

The SubAla Insider



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SUBALA SPRING GOLF TOURNAMENT

With temperatures in the mid 80's and a beautiful day of sunshine, the SubAla Spring Golf Tournament at Highland Park Golf Course on Monday, May 8th, was a great success. We had some wonderful sponsors: Academy Chrysler Dodge of Bessemer sponsored our hole-in-one prize of \$10,000, but no lucky golfer took home the prize. Hendrick Hoover Automall brought a flatbed truck that the players were able to tee off of, Graybar Electric Company was our Range Sponsor, Quality Architectural Metal & Roofing brought us our beverage cart and Carr Riggs and Ingram and WorkersFirst CompFund were the hors d'oeuvres and refreshment sponsors.

Congratulations to our Winners:

1st Place – Dunn Building Company; 2nd Place – Petra Risk Management Services
Closest to Pin – Boomer Sirmans (Academy -Chrysler-Dodge-Jeep-RAM)

**We want to give a special thanks to all of the sponsors listed above,
as well as to the hole sponsors:**

Associated Drywall Partners, Inc.; Baker Donelson Bearman Caldwell & Berkowitz, PC;
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THANKS TO OUR 2017 PAC CONTRIBUTORS

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HANDLING CLAIMS IN-HOUSE

As we approach the “dog days” of summer, history tells us that workplace injury incident rates will increase during the hottest part of the year. Business normally increases, new hires are made, and the work days grow longer. With that understanding, let’s discuss an all-to-common practice that our members need to avoid:

ATTEMPTING TO HANDLE AND PAY WORKER INJURY CLAIMS IN-HOUSE

This is a short-sighted strategy that can create very bad results. A seemingly simple “run of the mill” injury occurs and may appear to require no more than a one treatment visit and a possible follow up visit. Who wouldn’t like to keep their experience clean and not take a hit on your insurance? In this edition of the SubAla Insider, let’s review just a couple of reasons why this practice is so dangerous:

1. ***You will compromise the integrity of the claim investigation.*** Virtually every trip to a doctor starts out with the same question, “How did you hurt yourself?” The answer to that question starts a chain of events that can be hard to remedy if the employer has not properly reported the claim. There are important facts that need to be documented at the onset of the claim, including the cause and extent of the injury. Seemingly minor claims may take a turn for the worse and the employer will find himself in a very compromising situation. As an example, a nail in the foot results in an infection and subsequent leg amputation as well as other life threatening health issues (resent real example). In other situations, employees have misrepresented the severity of an injury, particularly after a termination, and the employee files a wrongful termination suit on the basis of being fired for having an injury that the employer didn’t want to file. Additionally, the terminated employee files a workers compensation claim alleging a permanent injury that was never reported or investigated. These are costly claims to defend without the benefit of timely professional investigation.
2. ***Serious coverage and legal issues may also result from this practice.*** By not reporting claims, your organization will have violated their coverage agreements with their insurance provider and likely other legal employer responsibilities. This exposes your company to many dollars in direct and indirect cost of claims. If you try and handle/pay claims in-house, your insurance provider may reserve the right to decline coverage for the injury and/or provide a legal defense.
3. ***Morale issues may be created within your personnel.*** If employees perceive that you are “cutting corners” and willing to compromise their well-being in order to “save a buck”, they will ultimately question your decisions. This often results in litigated claims.
4. ***It rarely achieves the desired result.*** Many employers have been told they can reduce their experience modification rating (mod) by paying small medical only claims. Medical only claims are discounted 70% in the rating calculation and have little to no impact on the modification rating. Additionally, medical bills and medications are typically significantly discounted through fee schedules and programs available to insurance providers.

If you choose to try and pay claims in-house you will have severely underestimated the value of the professionals tasked with investigating and coordinating treatment for your employees while protecting your organizations interests. Claims adjusters, nurse case managers, investigators, and legal counsel are your best weapons in managing workplace accidents.

Why would you risk so much in an effort that will probably result in a higher cost?

The simple answer is---You shouldn’t do it!

If you have any questions or are in need of support, please don’t hesitate to contact the staffs at SubAla and WorkersFirst.

We would like to wish all of our members a happy, healthy and safe summer!

Thanks,

Robert Moore

WorkersFirst Loss Control Manager



Subcontractors Association of Alabama & WorkersFirst CompFund Convention 2017

The Village of Baytowne Wharf
Sandestin, Florida
August 3-6, 2017

SCHEDULE OF EVENTS (TENTATIVE)

THURSDAY, AUGUST 3

3:00 – 6:30 p.m.
Registration

3:00 – 6:00 p.m.
Directors and Trustees Meeting

6:30 – 8:00 p.m.
Welcome Reception/Door Prizes

FRIDAY, AUGUST 4

8:00 – 11:30 a.m.
Registration

8:00 – 8:45 a.m.
Breakfast

8:45 – 9:15 a.m.
Annual Meeting - SubAla

9:15 – 11:30 a.m.
Business Session

1:00 – 4:00 p.m.
Pool Party at The Grand Pool

Evening Free

SATURDAY, AUGUST 5

8:30 a.m.
Golf Tournament

11:00 a.m. – 2:00 p.m.
Day at the Beach

7:00 – 10:00 p.m.
Dinner/Entertainment/Prizes

SUNDAY, AUGUST 6

Depart



Thanks to our 2016 Convention Sponsors

PLATINUM – \$2,500 and up

WorkersFirst CompFund
York Risk Services Group, Inc.
Wilson & Berryhill PC
WellComp

GOLD – \$1,500-\$2,499

Austill Lewis Pipkin & Maddox, PC
Morgan Stanley Wealth Management
Roofers Mart Southeast, Inc.
Summit Electrical Construction, Inc.
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CMI, LLC
Marathon Electrical Contractors, Inc.
Midwest Employers Casualty Co.

SILVER – \$750-\$1,499

Parkes Mechanical & Metals, Inc.
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Alabama Equipment, Inc.
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BRONZE – \$749 or less

Carlisle Medical, Inc.
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WORKERSFIRST BROKER PARTNERS

Insurance Office of America
J. Smith Lanier - Bo Evans
Clark Associates
Flowers Insurance Agency, LLC
Cobbs Allen
JR Prewitt and Associates

2017 Sponsorship Opportunities

Please consider sponsoring this year's convention.

Please indicate your preference. Sponsorship opportunities include:

- ☐ Platinum-\$2,500 or more
- ☐ Gold-\$1,500-\$2,499
- ☐ Silver-\$750 - \$1,499
- ☐ Bronze-\$350-\$749
- ☐ WorkersFirst Broker Partners - \$500

Company Name: _____

Make checks payable to:

SUBCONTRACTORS ASSOCIATION OF ALABAMA
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Sponsorships will be listed by level in programs and signage at all functions as well as acknowledged in upcoming newsletters and the membership directory.

If you would like to offer your support in another way or have any questions, please contact David Feemster at 1-800-239-4744.

SUBALA 2017 LEGISLATIVE SESSION RECAP

The 2017 Session is one for the history books as it was over-shadowed by impeachment hearings in the House, the ultimate resignation of Governor Bentley, Lt. Gov. Kay Ivey becoming the new Governor and a new Speaker of the House.

Despite these challenges SubAla examined more than 1,000 legislative proposals for impact to our members. At the end of the session, about 85 Senate bills passed and more than 200 House bills passed.

Many legislators believe that Governor Ivey will call a special session to deal with several bills that failed to pass including a gas tax and prison overhaul, but it appears that lots of work needs to be done to come to a consensus on these bills.

It should be noted that those seeking office can now begin to raise money as of June 5. A large number of legislators have already declared that they will not seek re-election. It is expected as many as 10 of the 35 Senators will not to run for their current position. This could make a Special Session and the 2018 Session especially contentious.

During the session, SubAla made a concerted effort to closely follow all bills that could affect our members. Below is a list of those bills that passed into law and assigned the formal Act Number. Beneath that is a list of watched bills SubAla reported on which failed. At the end of the day, it was a very good session for SubAla.

BILLS PASSED

Tax

Historic Tax Credit – Act No. 2017-380

This legislation was a priority for SubAla as many members can benefit from construction projects that would not be possible without this legislation. The new law includes the division of the \$20 million in tax credits. The substituted version sets aside 40 percent (\$8 million) of the available credits for the six months of each year for projects in counties with populations of fewer than 175,000 people. The Counties of Jefferson, Mobile, Madison, Montgomery, Tuscaloosa, Shelby and Baldwin would still be able to apply for the remaining 60 percent in the first six months. Credits not applied for in the smaller counties in the first six months could then go toward projects statewide and believed to be helpful to areas outside of the major cities. The minimum age of the structure is 60 years.

Irrigation Tax Credit- Act No. 2017-352

The Irrigation Tax Credit authorizes a larger income tax credit for the purchase and installation of irrigation equipment. This is a win for SubAla members that are involved with businesses in the landscape and agricultural industry.

Alabama Jobs Act- Act No. 2017-314

This act gives cities access to state funds for site acquisition and infrastructure improvements to entice potential investors/employers. The bill extends tax credits and incentives through Dec. 31, 2023. The bill would also exempt “megaprojects” from the \$850 million cap.

Federal Tax ID, Filing Dates Same as Federal- Act No. 2017-363

The act requires all income tax preparers to provide their federal preparer identification number (aka: EIN/ Employer Identification Number) on all Alabama income tax returns prepared. In addition, this bill will ensure that the Alabama Business Privilege tax return due dates are the same as federal income tax returns.

Labor/Employment

Workers Compensation- Act No. 2017-390

This removes requirements for Workers Compensation certification to be filed with the Department of Labor. The bill also adds a member of a limited liability company to the persons who may file for exemptions.

Fire Sprinklers- Act No. 2017-240

This allows the State Fire Marshal to issue permits to certain fire protection sprinkler contractors and requires a certified licensed engineer to design the plans for a residential fire protection sprinkler system and approve any system design changes. Additionally, the new law requires the State Fire Marshal to collect and publish certain data and make the information available on the website of the State Fire Marshal.

Franchise Protection Act- Act No. 2017-391

The new law clarifies employee definitions, so that a franchisee in Alabama is not held liable for actions by same-name/brand franchisor in another state.

Autism Coverage Mandate- Act No. 2017-337

The new law requires insurers to provide autism therapy coverage to children/dependents 18 years of age and younger. There is an exemption for businesses to mandate coverage if the business employs 50 persons or fewer.

Retirement Benefits- Act No. 2017-317

It defines trusts to include trusts formed as part of certain qualified pension plans, qualified stock bonus plans, and profit sharing plans. Language is included in the bill regarding personal retirement savings as any qualified annuity plan described in the code.

PREMIERE BILLS THAT DIED

Unitary Combined Reporting

SubAla worked with its fellow business-association members in the Business Associations' Tax Coalition to kill the Unitary Combined Reporting bill.

Unemployment Compensation/Worker's Comp Related Bills

SB 188 shortens the weeks of unemployment compensation and further ties the amount of time to the unemployment rate in the state and would increase weekly compensation by \$10.

SB 89 would revise portions of the Alabama workers' compensation law to limit an employer's liability for permanent total disability benefits after the employee's 65th birthday. Additionally, the bill would limit the obligation of an employer to pay medical benefits if the employee does not seek medical attention for the claimed work injury within a certain time period.

SB 196 would have expanded workers' compensation fraud subject to criminal penalties.

Prison Bill

Several alternative versions of the bill were floated that empowered the various cities and counties to actually build the prisons instead of the state dominated program, but that proposal never reached a consensus. The legislature adjourned before any prison plan could be voted on. This has led to much speculation that Governor Ivey will call for a Special Session to work on prison reform/construction.

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SUBALA 2017 LEGISLATIVE SESSION RECAP (CONT'D)

Award for 'Worst Bill of Session' Goes to Gas Tax Bill

Alabama lawmakers ended their 2017 session by declaring a proposed gas tax increase (**HB 487**) as the deadliest bill of the legislative session. Rep. Bill Poole-Tuscaloosa won the shroud award for the bill that would have raised the tax on gasoline to fund road and bridge construction. The House of Representatives gives the award each year as the final act of the session. The lighthearted resolution is considered a highlight of the final day. The resolution on gas tax said the "road to Hades will remain unpaved in Alabama."

OTHER SUBALA WATCHED BILLS THAT FAILED

Bids/Contracts

- Public works projects, bidding preference for local contractors
- Regulating automatic renewal of certain contracts
- Retroactive bill for competitive bids on public improvement projects, bid guarantee, technical correction to prior amendment by Act 2016-260
- Competitive bid, exemption for certain local schools public works contracts
- Require contractors to pay to submit bids online for competitive bids
- Competitive bids on public contracts by state agencies and institutions give preference for vendors owned by veterans of wars in Iraq and Afghanistan, joint purchasing agreements further provided for, cities and counties authorized to use fleet fuel cards
- Competitive bidding, required for Department of Transportation road projects in excess of \$250,000

General Business

- Alabama Minimum Wage Act, set state minimum wage for hourly and tipped employees
- The Bathroom Bill

Labor Relations

- Ban-the-Box
- Employment discrimination
- Child Labor Certificates annual fee increase to \$25
- Require employers who receive assistance from government to report relocation of employees
- Drug tests; falsification of; crime established; sale of synthetic urine

Tax Related

- Hero's for Hire tax credit
- Corporate Income Tax Rate reduced to 5 percent
- Tax credits, exemptions and deductions that are enacted in 2019 Regular Session or thereafter expire within five years from effective date
- Taxation, certain public water, sewer, gas electric, and fire protection authorities, boards, and systems eligible as government entities for state and local sales and use tax exemptions
- New Markets Development Act

Firearms

- Purchase of a firearm with intent to deliver to another person who is prohibited by federal or state law from possessing considered a crime
- ALEA database of pistol permits
- Carry-and-Conceal firearm/permits

