

THE REPORT



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Seasonal Risk

Limiting Your Liability During the Holidays

WITH YEAR-END and holiday festivities beginning, make sure to make safety a priority whether you just decorating the office or throwing a holiday/year-end party for your staff.

While you obviously want your staff to relax and have fun, you also want to make sure they get home safely and that nobody gets hurt or sick at your holiday party.

Due to their infrequent nature, the liability risks of company-sponsored holiday events are often overlooked.

To ensure the health and well-being of all who attend, it is important to be aware of any potential liability concerns that your company may face if the event doesn't go exactly as planned.

Make the event optional and let your team know that it won't reflect poorly on their performance evaluation, advancement potential or job security if they don't attend. Emphasize this in invitations and announcements.

Take complaints that stem from the party seriously. As you would with any other incident, document, investigate and take appropriate action.

Holiday party safety considerations

- If you are holding a party offsite, inspect the venue first to make sure it meets your safety standards. Keep an eye out for easy-access exits, emergency lighting, and flooring that might cause slips and falls.
- If storms are looming on the date of your party, consider the effects that weather may have on safe travel to and from the event.
- Do you need security?
- Limit alcohol consumption.
- If party-goers are leaving at night, make sure nobody has to walk out alone in the dark to their car for safety reasons.
- Ensure safe food handling, like keeping hot foods warm and covered and not leaving perishable food out for too long to reduce the chance of foodborne illness.
- Have a plan in case someone is injured or needs medical assistance. Know where the closest hospital is and identify staff who know how to use a defibrillator or can perform CPR.

Liquor liability

Some companies have recognized the liability exposure and have chosen to hold alcohol-free holiday events. If alcohol is served, limit your exposure by:

- Holding the event at an off-site location and hire professional bartenders who have their own insurance and are certified for alcohol service. Speak with the vendor to determine what protocols it uses to keep from serving minors and others who are visibly intoxicated.
- Provide an array of choices of non-alcoholic beverages.
- Don't have an open bar. Instead, hand out a set number of drink tickets to control consumption (two is usually a standard amount).
- Stop serving alcohol at least an hour before the event ends.
- Provide transportation that may include free cab or Uber rides.

Reducing liability risk

Remind your employees that rules against harassment, discrimination and conduct apply at the event. Monitor behavior and take prompt action if any activity or behavior exceeds acceptable bounds.

*Acrisure
Wishes You a Happy Holiday!*



A word about insurance

Make sure you that any vendors you use carry insurance. Insist on seeing the certificates of insurance with sufficient coverage and liability limits for:

- Catering and bartending firms,
- Facilities, and
- Entertainers.

See 'Make' on page 2

New AI-in-Hiring Rules: What You Need to Know

STARTING OCT. 1, 2025, any California employer that uses artificial intelligence and other automated tools in recruiting, hiring, promotion and related human resources decisions will have to ensure that the tools don't discriminate against protected classes.

The new regulations, promulgated by California's Civil Rights Department, cover any "automated decision system" (ADS) which the rules broadly define to include any computer-based process that makes or influences employment decisions, such as:

- Artificial intelligence,
- Machine learning,
- Algorithms,
- Statistics, and
- Other data-processing techniques.

If your firm uses AI or another data-driven system in hiring, you'll want to beef up record-keeping and set testing procedures to ensure that the tools you use comply with the new regulations.

ADS bias risks that can expose you to litigation

Résumé screeners – These may favor applicants who use certain wording, which can disadvantage older workers or those from different cultural or educational backgrounds.

Targeted job-ad delivery – Tools may push job ads to preferred genders, age groups, races and other protected classes.

Puzzle or game-style assessments – These tools may screen out people with certain physical or neurological conditions.

Voice and facial analysis tools – Tools that assess "enthusiasm" or "communication style" may produce biased results against those with disabilities, speech differences or accents.

Basics of the new rules

Discrimination risk – It is unlawful to use an ADS or other selection criteria that discriminate based on any protected characteristic such as race, gender and ethnicity. Crucially, an employer can be liable even without intent if the ADS causes an adverse disparate impact on a protected class.

Anti-bias testing – Employers are required to perform anti-bias testing of their systems. Regulators and courts may look at six factors to determine whether an employer took reasonable steps to avoid discrimination:

1. Quality of the testing
2. Efficacy (how well it detects bias)
3. Recency (how current it is)
4. Scope (which systems or data were tested)
5. Results of the testing or due diligence
6. The employer's response to those results (what was changed or fixed afterward)

Record-keeping – The rule requires employers to keep ADS-related records for four years.

What you can do

One of the keys to a successful defense is showing you have taken steps to remedy issues with tools that you use in employment decisions.

If you use an ADS system in your personnel decisions, focus on the following to comply with the new rules:

Tracking – Track your ADS system's involvement in recruiting, hiring, promotion, training selection, performance screens or advertising. Include vendor tools and "off-the-shelf" filters.

Testing – Build a defensible bias-testing program. Document the six factors that regulators will look at (see list to left).

Planning – Establish a plan to regularly test your ADS systems for bias-tainted decisions, and address any problems you find.

As a side note, employers should expect more AI-related legislation in the years to come as more companies use it in their day-to-day operations.



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Make Sure That Any Vendors You Use Carry Insurance

When reviewing rental contracts, be sure to note any hold harmless or indemnity agreements that could release the vendor from liability and instead hold your company responsible for

losses from situations over which you have no control.

Also, talk to us to make sure that your own insurance policies cover any mishaps that may occur at your company event.

The Conversation That Can Save Your Family from Conflict

AS FAMILIES gather for the holidays, it presents a unique opportunity when multiple generations are in one place. While the focus should remain on celebration and connection, it's also a practical time to address important family financial matters that often get postponed throughout the year.

The Sobering Reality:

- Only 30 percent of wealthy families successfully transfer their wealth to the next generation¹
- U.S. households will transfer \$124 trillion over the next two decades³
- The No. 1 reason for failure - lack of family communication and trust¹
- Families who discuss finances beforehand tend to experience less stress during times of grief and loss²

The information your adult children actually need

You don't have to share every detail of your finances, but there are basics that could help manage chaos later:

- Where your income comes from (especially if you're retired)
- How you pay bills—automatic, online, or by check
- Password locations (they don't need them now, but should know where to find them)
- Your team of professionals and how to reach them
- Estate Strategy Essentials:
- Your overall strategy and reasoning behind asset distribution
- Who's designated as the executor and the power of attorney
- Your values and investment philosophy
- Any complex elements like estate management tools, business succession, or sentimental real estate

The legal foundation everyone needs

Three documents every adult should have:

- **Will** – directs asset distribution through probate
- **Financial power of attorney** – lets someone handle your finances if you can't
- **Medical power of attorney** – designates healthcare decision-makers

How to structure the conversation

- **Set clear objectives** – Decide whether you're focusing on estate strategies, wealth transfer, or general financial transparency
- **Start with empathy** – Explain why this matters to you and the family's future
- **Cover key topics** – Values, financial overview, estate strategy, and expectations
- **Encourage dialogue** – Make it a no-judgment zone for questions and concerns



Complex situations that need extra attention

If your situation includes any of these, family communication becomes even more critical:

- Family estate tools with complex distribution rules
- Sentimental real estate, like vacation homes
- Business succession preparation
- Blended families or unique dynamics

The bottom line

Getting your affairs in order and having a clear succession strategy is one of the greatest gifts you can give your family. The families who navigate transitions successfully aren't necessarily the ones with the most money—they're the ones who communicated openly and prepared together.

1. *Vanguard, August 2025*
2. *Forbes, June 25, 2025*
3. *Charles Schwab, August 14, 2025*

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New Law Expands Protected Paid, Unpaid Leave

A NEW CALIFORNIA law has further expanded the circumstances under which employees can take protected paid and unpaid leave.

AB 406, which took effect Oct. 1, 2025, expands on last year's revisions to the state's paid sick and safe time and crime-victim leave laws, adding new categories of protected absences that cross multiple statutes – and increasing the complexity of managing employee leave.

Employers will have to revise their HR policies to ensure they comply with the new law as some law firms warn that AB 406 affects a number of intersecting statutes.

What AB 406 does

Effective Oct. 1 – The new law adds two new reasons for which employees can take protected time off:

- To appear in court as a witness to comply with a subpoena or court order, including if the employee is a crime victim.
- To serve on an inquest jury or trial jury.

Effective Jan. 1, 2026 – The law also extends job-protected leave for employees or their family members who are victims of certain serious crimes (the law cites 14 of them). Covered workers may take leave to attend court or administrative proceedings related to those crimes, such as arraignments,

pleas, sentencing hearings, parole hearings or other proceedings where victims' rights are at issue.

Overlapping leave laws complicate compliance

The new rules expand and interlink several different statutes – the Healthy Workplaces, Healthy Families Act, the California Family Rights Act and the Fair Employment and Housing Act – making it more difficult for HR departments to determine which law applies to each situation.

For example, an employee attending a sentencing hearing on behalf of a family member could qualify for leave under both the paid sick and safe time law and CFRA if that family member also has a serious health condition. HR teams must carefully review each request to ensure the proper leave type is designated and tracked.

Notice, documentation requirements

The Civil Rights Department has issued a new mandatory workplace notice titled "Survivors of Violence and Family Members of Victims – Right to Leave and Accommodations," which you can find [here](#).

Employers must post and distribute this notice and train managers on confidentiality and retaliation protections.



Steps you can take

- Update employee handbooks and leave policies to reflect AB 406's new covered uses.
- Train HR staff and managers to identify overlapping leave rights and apply the proper designations.
- Post the new CRD notice and review confidentiality and anti-retaliation procedures.
- Audit HR systems and time-off codes to ensure new leave categories are captured.
- Coordinate state and local leave requirements to avoid conflicts.
- Discuss any planned changes with your legal counsel to ensure compliance with the new law.

If you have any questions regarding any of these articles or have a coverage question, please contact your broker at:

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