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URGENT: New Fines up to \$1.5M are the Real Deal!

Effective February 18, 2011: Unions, Benefit Funds, JATC's are subject to new fines up to \$1,500,000!

When Wall Street played fast and loose with investors hard earned money – who paid?

YOUR MEMBERS did! This is no new revelation. Members are losing their homes because they cannot find work or their hours are significantly cut. Many good employers have boarded up their shops. This mess created by others directly impacted investment values paid for with members' and employers' hard earned money. Defined benefit, defined contribution, and apprenticeship Funds lost money that can only be repaid with more hard work.

What was the government's response? Increase regulation on these collectively bargained plans.

Many Funds had no choice but to freeze their PPA Green status and are still struggling to put together a viable recovery plan. Members' money disappeared in the collapsed market. Now

members must accept lower benefits and/or increase their contributions. All of this to pay for fraud caused by people they have never met.

Now a lingering threat is becoming more real as criminals operate freely in today's cyber world.

If a member's credit or health information is compromised, it can literally destroy lives. Hundreds of hours must be wasted working with creditors to prove someone has cloned their credit profile. Ruined credit scores cause expenses to rise. Some are easy to see like credit card interest rates inflating to 'loan shark' levels. Yet some repercussions are not as obvious. Case in point, it is not common knowledge that personal auto insurance rates can increase because of poor credit.

The new legislation applies massive fines to any organization or "business associate" that controls health or credit information which cannot prove that they took all possible steps to prevent this

information breach.

New fines for not having such practices in place can reach \$1,500,000 for each entity.

Do you know the right steps to bring the Local, the Fund, and the contributing Employers into compliance? Is your insurance program structured to properly cover as much exposure as possible?

If you do not put the required data controls in place and do not have the proper insurance, it will fall upon the Local or Employers to pay the fines and damages. If not, the elected leaders, trustees, or Employer Owners can be ultimately held responsible. And, their personal assets like retirement and home are at stake if there are insufficient funds available.

Union Insurance Group will help you ensure that your members, the Local, Sponsored Funds, and the Employers who contribute to them are adequately protected...because no organization has an extra \$1,500,000 in the budget to cover such fines.

A Matter of Choice. A Matter of Commitment.

Given the choice... would you rather shop at:

- a.) Wal-Mart
- b.) Safeway / Dominick's

Would you rather use:

- a.) Fed Ex
- b.) UPS

Would you rather drive a:

- a.) Nissan
- b.) Ford

Would you rather buy:

- a.) Made in China
- b.) Made in USA

The foundation of organized labor is the commitment and

practice of using union contractors, products, services, and vendors whenever it is an option.

Our commitment to patron union shops whenever possible is what makes the labor movement strong. It helps to employ our union brothers and sisters in a variety of industries and trades.

So why not practice what we preach when it comes to choosing an insurance agent?

Our UIG Commercial Insurance Program actually creates union

jobs for our brothers and sisters by supporting the capital stewardship principle.

By reinvesting in the union-based economy, the program utilizes union labor with each property and auto insurance claim. Fireman's Fund supports their insureds to hire union contractors and vendors for claims work, even when there is a possible cost increase.

We urge you to demonstrate your commitment in each choice you make. Together we can make a difference.



UIG Partners with Union **Sportsman's Alliance**

Whether stalking a buck, reeling in a largemouth bass or blasting clays on the shooting course, millions of union members spend much of their free time in the outdoors and recognize the importance of protecting access and habitat for future generations.

For these union sportsmen and women, those activities are more than hobbies; they are part of a lifestyle that's been handed down from generation to generation, much like the union brotherhood.

That's why the AFL-CIO and many of its affiliated unions teamed up in 2007 to help launch the Union Sportsmen's Alliance (USA), a hunting and fishing organization exclusively for union members, retirees and their families.

The USA brings together union sportsmen and women from all different trades and from all across the country and gives them a place to share their hunting and fishing stories, tips, photos and experiences through a quarterly magazine, a monthly e-newsletter, a dynamic website, member forums and USA events.

The USA brings even more to the table with special discounts on U.S. and union-made outdoor gear, plus chances to win fantastic giveaways like a Triton boat and Chevy truck.

Beginning this July, the USA will feature hardworking and hard playing union members on its new outdoor TV series, *Brotherhood Outdoors*. As a union member, you can apply today for a hunting or fishing

trip on the show.

There has never been a better time to become part of this community of union members who share your passion for the outdoors. More USA members mean bigger and better benefits, discounts and services. More members mean more USA hunting, shooting and fishing events. More members mean a stronger, more unified effort to preserve our hunting and fishing heritage.

UIG is extremely proud to partner with the Union Sportsmen's Alliance. Become a member today at www.UnionSportsmen.org and stay tuned for more exciting news about the UIG-USA alliance.

GOP Controlled House = New Hefty Potential Fines

Every political climate puts more regulatory pressure on parts of society with which it does not agree with. When the climate reaches a high Conservative level, pressure goes up on Labor.

Nobody who was in the trenches will forget the damage caused by increased LMRDA requirements imposed by the Bush administration and its repercussions on labor. It hamstrung Labor Organizations with the perceived goal of making them less effective.

Originally passed in 2009, the HIPPA legislation will be enforced effective 02/18/2011. Locals, Funds, and Employers must now incur huge expenses and dedicate time to protect data. Ideally the additional

procedures will ultimately pay for themselves but in the meantime, it's no head-scratcher that enforcement coincides with Republicans taking over the House.

Locals who sponsor Joint Funds that hold personal health information (such as drug testing results or list of health & welfare participants) are now subject to HIPPA regulation in addition to DOL regulation.

The Local is considered a "business associate" of the Fund as is an Employer under the new law.

If participants' information is not secured according to government standards, the Fund and any "business associates" are subject to **fines up to \$1,500,000 each!**

A breach from a hacker or disgruntled employee will have more dire consequences:

All potential victims must be notified. Cost: approximately \$30 per member or participant.

Credit watch services must be purchased. Cost: another \$10-\$20 per member or participant.

If a member's credit is cloned and abused, credit restoration services must be provided. Cost: \$5,000 to \$10,000 per damaged member or participant.

Financial damages and emotional distress judgments easily exceed \$50,000 to \$100,000 per harmed member or participant.

UIG experts can help you achieve a compliance plan to get in front of the fines.

Employee vs. Employer Suits at All Time High

The U.S. Equal Employment Opportunity Commission (EEOC) reported the most charges of employment discrimination lawsuits in 2010 in 45 years. Nearly 100,000 employees filed discrimination

suits against their employers. Expanded legislation, easier filing procedures, and customer support has empowered peeved or desperate workers. There is a proven correlation between a down economy and increased

employment practices lawsuits so now is the time to make sure you have the right insurance protection against such situations for your union organization. UIG has affordable options to help you avoid becoming a statistic.

