

## AGENT EDITION

Arkansas - Louisiana - Mississippi - Texas

SUMMER 2018



## EMPLOYEE OWNERSHIP IS OUR KEY TO SUCCESS

Higginbotham Chairman, President, and CEO Rusty Reid at the firm's Dallas/Fort Worth location where he is based.

## CEO, RUSTY REID, BELIEVES HIS FIRM'S SUCCESS IS A DIRECT RESULT OF ITS EMPLOYEES' HARD WORK AND THEIR UNIQUE OWNERSHIP MODEL

**H**igginbotham isn't your run-of-the-mill, everyday insurance firm. Unlike most firms, Higginbotham offers and encourages stock ownership among its employees, even going so far as to offer programs

to earn stock for just doing one's job. Because of that encouragement, today almost 100 percent of the employees are shareholders or HIG Unit stockholders. This unique business model is what Rusty Reid, chairman and CEO of



**Win an Apple iPad!**  
Find out how on page 11

► *continued on page 3*

# A LETTER FROM THE CEO

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I want to take this opportunity to thank you for your support and ask that you continue to keep us in mind when placing your workers' comp business. We are a homegrown workers' comp insurance company that has been in the Louisiana market for 27 years and is firmly established in Mississippi, Arkansas, and Texas. Unlike national companies that entered and then exited these states based on market profitability, we remained. LUBA started in 1991 with a mission to offer a stable alternative to employers and, while we have grown in size and expanded into other states over the years, we remain steadfast in that mission. For those of you who have been long-term agents, you have come to expect the superior service and responsiveness you will only get from LUBA. To our new agents, we ask that you give us the opportunity to build that same relationship with you.

**Here are just a few things you can depend on when doing business with LUBA:**

- **Real people** – When a claim occurs, you want immediate assistance, not someone's voice mail.

While our competitors regularly force policyholders through an automated system, we ensure calls are answered by a live person every time. Our person-to-person experience saves you time and frustration.

- **Keeping your policyholders operating safely** – Whether their business has experienced claims or not, it never hurts to have a second pair of eyes when it comes to loss prevention.

LUBA provides customized safety plans to policyholders that have proven to drastically reduce, and in many cases, completely eliminate claims. Scheduling a consultation with your LUBA Loss Control consultant is easy and FREE. Call or email us at **888-884-5822** or **lubalosscontrol@lubawc.com**.

- **Dividends to policyholders** – Qualifying accounts receive money back at the end of the year.

This year we are happy to announce that we are returning \$2.7 million in dividends to policyholders. We believe that employers who are loyal to LUBA and dedicated to keeping their employees safe deserve to be rewarded!

In closing, I'd like to thank each of you again for your support and loyalty to LUBA. I wish you a fun-filled and safe summer with family and friends.

Sincerely,



David Bondy  
Founder and CEO



**TO OUR AGENTS //**  
**FROM DAVID BONDY, FOUNDER AND CEO**

**HOLIDAY CALENDAR //** LUBA Workers' Comp will be closed on the following dates:

**FOURTH OF JULY**  
WEDNESDAY, JULY 4

**LABOR DAY**  
MONDAY, SEPTEMBER 3

**VETERANS DAY**  
MONDAY, NOVEMBER 12

**THANKSGIVING**  
THURSDAY & FRIDAY, NOVEMBER 22-23

## Employee Ownership Is Our Key To Success

► *continued from page 1*

Higginbotham, attributes to the firm's competitive advantage and the drive to do great things.

Reid assumed leadership of the firm in 1989 when there were only 22 employees in one location. Through organic market growth and a number of acquisitions, Reid used his leadership abilities and strong community partnerships to grow the insurance agency to become full-service and include nearly 1,000 employees with 27 locations in Texas and Oklahoma City. Even after all of this expansion, Reid holds that each Higginbotham branch is fully integrated in every aspect.

That kind of growth is impressive, but Reid wasn't planning to enter the insurance field. After a particularly difficult pre-med class at the University of North Texas, Reid realized he may have been in the wrong field. He decided to speak to his college dean about a change in major and that dean encouraged Reid to follow in the footsteps of his grandfather and his father and try out insurance. Reid found an internship and while working every day after class, fell in love with the industry. After college, Reid began his career in the field and loves it to this day. "If you can wake up every day without having to set your alarm clock, you are probably in the right line of work," he said.

In his early days at Higginbotham, Reid developed an initiative called "Single Source" that enabled businesses to buy all of their P&C insurance and employee benefit plans through one broker, Higginbotham. According to Reid, clients appreciated working with



# HIGGINBOTHAM™

a single agent and they felt the level of service improved. "We must have been doing something right at the time because we had a 97 percent retention rate," said Reid.

In addition to an impressive retention rate, Higginbotham has been affirmed as an "Elite Agency" by *Insurance Business America* magazine for four years in a row. Just last year, Reid was also named "CEO of the Year" by *Insurance Business America* magazine. He believes the great success of the firm is due to its employees' hard work that's driven by its unique employee ownership. "The glue that holds us together is that we are all workers and owners," said Reid. "Everyone has a part to play and we play it to the best of our abilities."

Reid, a humble man, treats his success and accolades as something he owes to the efforts of those around him. He likes to joke that because Higginbotham is employee-owned its employees could remove him at any time. "I hate to use the word 'affirmation' because I don't expect anything for coming to work every day and doing my job," said Reid. However, when asked about his firm's four-time Elite Agency status he laughed, "But when it's Higginbotham that gets an award, I brag about that all day!"

"What we try to do every day is exceed the expectations of everyone we interact

with: clients, employees, carriers, communities, and shareholders," said Reid. This desire to be the best is why Higginbotham offers LUBA Workers' Comp as a carrier for workers' compensation coverage. Reid believes that it is important for their partners to approach business in a similar way to Higginbotham: To be a steady and dependable provider, which is something they have in common with

*"In this industry, you are going to have claims," said Reid. "We want our clients to trust and depend on us to take care of them and LUBA enables us to do that."*

LUBA. "In this industry, you are going to have claims," said Reid. "We want our clients to trust and depend on us to take care of them and LUBA enables us to do that."

### CONTEST QUESTION #1

*Who is the first person you'll speak to if you call LUBA Workers' Comp?*



Higginbotham Chairman, President, and CEO Rusty Reid presents a \$5,000 check to Junior Achievement of the Chisholm Trail from the Higginbotham Community Fund. Accepting the check is Junior Achievement's President Randal Mays, Board of Directors Member Andrea Silva, and Director of Development Priscilla Miller.

Higginbotham also has a robust community outreach program that allows employees to help fund charitable causes of their choosing through the Higginbotham Community Fund, established in 2011. The only requirement is that anyone requesting grants must give to the fund first, be it a little or a lot. "This all helps us to fulfill our vision of being the best community member that we can be," said Reid. To date, the Higginbotham Community Fund has raised a total of \$1,694,218 and granted \$1,129,555.

Reid is also personally involved in community development, lending his time and efforts to numerous nonprofit organizations since the early 1990s

when a colleague appointed him to the board of the Multiple Sclerosis Society. "I got to see firsthand that doing good work for an organization like that can really improve your life and the lives of those you help," said Reid. "We wanted to be a company that doesn't just take from the community, but one that really gives back and tries to make things better for everyone." 

## CONTEST QUESTION #2

Can you name one of the new faces at LUBA?

# LUBA EMPLOYEE SPOTLIGHT

## LISA BOUDREAUX

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### **Q: How did you get your start with LUBA?**

I'm originally from Arlington, Texas, but my husband and I moved to Baton Rouge to be closer to his family. I had been a stay-at-home mom for a while to watch my kids Keaton and McKenzie. I actually ended up working at a Mother's Day Out program at my child's school with the mother of LUBA's previous receptionist, Danielle. When she moved to a different department at LUBA Danielle encouraged me to apply for the job, so I did and I got it!

### **Q: What do you enjoy about being the receptionist at LUBA?**

LUBA is everything that I wanted in a workplace: family-oriented, laid back, loving, and caring towards employees and customers alike. I was sold from day one. I'm the first person you meet when you come to LUBA, and I want all of our visitors to know that they deserve a smile every day. I find great joy in being able to do that for anyone who comes through our doors. Having adult interaction after all those years of being a stay-at-home mom is fantastic, too (laughs).

### **Q: What can someone expect when they call LUBA?**

When you call LUBA, you can always expect a real person to answer the phone and a friendly voice on the line. We get compliments all the time because people are so happy to hear a live voice talking to them instead of a machine during a stressful time. Unfortunate things can happen in life and sometimes you need help. That's where we come in. I really believe in our motto of "Genuine Dependability." To me, it means you can always depend on someone who is kind and knowledgeable to assist you when you need it most.

### **Q: Do you get any particularly strange calls?**

We actually get a lot of calls from individuals looking for the Louisiana Workforce Commission. I help them find the information they are looking for, even though technically they are calling the wrong place. It makes me feel good to help solve someone's problem. It's what we at LUBA call "going the extra mile!"

### **Q: Volunteerism is a core part of the culture at LUBA. How do you get involved with your community?**

My son has spina bifida, which is when a child's spinal cord fails to develop properly. He had surgery at 5-months-old, and 14 years later we're blessed that he can walk, we're blessed that he's so smart, and we're blessed that he's growing. Naturally, all of this makes me an advocate for parents of children diagnosed with this birth defect. I work with a support group in Denham Springs that helps families and teachers understand what to expect and how to work with young children with spina bifida. It's very important to me that I can comfort parents who are still coping with the early stages.

### **Q: What do you like to do with your free time?**

I love to spend time with my family. My husband and I have been cooking together a lot recently. Since I'm from Texas, he likes to introduce me to a lot of the local Louisiana seafood dishes. We're also looking forward to our summer fishing trip and crawfish boils!

*As a longstanding workers' compensation carrier in the marketplace, we have always kept an eye on emerging trends, topics, and issues in the industry. As a trusted partner to our agents and policyholders, we understand the importance of being a resource for information that may have a potential impact on businesses. Recently, the legalization of medical marijuana and how that may affect employers has been widely discussed.*

Although this issue is in its early stages and will continue to develop, the following article provides a snapshot of where things currently stand.

Source: Key data and information provided by the State Advisory Forum held by the National Council on Compensation Insurance (NCCI).

## AN EMERGING TOPIC IN WORKERS' COMP: THE LEGALIZATION OF MEDICAL MARIJUANA



### How does the federal Schedule I drug status of marijuana impact workers' compensation?

To date, medical marijuana is legal in 29 states, as well as Washington, D.C. It's also legal for recreational use in eight states—Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon, and Washington, as well as Washington, D.C. As many as 15 additional states are expected to consider marijuana proposals in 2018 and beyond. State legalization notwithstanding, marijuana is still illegal at the federal level and is classified as a Schedule I drug under the Controlled Substances Act. In recent years, the federal practice has been to not enforce existing federal law in states that have legalized marijuana.

Insurers are increasingly receiving requests to reimburse medical marijuana for workers' compensation treatment. Given the friction between state and federal law, state courts are faced with the challenge of whether to approve medical marijuana as a permissible workers' compensation treatment. As marijuana-related business continues to expand, the demand for insurance coverage is growing. Insurers, in turn, are left wondering what issues they may face as a result of providing insurance for marijuana businesses or being required to reimburse for a drug treatment that is illegal under federal law.

For example, Hawaii Employers' Mutual Insurance Co. (HEMIC) recently decided to cancel workers' compensation policies for medical marijuana dispensaries in Hawaii based on, according to news reports,

legal opinions about potential exposure under federal law. Moreover, the Centers for Medicare & Medicaid Services (CMS) requires CMS healthcare providers to operate in compliance with federal law. In addition, marijuana cannot be assigned a National Drug Code due to its Schedule I status; therefore, there is no standardized reimbursement rate for the drug.



### Do states require workers' compensation insurers to reimburse or pay for medical marijuana?

To date, at least five states—Connecticut, Maine, Minnesota, New Jersey, and New Mexico—have found that medical marijuana is a permissible workers' compensation treatment requiring insurer reimbursement. New Mexico was

## THE LEGALIZATION OF MEDICAL MARIJUANA IN YOUR STATE\*



### LOUISIANA

MEDICAL:

RECREATIONAL:

- 2015 - Medical marijuana provision passed (Non-smokable form only)
- Requires a doctor's recommendation
- Approved only for patients with: **Cancer, HIV, AIDS, Cachexia or wasting syndrome, Seizure disorders, Epilepsy, Spasticity, Crohn's disease, Muscular dystrophy, Multiple sclerosis**
- 2017 - LSU and Southern University designated as the only supply sources for medical marijuana.
- Mid 2018: Patients hope to have access to the drug



### ARKANSAS

MEDICAL:

RECREATIONAL:

- 2016 - Medical marijuana provision passed
- Requires a doctor's note
- Patients with a variety of conditions can get medical marijuana from an Arkansas dispensary
- As of April 2018, no dispensaries have opened



### MISSISSIPPI

MEDICAL: **Only in extreme cases of epilepsy**

RECREATIONAL:

- 2015 - Medical marijuana provision passed
- Requires a doctor's recommendation
- Limited to CBD products
- Only low-THC, high-CBD strains are allowed



### TEXAS

MEDICAL: **Only in extreme cases of epilepsy**

RECREATIONAL:

- 2014 - Medical marijuana provision passed
- Requires a doctor's recommendation
- Limited to CBD products
- Only low-THC, high-CBD strains are allowed

= LEGALIZED

= NOT LEGALIZED

\*STATUS AS OF MAY 2018

the first in 2014. In *Vialpando v. Ben's Automotive Services and Redwood Fire & Casualty*, the New Mexico Court of Appeals ruled that insurers must reimburse qualified workers' compensation claimants for the cost of medical marijuana to treat work injuries. The decision was appealed to the New Mexico Supreme Court, which denied review.

More recently, in *Petrini v. Marcus Dairy, Inc. and Gallagher Bassett Service*, the Connecticut Workers' Compensation Commission found that use of medical marijuana was reimbursable and constitutes reasonable and necessary medical treatment. And, in *Noll v. Lepage Bakeries, Inc.*, the Maine Workers' Compensation Board ordered a self-insured

employer to reimburse an injured worker for costs associated with the "reasonable and proper" medical use of marijuana.

Both Connecticut and Maine have cases pending on appeal regarding medical marijuana use in workers' compensation. (The *Petrini* case is currently pending before the Connecticut Court of Appeals and *Bourgoin v. Twin Rivers Paper Co.* is currently pending before the Maine Supreme Judicial Court.)

On the legislative side, numerous state laws explicitly preclude health insurance providers from reimbursing for costs associated with the medical use of marijuana. But only a handful of states have laws explicitly stating

that an employer or workers' compensation insurer is not required to pay for medical marijuana. In 2017, both Florida and North Dakota passed laws stating that medical marijuana is not reimbursable for workers' compensation.

Will required reimbursement for marijuana as a workers' compensation treatment be an ongoing trend for state legislatures and courts? Workers' compensation insurers remain keenly interested as these developments unfold.

# COMMUNITY INVOLVEMENT

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LUBA Workers' Comp recently sponsored Kacey Threeton, daughter of Christine Threeton with BXS Insurance, in the Livingston Parish 4-H / Future Farmers of America Livestock Show. The mission of the organization is to help youth develop the skills to be strong competitors and well-rounded individuals today and in their futures. Kacey won two overall titles in her competition classes. Way to go Kacey!



## OWNER/EXECUTIVE OFFICER PAYROLL LIMITATIONS

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Based on certain criteria, business owners have the option to include or exclude themselves on their workers' compensation policy. However, these rules tend to change each year and vary from state to state. Even among industry veterans the rules can get confusing, so LUBA Workers' Comp is providing you with this quick reference guide to help you keep up with the latest information.

This guide can also be downloaded on our website in the "Tools & Documents" section of our Agents page. Visit [www.lubawc.com/agents](http://www.lubawc.com/agents).

**SEE INSERT**





## David Bondy receives the Top Entrepreneur award from *Mississippi Business Journal*

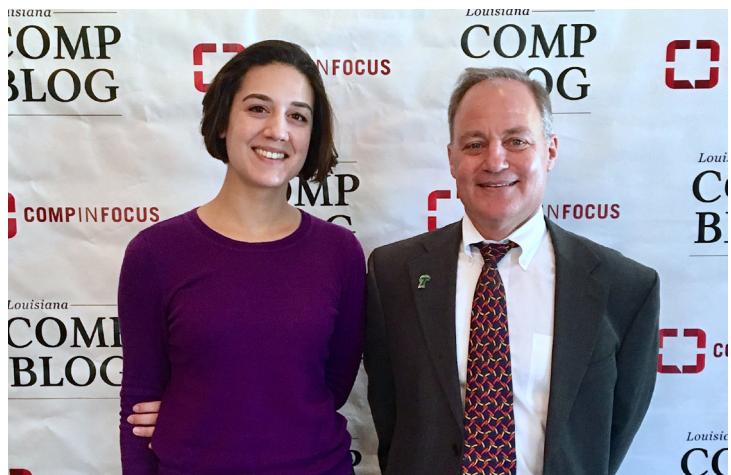
David Bondy, founder and CEO of LUBA Workers' Comp, was named one of the 2018 Top Entrepreneurs by *Mississippi Business Journal*. These distinguished individuals were selected based on their impact on Mississippi businesses, their professional accomplishments, and community involvement. "I met David several years ago and enjoyed hearing LUBA's story from its founding to what it has become today," said Alan Turner, publisher of *Mississippi Business Journal*. "LUBA's commitment to the businesses and workers here in Mississippi is what sets them apart. They are very deserving of this award."



Tami Jones (center), associate publisher of the *Mississippi Business Journal*, presents Kelli Bondy Troutman (left) and Trent Bondy (right) of LUBA Workers' Comp with the "Top Entrepreneur Award." Kelli and Trent accepted the award on behalf of David Bondy at an event held in Jackson, MS.

## Mike DePaul Speaks at recent "Comp in Focus" Luncheon

Mike DePaul, chief operating officer of LUBA Workers' Comp, recently spoke to a group of insurance professionals at the *Louisiana Comp Blog* "Comp in Focus" luncheon held in New Orleans, LA. DePaul told LUBA's story from its start as a self-insured fund to the casualty insurance company it is today.



Nina Luckman, editor of *Louisiana Comp Blog*, and Mike DePaul, chief operating officer of LUBA Workers' Comp, at the recent "Comp in Focus" luncheon.

# NEW FACES

Please join us in welcoming the newest members of the LUBA team.

*L to R (seated) Jennifer Thompson, Falynn Baheth, Kevin Fischer  
L to R (standing) Roxan Venable, Ashley Carter, Sharon Avants*



# NEW PLACES

LUBA congratulates its team members who recently took new positions.

*L to R - Ryan Neustrom, Zinnetta Preston, Jessica Basso, Beth Thibodeaux*



## CONTEST QUESTION #3

*What can our agents expect from LUBA?*

- (a) Real people
- (b) Keeping policyholders safe
- (c) Dividends to policyholders
- (d) All of the above

## INTRODUCING THE LUBA LAGNIAPPE PROGRAM



### LA·GNIAPPE (LAN' YAP) noun:

THE TERM LAGNIAPPE IS DEFINED AS SOMETHING GIVEN OR OBTAINED GRATUITOUSLY OR BY WAY OF GOOD MEASURE. IT IS A BONUS OR GIFT; A LITTLE SOMETHING EXTRA.

The LUBA Lagniappe Program is our way of saying thank you for your trust and your business. To show our thanks, our agency partners have the opportunity to receive lagniappe prizes in several different ways throughout the year.

Keep an eye out for the Lagniappe package coming to you in the mail!  
Can't wait? Visit [www.lubawc.com/lagniappe](http://www.lubawc.com/lagniappe) for more information.



### Going on vacation this summer? Take a new iPad along with you!

As a way of saying thank you to our loyal LUBA agents, we are giving away a new Apple iPad to two lucky newsletter readers!

Email the correct answers to the three contest questions found in this newsletter to [luba.contest@lubawc.com](mailto:luba.contest@lubawc.com) by 5:00 p.m. on Monday, August 27, 2018, and you will be entered for a chance to win.

**Good Luck!**



*Genuine Dependability™*

*Doing business with LUBA means long-term relationships, affordable coverage, and personal service. That's why 9 out of 10 of our policyholders return year after year.*

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*Did you know that  
LUBA writes...*

*Let us take a  
shot at writing your  
new business!*

