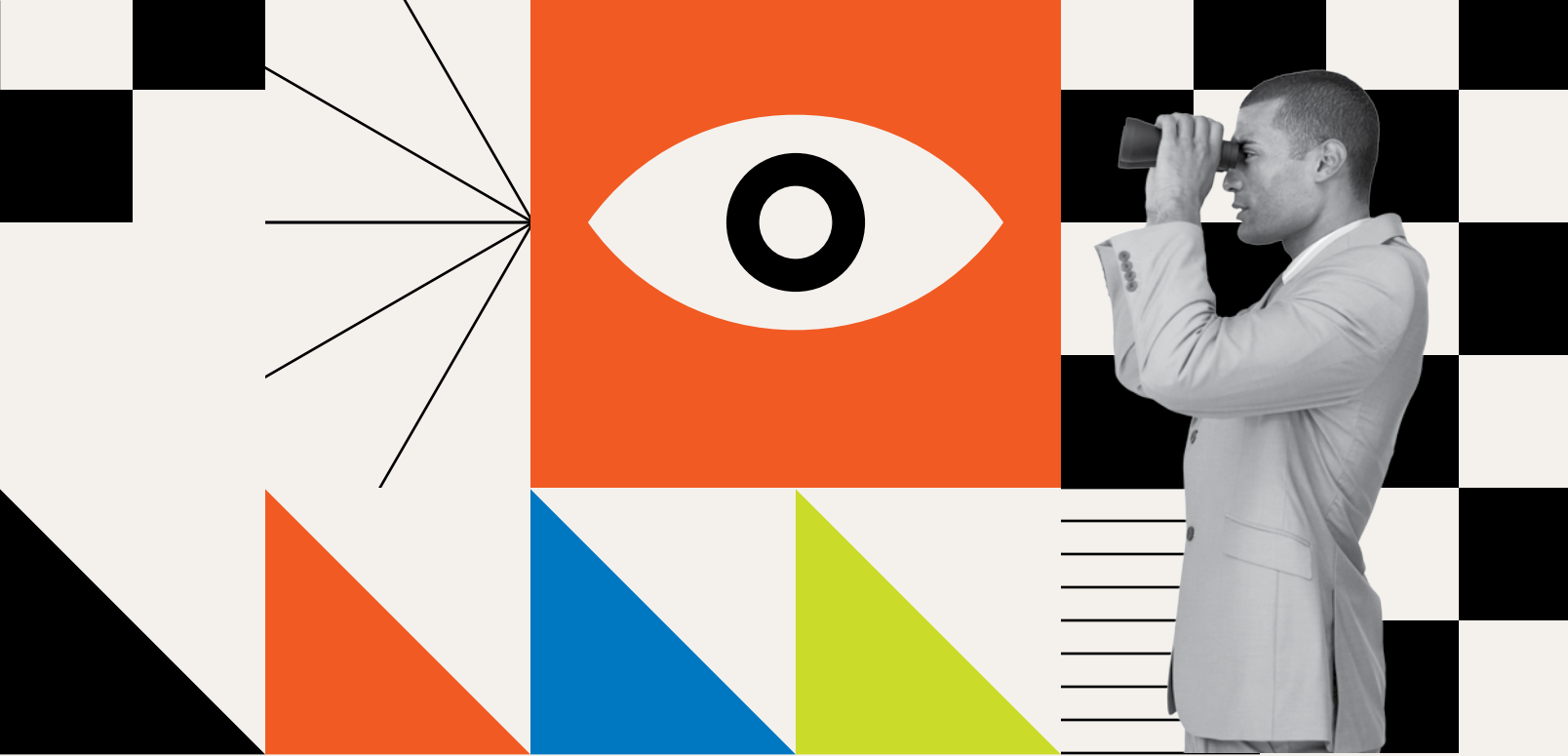
Hart Brown



Deepfake Keanu Reeves



Deepfake Robert Downey Jr.



Using a deepfake generation tool called DeepFaceLab, our team was able to transform my face into various celebrities including Keanu Reeves, Robert Downey Jr., Tom Holland, Nicholas Cage, Sylvester Stallone, and Tom Cruise. This transformation was done live, during the session. The deepfakes were not recorded.

Deepfakes are media created in a way that is digitally altered to spread false information. They can be video, audio, and photos.

Sadly, many deepfakes are used to harass and target women, both celebrities and non-celebrities, by creating abusive videos and pictures of them. However, they are also being used more and more in fraud, politics, and cybercrime.

Some reports have chronicled dramatic rises in malicious phishing emails because of how easy they are to produce using generative AI tools.

Tools have been created and modeled off of popular generative AI platform ChatGPT with many of the ethical guardrails removed. These tools, like WormGPT, FraudGPT, and others are specifically created to be used in social engineering attacks. In social engineering scams, such as spearphishing and business email compromise campaigns, they help remove much of the telltale

signs of traditional fraudulent emails such as misspellings or poor grammar. They can also be used to make the email sound more like the person sending it, making detection more challenging.

Impersonation attacks are also increasing. People can use voice cloning technology to send voice messages pretending to be a friend or loved one in a precarious situation. There have been several real-world examples of this. In Saskatchewan, Canada in 2023, an elderly couple received a call from an impersonation of their grandson claiming he needed money. Similarly, also in 2023, an Arizona mother received an AI voice scam call of her daughter telling her mother she had been kidnapped.

In 2022, an executive at Binance, a cryptocurrency exchange, claims attackers had created a deepfake of him and used it on videoconference calls to try and trick would-be investors. The executive only found out about it after people emailed him thanking him for meeting with them. This would indicate that in at least one case, someone was duped by the deception.

What are some of the ways that deepfake technology could be, or likely will be used, in social engineering scams?

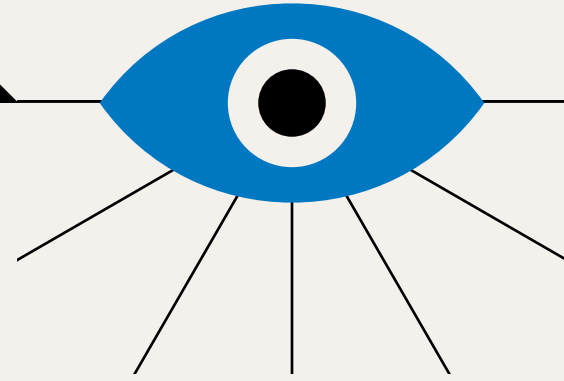
- They could be used as part of business email compromise attacks to bypass

current prevention procedures, such as call back protocols. It could be as simple as a follow up to a well-crafted email, incorporate a more elaborate voice message, or request for a video call in a system not used by the company to trick an employee into moving money as was in the case of the recent Hong Kong scam.

- They could be used to display an executive in a compromising video or saying something that could tank a company's stock or scuttle an important merger.
- They could be used to hurt a brand's reputation with customers and business partners.
- They could be used to trick banking systems or technology designed to verify their customers identity to prevent fraud or money laundering.

Ultimately, they could cause business interruption and other costs as managing the disruption could impact normal business activity and lead to financial loss and unexpected costs.

One way to help limit the dangers of deepfake technology is through education. It is paramount that you educate your team members on how to identify



One way to help limit the dangers of deepfake technology is through education. It is paramount that you educate your team members on how to identify novel social engineering and fraud scams using deepfake technology.

novel social engineering and fraud scams using deepfake technology.

We are currently partnering with a large insurance agency to train associations and other types of organizations about the dangers of deepfake fraud.

Below are some tips to help you and your team spot deepfake media.

CONTEXT

Is there cognitive dissonance? Does the media insinuate something that the person or persons involved would never say? Does the media bring up discomfort in you?

Does it have a professional look or is it low quality and glitchy? A telltale sign of phishing emails has always been bad grammar and typos. When it comes to deepfake media, a sign would be the quality of the media.

What is the setting? Consider the context of the media and the emotion it brings up in you. Is the setting in a busy environment or difficult angle to see clearly?

How are you viewing it? Deepfake media may be harder to spot on a mobile device because the screen is smaller.

Utilize reverse image searches: Search for a photo using a reverse image search to see if it is contained elsewhere.

CREDIBILITY

Corroboration: Has the media been corroborated by reputable sources?

Reputation: Is the organization or individual hosting the media or sharing it reputable and trustworthy? Is the author or source clear or does it seem to be shadowed?

Bias: Is there a clear bias inherent in the media? Those sharing AI-generated fake photos of politicians certainly have a bias in mind when they create and shared the imagery.

TECHNICAL

Metadata analysis: What can you learn from analyzing the data of the image or video.

Edges: Deepfake images often have jagged edges which can help detect the image.

Luminance: Deepfakes often have lighting inconsistencies which help with detection.

Clone detection: There are various techniques being utilized to differentiate between a real voice and a cloned voice.

Error Level Analysis (ELA):

A technique using deep learning and machine learning to understand if an image has been modified.

Blood flow: Tools, such as Intel's FakeCatcher, use 'blood flow' in the pixels of a video to "assess what makes us human."

Deepfake media will only become more prevalent. Its use in social engineering is going to grow. Education is the best way to help your organization thwart this alarming reality. A good step is to seek out additional tools on protecting you and your team members from advanced AI-generated social engineering. ■

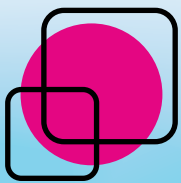


HART BROWN

CEO
Future Point of View
Edmond, OK

We focus on security. So, you can focus on your customers.

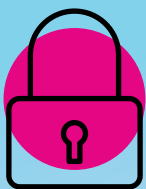
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and configurable
technology



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Steadfast
commitment
to security



Reduce risk with a partner you can trust.

*Sapient Insights Group 2023-2024 HR System Survey

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FRANK W. CRUM, JR.: AN INDUSTRY PIONEER

BY CHRIS CHANEY

Frank W. Crum, Jr. has seen and experienced quite a bit over his business career; he's learned many lessons and met many people. He's a humble man who eschews the spotlight, preferring to heap praise on others. The hard work, dedication, intelligence, and passion of his employees has led to his success, he says. Over the last 40 years or so, Frank has quietly helped pioneer the PEO industry. Today his company employs about 500 people and serves clients in nearly every state.

FrankCrum is a family business that began in 1981 when Frank opened a staffing company with his father. Today, the company operates four lines of business: a PEO, a staffing company, an insurance agency, and an insurance carrier. A third generation of family leadership is also in place with Haley Crum and Matt Crum who serve as co-presidents of the PEO. Haley also runs the company's staffing division while Matt leads their insurance operations.

Despite being a successful business leader and industry pioneer, Frank remains grounded and focused on what really matters in life. His family is his passion, he says. Animals rank a close second. He and his wife Brenda own an Alpaca ranch and horse barn. Haley jokes with new employees that her father is more likely to talk to them about football and animals than business issues.

The values and virtues he learned as a child from Boy Scout leaders and baseball coaches still underpin his business philosophy and leadership style. There's no substitute for hard work, he insists. Don't make excuses, and don't take shortcuts. If you do the right thing, play by the rules, treat others with respect, and maintain humility, success just may follow.

I LOVED MY DAD

Starting or leading a business never seemed like a goal for Frank Crum, Jr. His father ran a successful manufacturing company which employed 500 seamstresses, so Frank was exposed to the business world, but a different vocation called to him: the ministry. To this day, Frank's faith remains an essential part of this life, even though he has long since stepped down from the pulpit.

"I was really good at it and liked it a lot," Frank recalls, "but I didn't like the politics of the church leadership; it hampered the ministry."

Needing a job to support himself and his family, Frank paid a visit to Olsten Temporary Services. Within 10 minutes he had secured a job managing the company's Orlando area office. Despite knowing nothing about the job, he excelled. The office flourished and grew immensely under Frank's leadership.

His father also took note of the success Frank experienced in the staffing industry.



The values and virtues he learned as a child from Boy Scout leaders and baseball coaches still underpin his business philosophy and leadership style. There's no substitute for hard work, he insists.

"My dad sold his company, and said he wanted to start his own staffing company and that he wanted me to run it with him," Frank says.

Frank cautioned that competing against established brands would be tough. He had doubts about securing enough cash flow since he knew it would take 45-60 days to collect any revenue, and that's if they had clients. But Frank knew what he had to do.

"That's how I got into business; I loved my dad and wanted to protect him and his investments," Frank explains.

Frank's experience in the staffing industry and his father's experience running a business proved a fruitful combination. Success ensued and the company began to grow. For many clients,

the company offered a payroll transfer plan.

“Companies paid us to do payroll to cover workers’ comp., SUTA, etc.” Frank says.

Sound familiar?

Around this time, Frank read about a similar concept in California except it had a different name: employee leasing.

When appeal and interest from clients in the payroll transfer concept kept growing, Frank and his dad decided to put together a more robust offering around it. On January 1, 1986, Frank left the staffing company to launch a new business: an employee leasing company named Ameristaff (later to be re-branded FrankCrum).

GROWING PAINS

In 1986, the nascent PEO industry (then called employee leasing) had few guidelines, regulations, or well-established best practices. Frank was indeed part of the pioneer class of PEO leaders. Make no mistake, it is hard to start a PEO in 2024, but today’s new operators have decades of history and experience to draw on. Licensing and regulatory schemes exist in nearly every state. The industry is well organized; veteran PEO leaders support and mentor new ones.

Frank had none of that. He had an idea, and one employee. Sales were hard to come by.

“I’d schedule appointments, but it was very, very difficult convincing people the idea was all above board,” Frank remembers.

He faced skeptics. People wondered; how could this really work? It sounds illegal, will I get arrested, they would ask. Frank really had to demonstrate the value of the concept, not only the services he offered but how the arrangement would save these businesses time and money.

Frank drew on his background in ministry. If he had learned anything, he had learned how to communicate well. He understood how to connect with people; how to discern their needs and assuage their fears. He focused on forging relationships.

“I sold by sharing stories and building a bond. Most of my sales calls were getting to know people,” Frank says.

It paid off. He attracted more and more clients and hired more and more people. The company grew.

Other PEOs sprang up, too. The industry really took hold in Florida. Unfortunately, not all behaved well. Bad actors disregarded basic business principles and ethics. Something had to change. Frank and a few others played key roles in developing rules, regulations, and laws PEOs would have to follow. They built the regulatory framework that established guardrails and set the rules of the road.

The enactment of regulations played a key role in spurring growth and legitimizing the industry in the eyes of many. In Florida, Frank recalls a seminal event:

the creation of the Board of Employee Leasing Companies in 1991.

This oversight body did not immediately clean up bad actors, but it certainly helped.

“You had to meet financial standards, insurance standards, carry workers’ comp. coverage, etc.” Frank explains, “It really codified the industry.”

Frank served as the head of the Board’s probable cause panel for several years. When companies faced complaints of wrongdoing or failed to comply with requirements, the probable cause panel heard the complaint and sought to remedy the situation. Maybe it was his faith and ministry background again, but Frank resisted doling out immediate punishment. He gave people a chance to correct their mistakes. He’d offer insight and guidance on how to improve and operate



PEO VOICES

the right way. If that didn't work, then his hand was forced, but at least people always had a chance to make things right.

HIRE GOOD PEOPLE

"I'm not a smart guy," Frank jokes, "I have one gift, I think, and that's to recognize talent."

That's how Frank explains his successful business philosophy: hire people smarter than yourself, let them do their jobs, and inspect what you expect.

"My success is just that, hiring good people. I would rather have a very good person who is a team player, than the smartest guy in the room who is not a team player," Frank says.

Two of those people Frank has hired over the years are his two children: Haley Crum and Matt Crum. They both have held many roles in the company, working their ways up to the C-suite. Haley leads the company's staffing division and Matt

leads the insurance operations while they both serve as co-presidents of the PEO. Franks serves as the company chairman, but he considers Haley and Matt as drivers of the company's success.

"When I want to make a business decision like purchasing new software, adding a new department, or something else, I have to pray about it," Frank says, "I don't move until I get an answer."

"It's good to have Matt and Haley here because they move us forward in spite of me, they've made the company better and make a great team. I believe with Haley and Matt at the helm, the company will grow faster and will be under better leadership than myself," Frank continues.

A chef by trade, the PEO industry didn't initially appeal to Haley. When her grandfather became ill; however, she and father spoke and decided it was a good time for her to join the family business, too.

"I think it was really smart that he [Frank] put me in a customer service role," Haley says.

She had to quickly learn the business in order to effectively engage with customers. Over the years, she took on increasing responsibilities and oversaw more and more departments. This March she celebrates 17 years with the company.

"I'm eternally grateful to my dad for giving me the opportunity," she says.

For Matt, joining the family business was always something on the radar, but not a decision he really settled on until after college.

"I grew up around the company, I have fond memories of playing with toys in my grandfather's office," he recalls, "Over summers in high school I would do different jobs from moving furniture to administrative work."

Matt was also a hockey player, so he left home to play hockey in the Northeast at



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boarding school and in college. He would still come home each summer and do various internships with the company.

“At one point I thought I wanted to be an attorney, but then realized I didn’t love reading contracts,” Matt laughs.

However, his internship with the company’s insurance carrier was a great experience. He loved the work and the challenge. Sadly, his grandfather passed away not long before he graduated college. Frank encouraged his son to think about joining the company full time.

“He didn’t push, but it was clear he would really like for me to come on board,” Matt explains, “I felt the call to come home and help him out.”

Haley and Matt’s addition to the leadership team represents a new phase of the company’s story which has grown and evolved quite a bit since January of 1986. A significant evolution point occurred in 2003 when Frank decided to start his own insurance carrier. At the time, many PEOs encountered trouble attempting to secure workers’ compensation coverage. Frank had a connection to David Yon who had recently stepped down as the lead counsel of Florida’s state insurance division. The two met and discussed the state of the market. Yon advised Frank to start his own insurance carrier. He noted how unusual this recommendation was as he typically cautioned people against jumping into the insurance business.

“It took six months, but we got our license to be a workers’ comp. carrier,” Frank recalls, “It has transformed our company, now we can serve more types of businesses.”

Frank Winston Crum Insurance is a licensed carrier in 45 states and soon expects to officially add New York and California to that total. It represents a significant investment of time, resources, and planning. It’s a milestone that Frank expects to accelerate growth and attract more clients across the entire country.

The creation of the insurance carrier also led to the creation of an insurance agency which Matt spearheaded.

Clients began asking for help with numerous lines of insurance like general liability, liquor liability, and property insurance. A PEO does not provide these coverages, so FrankCrum would simply refer clients out to insurance agencies.

Eventually though, it became clear to Frank that this presented an opportunity to enhance the client’s service offering.

“My dad teaches by throwing you into the deep end,” Matt says, “He looked at me and said, ‘go start an insurance agency.’”

The process demanded a lot of research and hard work, but in 2008 the insurance agency began operations. Matt took over as president of the carrier in 2013.

Apart from just hiring good people, the company’s growth has been fueled by a straightforward plan.

“My strategy has been to live for the day and walk by faith, never to have partners, and never buy other PEOs,” Frank explains.

Matt and Haley of course are business partners now, so Frank made an exception to keep the family business legacy alive and well. Frank focuses on keeping the business profitable and providing quality service to every client. He never aspires to become the largest PEO. He runs his business by the values, truths, and virtues that he’s held nearly his entire life. He tries to stay humble and remember what matters most.

A CORPORATE OFFICE WITH FAMILY BUSINESS CHARACTER

With nearly 500 internal employees across three divisions, many of whom work in a hybrid environment, maintaining the close-knit, family business character of the company’s early days has been a challenge. Workplace culture and supporting employees are incredibly important to Frank and the leadership team, so they have implemented many strategies to promote and nurture a positive workplace.

“If everyone is taken care of, employees are happy, and clients are well served, then that’s what counts,” Haley says.

“It’s [creating culture] purposeful,” Haley continues, “It’s hard to maintain relationships with 500 employees, so we have to have a whole team focused on this. We want to make sure everyone feels important and valued.”



Haley and Matt’s addition to the leadership team represents a new phase of the company’s story which has grown and evolved quite a bit since January of 1986.

“I want people to want to be here,” Matt adds, “It’s our responsibility as leaders to create an environment where people can grow, develop, and achieve success.”

It’s easier said than done, he notes, as a company’s culture is dynamic, not static.

Giant Christmas parties and other celebrations, quarterly town halls with inspirational messages (not just routine corporate updates), and regular recognition of employee milestones and achievements are key ways of sustaining and reinforcing the company’s culture.

The company’s internal newsletter spotlights new hires and recently promoted employees with their pictures. Service awards are doled out to deserving employees. The main corporate office also boasts a large cafeteria where many gather for lunch. It’s a chance to socialize and engage with one another in a causal setting.

The focus on creating a strong workplace culture feeds back into Frank’s philosophy on hiring good people.

“We try to recognize growth potential in our people, which strengthens our company for the long haul. If I can provide more resources and opportunity as the employer, and if you do your job

PEO VOICES

well, the relationship will stand the test of time.” Frank says.

“The employees carry the water and deliver on our brand promise: To inspire businesses to be the best that they can be. Without them, I cannot be successful,” Frank adds.

BE A GOOD NEIGHBOR

To Frank, part of measuring a company’s success centers on how it treats its people and its community. From the very beginning, Frank knew his company would be a valuable member of its community. Numerous local organizations receive support and gifts from FrankCrum. Homeless Empowerment Program (HEP), Trinity Café-Feeding Tampa Bay, YMCA, and Clearwater Free Clinic are just a few.

An annual golf tournament raises around \$200,000 for Trinity Café which provides meals to food insecure families

in the Tampa Bay region. The company also hosts an annual fundraiser on its campus for Clearwater Free Clinic which provides free medical care to those in need.

“Local artists donate artwork that is raffled off, food vendors donate food, and 800 people attend. It’s really a coveted event,” Haley explains.

“We also support many of our client’s initiatives like 5K races,” she adds.

Employees are encouraged to participate too by donating \$1 per week in exchange for wearing jeans on Fridays. Once the total reaches between \$10,000 and \$15,000, a group of employees, not the leadership, presents the check to Trinity Café. It’s a fulfilling activity.

Apart from the physical community FrankCrum belongs to, the PEO industry is also part of the company’s community. Since his early days in the business, Frank has valued being a member of the

industry and doing his part to move things forward. In addition to his years leading the probable cause panel, he’s served terms as the president of FAPEO and a stint on the NAPEO Board of Directors. Haley has continued that spirit having recently completed a four-year term on NAPEO’s Board herself. She remains active within many NAPEO committees, working groups, and initiatives.

We all recognize the PEO industry of today: a thriving sector providing robust, cutting-edge HR solutions and services. PEO pioneers and founders like Frank W. Crum, Jr. laid the foundation for the success that has followed. ■



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PEOS IN THE COMMUNITY:

O2 EMPLOYMENT SERVICES: RALLYING REDDING TO SPREAD HOLIDAY CHEER

BY EVAN FALLOR

As the second-sunniest city in the U.S., it may seem hard to make Redding, California, even brighter.

But O2 Employment Services has found a way.

Three-and-change hours north of San Francisco and two hours south of the Oregon border, the city that gets more

than 300 days of sunshine per year is the economic and cultural center of Shasta County.

One of the businesses that calls Redding home is O2 Employment Services, which has taken it upon itself to be the ringleader of corporate community service for the city of just under 100,000.

For CEO Heidi Corrigan, it's part of her mission to give back to a community that has given so much to her. At the age of 19, she came to Redding from Kalama, Washington to play volleyball and study psychology at Simpson University. She loved it so much she never left.

In 2001, she founded Teamwork HR. It merged with its sister company O2



▲ Since 2012, the Give Redding Holiday Drive has collected more than 12,000 pounds of food and 8,000 toys collected for those in need.



▲ O2 Employment Services CEO Heidi Corrigan (center) has helped spearhead the collection of more than 5,000 turkeys for Northern California Thanksgiving celebrations.

Staffing eight years later and O2 Employment Services was born, and three years later, so was the Give Redding Holiday Drive, an annual November event that provides toys, turkeys, and non-perishable food to local children and families who are victims of domestic violence and homelessness.

What sets Give Redding apart is that O2 has taken it upon itself to rally participation from all across the local business community to elevate the drive to greater heights.

At the end of October, O2 reaches out to local companies to gather interest. Those that participate — the 2023 holiday drive featured nearly 50 businesses — collect goods at their respective offices then join at O2's headquarters,

usually on a day just prior to Thanksgiving, to deliver donated items. The result: a parking lot's worth of frozen turkeys and hams, mashed potatoes and gravy, non-perishable pantry foods, toys, and other items to spread holiday cheer.

The collected items are distributed to three area nonprofits: One SAFE Place Shasta, a domestic violence service and shelter; Good News Rescue Mission, a homeless shelter; and Pathways to Hope for Children, a child abuse and neglect prevention organization.

"The entire town gets involved and all the local businesses like to give back to local nonprofits who help those struggling and in need," Corrigan said. "We network our organization with so many other companies in town. And

when we're successful giving back, so is our community."

Since its inception in 2012, the drive has continued to grow both in terms of participants and goods donated, now making it the community's largest food drive. More than 400 business partners and 2,500 volunteers have rallied to collect more than \$170,000 worth of donations to local charities. This includes more than 12,000 pounds of food — including 5,000 turkeys — as well as more than 8,000 toys for area youth.

Participants run the gamut from local establishments like Golden Valley Bank, Girls Inc. of the Northern Sacramento Valley, and the Shasta Historical Society to nationally recognized names like Outback Steakhouse and Farmers

Insurance. There's even a local Jeep dealer that fills one of its showroom floor vehicles to the brim with non-perishables

and toys. A photographer is ready to snap photos of participants posing in a trifecta turkey cutout on donation delivery day.

And whether a downtown painting business, HVAC company, eye shop, or radio station, they all join with the same goal: make Thanksgiving and Christmas a bit brighter for those less fortunate.

"We live in such an amazing area that loves to give back," Corrigan said. "The fact that we could spearhead an initiative that's been successful in getting other companies involved as well has been amazing. Every year it gets bigger and bigger."

As a result, O2 has become a fixture in this already tight-knit city.

What sets Redding apart from everywhere else in California, Corrigan says, is it's a place where you can live and work within a five-to-ten-mile radius. Knowing that, she's taken it upon herself to give back in more ways than one. The impact is palpable.

She's the former chairwoman of the Redding Chamber of Commerce as well as its Forward Redding Foundation, where she helped lead its 20 ideas by 2020 initiative to bring breweries, colorful umbrellas, murals, and live street music to the downtown corridor. She also serves on the advisory committee of alma mater Simpson University.

And even as Redding and greater Shasta County have grown and changed since her early transplant days in the area, they still maintain their organic small town feel.

"You're rubbing shoulders with people whose kids go to school with your kids," she said. "People like to do business with people they know and trust. And that's worked to our advantage." ■



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PAY TRANSPARENCY CONTINUES TO GAIN MOMENTUM IN 2024

BY LAURA A. MITCHELL, ESQ., BRIAN L. MCDERMOTT, ESQ., AND MEGAN A. VAN PELT, ESQ.

Focus on pay transparency is showing no signs of slowing down. The pay transparency movement, which started with a couple of states, continues to steadily spread across the country and is now a focus at the federal level. PEOs and their clients must remain vigilant of current and proposed laws and developing trends.

In recognition of the 15th anniversary of the Lilly Ledbetter Fair Pay Act, the Biden Administration released a proposal that would require federal contractors to post expected salary ranges in its job postings along with prohibiting contractors from using a job applicant's prior salary history when setting pay. Though the Federal Acquisition Regulation (FAR) Rule will not be finalized until sometime after public comments are due April 1, the requirement to post salary ranges will likely remain in the final Rule. Continuing with this trend of pay transparency at the federal level in 2023, a bill was introduced in the U.S. Congress that would require all employers, not just federal contractors and

those subject to state transparency laws, to post expected salary ranges on job postings.

The pay transparency movement started with the states, though, and many states have been joining the movement. The various state law requirements vary, which makes compliance for PEOs and their clients with a nationwide footprint a tall order – and may make a federal requirement a welcome development. Many recent pay transparency laws require employers to publicly disclose salary information in their job postings. For instance, D.C.'s law (which will take effect June 30, 2024) requires all D.C. employers with at least one employee to include a good-faith wage range and benefits description in their postings for open job positions. D.C. followed Colorado (the first state to require pay range disclosure) in this respect. Massachusetts has a similar bill pending in its state legislature for employers with at least 25 employees. Five states — California, Hawaii, Illinois, New York, and Washington — passed or enacted laws of this nature in 2023; more are bubbling up in legislative committees.

The trend likely will continue through the end of 2024 and beyond. Michigan has also introduced pay transparency bills that would compel employers to provide wage histories of similarly situated employees for the past three years upon employee request and to maintain detailed job descriptions for each job, including salary information. Under the Michigan bill, any revisions to those job descriptions would have to be approved by a current employee in the position.

Some states are passing laws aiming to achieve transparency through means other than job postings. For instance, Illinois followed California's lead and passed a law that would require employers with at least 100 employees within the state to submit employee-level pay data to the state via an online portal. Illinois employees can request anonymized data for the pay rates of employees in their job title within the employer and county where the employee works. California requires companies with a presence in Colorado to annually submit an aggregated pay data report, which the state uses to publish information at a state level

regarding pay ranges within the Equal Employment Opportunity Commission's (EEOC) EEO Categories.

Some jurisdictions are requiring transparency beyond pay ranges as well. Effective as of Jan. 1, 2024, Colorado's pay transparency law not only requires employers to post job opportunities, but also to include application deadlines in postings, notify all employees who are subject to a defined career progression plan of potentially available pay increases, and provide post-selection notification to employees who did not receive increases or promotions.

Recent laws and proposals also signal higher risks for employers' noncompliance. D.C.'s new law, like New York's and California's, empowers its attorney general to investigate violations, enforce the law, and seek damages on behalf of the public. Washington State's law affords

workers' a private right of action against noncompliant employers. Dozens of lawsuits, including some class actions, have already been initiated against Washington employers for failing to disclose a wage range in job postings.

Additionally, the EEOC is considering moves to re-introduce pay data into its annual EEO-1 report filing requirements.

As the pay transparency movement continues to grow in 2024, PEOs and their clients with employees in multiple states and localities, must determine whether they need to create a patchwork approach to compliance or adopt a nationwide pay transparency policy that complies with every applicable law. With new laws rolling out all the time, PEOs and their clients must continue to pay strict attention to ensure they do not get caught unaware and risk monetary liability for violations. ■

▼ This article is designed to give general and timely information about the subjects covered. It is not intended as legal advice or assistance with individual problems. Readers should consult competent counsel of their own choosing about how the matters relate to their own affairs.



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DRIVING EMPLOYEE ENGAGEMENT IN AN AGE OF FINANCIAL UNCERTAINTY

BY DEB RUBIN

Most employers may not consider feelings in the workplace.

While we intuitively understand that happy employees stay in their jobs longer, reduce recruiting costs, have lower absenteeism, and improve client retention, approaching employee engagement during challenging financial times, can be difficult to address effectively.

To empathize with and understand the potential mindset of the workforce, let's look no further than recent history: The COVID-19 pandemic. There are many lagging consequences still being experienced from this tragic event. When it comes to the American worker, several realities come to the fore.

The Federal Funds rate increased from 0% to over 5% from the start of 2022 to the end of July 2023, and events such as the three strikes by Kaiser, the Writers Guild of America, and United Auto Workers demonstrate, in part, that consumers are being put under more financial pressure. Moreover, federal student loan payments have resumed for roughly 12% of the US population (over 43 million Americans) who also hold a staggering \$1.7 trillion in debt.

Even though in 2024 we are seeing positive indications that the market is continuing to recover from the massive COVID-related job losses with employers adding 2.7 million jobs in 2023, or an average monthly gain of 225,000 jobs, the workforce is still under much strain.

The 2023 Retirement Readiness Annual Report by Betterment found:

- The top three financial stressors employees faced were inflation, credit card debt, and the cost of housing.
- 58% had feelings of anxiety around their finances making it difficult to focus or do their best at work.
- 69% of Gen Z reported being two times as affected by financial anxiety at work as Boomers (36%).

All of these challenges can reduce productivity, and have a direct negative impact on business profitability. And with the move to more virtual work environments, building culture and demonstrating that employees matter has gotten harder.

So, what is an employer to do?

Here are seven suggestions to increase employee engagement and build morale at your firm in an age of financial uncertainty:

1. Beyond offering a strong retirement and benefits package, survey your employees. Feeling heard and understood can go a long way toward soothing certain anxieties. Inquire about how employees feel about work, their stress levels, and how they are managing work-life balance. Share the findings with employees and most importantly, take action based on survey results.

2. Connect employees to outcomes. Be transparent about the company's

mission and purpose and ideally, when possible, connect employees' work to that mission. Be clear about your organization's financial condition. Do your employees know the direct impact they have on goals and objectives? Create the correlation between desired outcomes and their role. Feeling like an important member of the team can give great comfort when one may be feeling otherwise exposed or expendable, while under financial worry.

Also, on this note, let employees know they are encouraged to engage with their manager or human resources department if they need to discuss a work-related or financial matter. Listening is powerful.



Shine a spotlight on your employees for the work they are doing and when possible, add appropriate rewards.

3. Demonstrate caring by making wellness programs available. Any type of wellness program, health or financial, can be made even more

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powerful if the offering can be tied to employee survey feedback. Whether it is offering counseling, stress management, nutrition and fitness, or financial planning resources, strive to make a meaningful difference.

4. Recognize people. Shine a spotlight on your employees for the work they are doing and when possible, add appropriate rewards. Gallup and Workhuman research found that strategic employee recognition (recognition that is fulfilling, authentic, equitable, embedded in company culture, and personalized to the individual) can pay dividends, by which a 10,000-person organization with an already engaged workforce can save up to \$16.1 million annually due to reduced employee turnover.

5. Say thank you. Harvard Business School Associate Professor Francesca Gino, explored, among many topics, the science of gratitude in her book, *Sidetracked: Why Our Decisions Get Derailed, and How We Can Stick to the Plan*. In two of the gratitude experiments, Gino asked 57 students to give feedback to a fictitious student, Eric, regarding his sloppy cover letter for a job. Half were emailed an abrupt confirmation that read, “I received your feedback on my cover letter.” The

other half received gratitude that read: “I received your feedback on my cover letter. Thank you so much! I am really grateful.” When Gino measured the students’ sense of self-worth afterward, 25% of the group that received just an acknowledgment felt higher levels of self-worth, compared with 55% of the group that received thanks.

6. Provide clarity about growth opportunities. One way for employees to lessen the financial burdens placed on them is to make more money. Rather than getting a second job to make ends meet, they may love an opportunity to grow within your organization. Are your employees aware of your bonus structure and your process for job promotions? Employees who feel valued are more likely to be and stay engaged. If your firm is not in the position to offer rewards by way of money, offering peer-to-peer mentorship opportunities, training programs, or other leadership development resources (or even books) can go a long way.

7. Showcase your employee support. In addition to the ideas offered in this article, tell your employees how you are supporting them. Communicate with them often and prove your value as an employer by always touting your employee support programs and offerings.



Are your employees aware of your bonus structure and your process for job promotions? Employees who feel valued are more likely to be and stay engaged.

Financial hardship may affect us all at one point or another in our careers. Empathy, compassion, and thoughtful action are important to maintain a healthy work environment. Economic uncertainty, political strife, and tenuous world events can make employees uneasy and fearful. Employers can do a great service to employees and their bottom line by listening to employee feedback, staying transparent about company goals and their role in success, and showing recognition coupled with rewards. ■



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APPROACHING THE 2024 EPLI MARKET

BY FRANK HUANG

It has been a while since I last shared on the EPLI environment. While much has changed, much is still the same. As we head into 2024, what should insureds do differently to mitigate and potentially lower their EPLI costs? In this article, we'll survey where the market is, discuss current issues and continued trends, and then highlight what companies should do in response to everything.

MARKET CONDITIONS

While it seems so far back now, 2022 brought a hardening market with many insurers increasing rates, raising retentions, or both. 2023 saw a brief reprieve for some as many insureds, primarily those with better experience, saw small rate decreases, but others increased low single digits and those with poor experience saw high single digits or even double-digit rate increases. All of this was consistent across higher risk states (e.g. California and New York) and certain industries (e.g. health care, retail, hospitality). While we're early in the calendar year, 2024 does appear to be more of the same as 2023.

TRENDS, OLD AND NEW

Of the many trends over the last few years, the most notable carryover, with a

new wrinkle from my perspective, relates to accommodation requests. As the nation transitioned out of the pandemic, companies either kept their workforce fully remote or started asking employees to move to a hybrid schedule. The end of 2023 and start of 2024 seem to hint that the trend will accelerate, leading to a potential confrontation between employers and employees over accommodation requests. According to an August 2023 report from Resume Builder¹, 90% of companies plan to implement return-to-office policies by the end of 2024, and 28% say they will threaten to fire employees who do not return to the office (RTO).

An early indication of this is seen in the EEOC reporting that the number of religious discrimination complaints filed in 2022 increased more than 500% over 2021 (from 2,111 to 13,814)². The EEOC explained that much of this increase is related to vaccine requirements in RTO pushes, but this can also be viewed as an issue of accommodation.

A related note is that the American worker continues to be more aware of mental health issues, especially for those in Gen Z and Alpha generations via the influence of social media. A 2023 NIH study³ showed that individuals with

more frequent exposure to social media led to higher rates of depression, anxiety, or both. As awareness of these issues and unhealthy usage of technology grow in lock step, a potential confrontation between employees and employers in the EPLI arena may ensue.

A few other trends that are worth mentioning include wage and hour coverage, the Pregnant Workers Fairness Act (PWFA) which went into effect last June, and the broader use of AI and the potential inherent biases as they impact employment practices.

NEXT STEPS

While old trends persist and new trends emerge, the steps that companies can take to mitigate program costs are largely unchanged. Employers can ensure proper blocking and tackling via:

- checking employee handbooks and employment policy documents are appropriate on current and/or concerning issues
- educate staff on said issues
- support proper documentation across the board

Another way to mitigate costs is to better understand what the drivers of costs are, and proactively address them.

Better understanding risk exposures can help inform whether your EPLI program should be redesigned. Businesses can potentially benefit if they retain more risk, and those retained losses are ultimately less than what they would've paid an insurer to assume that risk. PEOs specifically can also consider passing on small deductibles or otherwise sharing risk with their clients as a way to keep all parties mindful of the risk exposure.

Another area that has grown tremendously in 2023 and continues even in this nascent 2024 is the creation and use of captives. Many of our clients are reaching out to address rising costs and market capacity issues primarily in the

property market but also for GL/PL, workers' compensation, and EPLI. Captives are not for everyone but, if done correctly, the benefits over traditional insurance can be material. Company leadership should connect in-house risk professionals to an outside captive manager and third-party actuary to properly consider whether a captive program is a right fit.

TAKE-AWAY

While much of the EPLI landscape has changed in the last couple of years, much is still the same. Companies should look to ensure that they understand the basics of caring for colleagues and promoting a healthy

workplace. At the same time, companies should monitor loss drivers and revisit whether a traditional or alternative risk program is best for their respective situation. ■

- 1 <https://www.resumebuilder.com/90-of-companies-will-return-to-office-by-the-end-of-2024/>
- 2 <https://www.eeoc.gov/data/charge-statistics-charges-filed-eeoc-fy-1997-through-fy-2022>
- 3 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10129173/charge-statistics-charges-filed-eeoc-fy-1997-through-fy-2022>



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Attend NAPEO's 2024 PEO Capitol Summit for policy discussions, legal analysis, and lobbying opportunities. Highlights of the conference include a chance to celebrate National PEO Week in DC, PEO Advocacy Day on Capitol Hill, industry expert discussions on PEO industry hot topics that deliver practical information, a chance to ask the experts your burning questions, and hear from leading lawmakers and policy gurus.

CFO & Payroll Seminar

July 23rd-24th, 2024, Louisville Marriott Downtown, Louisville, KY

Sessions will include accounting and financial practical insight from the experts which CFO types can apply to successfully managing their PEO's finances and operations during the CFO track. PEO payroll attendees will have their own track with practical advice on what is happening on the PEO payroll front. The group will come together for general sessions, the roundtables, and all networking functions.

Annual Conference & Marketplace

September 16th-18th, 2024, JW Marriott Orlando, Grande Lakes, Orlando, FL

NAPEO24 will be THE place to be! You won't want to miss the classroom learning by PEO content area complemented by interactive discussion forums, a comprehensive trade show, and valuable networking events. It's a must-attend event for all PEO professionals and industry vendors.



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A DOUBLE EDGE SWORD

RISK MANAGEMENT IN M&A

BY WANDA SILVA

The PEO Industry has been defined by consolidation as of late, many successful mergers and acquisitions have occurred. When completed well, these transactions can provide buyers with growth opportunities and synergies, while sellers can take some monetary chips off the table. However, M&A is risky business and if not managed well on all fronts, the success of the deal can be jeopardized. This article is not a summary of ALL risk factors, but does highlight some key areas for identifying, assessing, and mitigating risks throughout the M&A process.

Let's look at risk management within these categories:

- Strategy
- Valuation & Deal Structure
- Due Diligence
- Post Deal Management and Integration

STRATEGY

A misalignment of objectives on the part of the buyer and seller can spell disaster. Each should carefully analyze the “why” of the deal in advance of jumping into choppy and merged waters. Make a list of pros and cons of a M&A strategy versus growth via internal growth. Have your shareholders and advisors in the loop on the strategic brainstorming. Never do a deal just “because it is fashionable to do so”!

VALUATION & DEAL STRUCTURE

Valuation involves a complex review of lots of puzzle pieces; if all those puzzle pieces are not considered, the valuation can be too high or too low. Many people use third party advisors to assist so that company valuations can be in line with transactions occurring in the industry at that time. Pricing should take into account the risk inherent by the buyer and for the seller in the terms of the transaction payout. Discrepancies in valuation of the target company can lead to overpayment and financial strain on the buyer/investor. Financing should be secured in advance of stepping into the M&A world – otherwise it can disrupt the process.

DUE DILIGENCE

Thorough due diligence should assess the PEO on all fronts, think of it as a data room on steroids. A thorough review of the company's finances, operations, legal compliance, accounting and tax, facilities, technology, and sales and marketing are just a few. Any due diligence checklist should be thorough and comprehensive.

POST DEAL MANAGEMENT AND INTEGRATION

If the above categories are completed by understanding the risk factors, the post deal management should fulfill the original strategic objectives of a successful integration. If a deal is



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simply closed – but not taken under the wing of the buyer with care and caution to how to keep the very company they bought – then all can be lost.

M&A is a dynamic, complex, and ever-changing environment and process. Prudent risk management is the backbone of getting it right from strategy to close to integration. The full potential of deals can be realized when the deal creates long term value for the buyer and a smooth transition for the both seller and buyer. Want even more risk -- try M&A advising for a living! ■



WANDA SILVA

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RISKY BUSINESS

BY CASEY M. CLARK

Some of you may have read a little about my previous job in the last issue of *PEO Insider*®. Suffice it to say that the casino industry is risk-based. Anyone sitting at a card table, pulling a lever on a slot machine or making a bet on their favorite sports team is risking money for the opportunity to make more. They assume the risk for a chance at a reward.

Yet, when we talk about risk in other industries, including our own, it's rarely inclusive of the potential upside. Rather, we consider mitigation strategies to offset the downside. Here are a couple of examples I hear about a lot.

- Reputational risk – as a career communicator, this has been a focus of mine for a long time. How can we balance operational imperatives with reputation, especially when considering those audiences with the greatest ability to influence our bottom lines?
- Economic uncertainty – we've heard a lot about this one over the past few years. How can we sustain the ebbs and flows of a global economy affected by macro issues out of our control (interest rates, property values, etc.) with real, micro-impact on our communities, our companies and/or our employees.

Another that is increasingly impacting American businesses is public policy risk. A recent study by the US Chamber of Commerce reviewed a decade of 10-K filings from the S&P 500, finding a 27% increase in mention of public policy risk (i.e. "regulation" or "Congress") over the previous decade.

PEOs understand how adverse legislation or regulatory uncertainty impacts business operations and growth. This added layer of risk only makes it harder to succeed. Yet, you shouldn't lose sight of the reward.

Your continued engagement with NAPEO brings inherent rewards on each of these fronts.

Reputationally, NAPEO is leading the charge to ensure the PEO industry is better understood, appreciated and engaged. With efforts like National PEO Week and our concerted marketing campaigns aimed at breaking down barriers to entry, NAPEO is enhancing reputation to grow market access and opportunity for its members.

Economically, our work to better define the role of PEOs and the work you do to enable small and medium sized business success is unlocking opportunity and growing the pie for the

entire membership. You've been at this a lot longer than me, and know that we're just scratching the surface in terms of serviceable markets and where we can do the most good.

And politically, we've never been more relevant or more visible with regulators and legislators in Washington and in state capitals. This hasn't happened by accident. We've increased PEO comprehension with an expanded (and expanding) base of influencers on both sides of the political aisle. Some of this is old fashioned shoe-leather-lobbying. Some is leveraging existing relationships. And



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importantly, some is more effective use of our PAC to support the campaigns of candidates who can accelerate our growth.

This takes a concerted effort, not only from NAPEO but from everyone with a vested interest in the success of our industry. I'm thankful for everyone who has made this a priority.

The NAPEO team is here to help the industry mitigate risk, and our members reap the rewards of their continued engagement. We're just getting warmed up. ■



CASEY M. CLARK

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