

NEWS

JUNE 2013



Another fun, wet evening at the Corporate Challenge

Team Koziel Steel and Tool Ranch gathered on Tuesday, May 21st for the 23rd annual JP Morgan Corporate Challenge. The Corporate Challenge is a 13 city, 7 country, 5 continent series. This year Rochester was the host of the Championship for the top teams from 5 continents.

A total of 10,921 participants from 460 companies were in attendance this year.

The YMCA of greater Rochester was the beneficiary.

We all finished within six minutes of each other. I came through the finish line first, followed by Randy, Shane, and Anthony.

Overall, we had a great time hanging out, running, and eating! Unfortunately, it did rain at the end of the evening. In the bottom right picture above you can

see the puddle approaching our tent. Luckily, there were a few beers left over for our enjoyment while we waited out the storm!

I am looking forward to next year. Perhaps, Tool Ranch Lancaster will want to form a team for the Buffalo event?

- Leanne Sisbarro

KUDOS



Here at Koziel Steel, our mission is to get material to our customers in a safe and timely manner. In order to do this, we must possess a well maintained fleet of delivery equipment. Our fleet is subject to guidelines enforced by the Federal Motor Carrier Safety Administration. The FMCSA uses what is called a Safety Measurement System, which provides an assessment of our on-road performance and investigation results within the Behavior Analysis and Safety Improvement Categories (BASIC).

Over the past 2 years, our drivers have been inspected 12 times while making deliveries. During 7 of the 12 inspections, violations were found. The violations, as minor as they seem, all count against the company's driving record. Even with the violations found, our BASIC overall status does not exceed the intervention threshold, which is based upon our On-road Performance and Investigation Results. The threshold

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Help! I want to negotiate my medical bill.

How to save \$\$\$ on medical bills:

1. Go In-Network

Make sure your provider is in-network. Insurance covers less of the cost for out-of-network providers.

2. Research fair pricing

Utilize online resources to find out what your visit should cost. Fair pricing for common procedures can be found online using www.healthcarebluebook.com or the Excellus Health Care Advisor located at www.excellusbcb.com.

3. Consult with Excellus and your Doctor before your visit

Ask your doctor what your expected cost will be so that you can shop around or negotiate with them using the fair pricing information from Health Care Bluebook. For more complicated procedures such as surgery they may be hesitant to give you cost information because there may be unknown circumstances which may change the final cost of service. If they give you resistance Excellus will make a conference call with you to your doctor's billing office to discuss the rates.

A final option for getting pricing from your provider is to ask for the uninsured rate. This will give you an idea of the worst case scenario. However, remember that you will always pay less than the uninsured rate since you have health insurance.

4. Medical Cost Advocate

Medical Cost Advocate (MCA) works to reduce your medical costs by validating billing accuracy, negotiating your medical bills after services are performed, or by reducing your procedure price before services are performed. The bill must be \$300 or more. The only caveat is that they take 35% of your cost savings. If there are no savings, you do not pay them anything.

Here is an example: You submit a bill for \$1,000 and MCA obtains a reduction of \$200. They will have your medical provider charge you \$800 and MCA will process their fee of \$70. Your next savings will be \$130.

Visit www.medicalcostadvocate.com for more information.

Visiting a Medical Specialist

MAKE THE MOST OF YOUR APPOINTMENT

Your primary care doctor is your first point of contact for health issues, but sometimes your condition may warrant seeing a specialist. Here is what you need to know to make your visit as time- and cost-effective as possible.

Consider your choice

Generally, you should see a specialist only if your doctor recommends it. Since specialists are more expensive, you should visit your primary doctor first – he or she may be able to address your problem without needing a specialist.

Be prepared

Know what your goal in seeing the specialist is and what information you hope to gather. Make a list of questions or concerns you have. Review your insurance to be sure it covers the specialist you are seeing – and also find out if a referral or preauthorization is needed (the J. Kozel & Son health plan does not require referrals).

When choosing a specialist, you don't necessarily have to visit the one your doctor suggests. Do your own research to find one whose skills and experience match your needs.

Communicate

Coordinating your care is very important, which means that your doctor needs to communicate with any specialist you see. Find out how you will get test results, and how the doctors will exchange relevant information. Ask that all communication is in writing.

Also, ask your primary doctor if he or she would like you to come in for a follow-up appointment after your specialist visit. If so, try to schedule these visits close together (but leave enough time for the specialist to provide feedback and/or test results to your primary doctor).

Bring a copy of your medical history and any medications (prescription, over-the-counter and supplements) that you are taking. Don't assume your primary doctor provided this information. During your visit, don't be afraid to ask questions. Ask if he or she would like to see you again or if your primary doctor can manage your care going forward. Make sure you understand any instructions, diagnoses and treatment plans communicated to you.

Be prepared and practice. If this is a doctor you've never visited, you might be especially uncomfortable or nervous. Bring a list of questions, symptoms and concerns, and practice what you are going to say if it is something embarrassing or personal. Also, take notes during the appointment so you don't forget anything later.

Health Care Reform Update

New York State has been very busy getting the Insurance Marketplace ready for October 1, 2013. The marketplace will be available to individuals and small businesses. The following information explains the mandates that take effect in 2014 which may affect you and those you know.

Individual Mandate

Beginning in 2014, most individuals will be required to obtain health coverage for themselves and their family members or pay a penalty. Because this provision has the effect of "requiring" individuals to have coverage, it is often referred to as the "individual mandate."

Minimum Essential Coverage

The penalty will be assessed against an individual for any month during which he or she does not maintain minimum essential coverage, beginning in 2014 (unless an exemption applies). The requirement to maintain minimum essential coverage applies to individuals of all ages, including children.

Minimum essential coverage includes coverage under:

LOCK, STOCK, AND BARREL: NEWS FROM THE RANCH

A lot of things goin' on, folks, from a new showroom at Tool Ranch West to a whole new outpost at Tool Ranch East. For you greenhorns that's Tool Ranch- Lancaster and Tool Ranch-Ontario, respectively.



Looks like we're goin' the whole hog with Bosch tools, meaning we're now Bosch System Specialists (BSS): "Bosch System Specialists (BSS) are highly qualified Bosch specialist retailers who have specialized in the selling of Bosch power tools." In plain talk, Tool Ranch can purchase Bosch tools at a competitive price and service the heck out of our customers. Pretty soon both stores will have an impressive Bosch tool and accessory display. We aim to please on this one.



Meanwhile, the boys have been busy rustlin' up new business. Jeff Rzepka lassoed a big one recently, Dimon & Bacorn. According to Jeff, Dimon & Bacorn (a moving, storage & rigging company) were unhappy with their supplier. They got on our website, made a call to the store, and Jeff rode out to see them in that beautiful land of Elmira. They're goin' to buy nails and other items such as lag screws and carriage bolts.



Chuck Friscaro, always roving on the great range, corralled three steers: Ellicott Development, Clover Construction Management, and Saldano Construction. Ellicott Development is renovating the Graystone Hotel in Buffalo. Chuck quoted them out a mother lode of Bosch tools for that job. Clover Construction Management continues to build senior housing throughout the northeast. Since Chuck can't make it out that far, he has product drop-shipped from Simpson and Hitachi. Simpson delivers mechanical



anchors and nuts & bolts to Clover, and wagon loads of powder actuated/gas concrete pins to Saldano, a sub of Clover. Chuck is also quoting out drywall screws to Saldano.

Chuck has already reined in two big jobs of Saldano, \$19,000 each. One was in Scranton, PA, the other Watertown, NY. And he ain't done yet. There're four more jobs he's working to corner. Yep, that's one heck of a Chuck wagon.

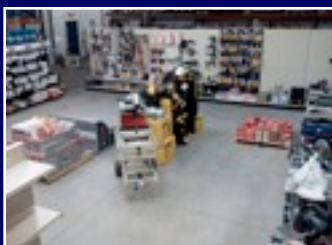
And at Tool Ranch - Ontario comes this bit of news hot off the wire from salesman Randy Freeman: "I have recently started selling to a Syracuse contractor who has been awarded projects in the Rochester and surrounding areas including Watertown and Brockport. I initially met with these guys and sold them their first two skids of framing nails on a multi-unit townhouse project in Gates. Since then, I have provided everything from saw blades to fuel cans to their guys. I have also "tooled-up" one of their crews for the Watertown project and will do the same thing for the Brockport job."

Keep in mind we also use Constant Contact, an email marketing tool, to reach our customers. Please gather what customer email addresses you can and send them our way.

By hook or crook we'll do what we can to take care of our customers and increase sales.

See ya'll later.

- Darryl Schneider



Health care reform continued...

- A government-sponsored program, such as coverage under the Medicare or Medicaid programs, CHIP, TRICARE and certain types of veterans health coverage;
- An eligible employer-sponsored plan (including COBRA and retiree coverage);
- A health plan purchased in the individual market; or
- A grandfathered health plan.

Minimum essential coverage does not include specialized coverage, such as coverage only for vision care or dental care, workers' compensation, disability policies, or coverage only for a specific disease or condition.

Affordability Exemption

There are a number of exemptions from the requirement to obtain minimum essential coverage. Under one of these exemptions, individuals who lack access to affordable minimum essential coverage are not subject to the individual mandate penalty. This exemption avoids making an individual pay a tax penalty if his or her only health coverage option is unaffordable. Coverage is affordable if the employee's cost for self-only or family coverage does not exceed 8% or household income.

Tax Credit

The law created the premium tax credit to help eligible individuals and families purchase health insurance through the Exchange. By reducing a taxpayer's out-of-pocket premium costs, the credit is designed to make coverage through an Exchange more affordable.

Employees (and their family members) who are eligible for coverage under an employer-sponsored plan that is affordable and provides minimum value are not eligible for the premium tax credit. Coverage is affordable if the employee's cost for self-only coverage does not exceed 9.5% of household income. Affordability for family members is also based on employee's cost for self-only coverage not exceeding 9.5% of household income.

Effect on Small Business

Businesses with fewer than 50 employees (that would be us!) can purchase insurance through the Small Business Health Options Program (SHOP). The SHOP is an insurance exchange market place for businesses. Kozel Steel is still waiting to see what options are available on the exchange so we can determine what option will be most viable. Businesses are not required to use the exchange to purchase insurance and can still go directly to the insurance carrier. By September we should have a better idea of what to expect from the exchange and outside market.

High Deductible Health Plans with HSA's will be available on the SHOP.

Suggestion Box

There is now an employee suggestion box available online. Suggestions can be anonymous. Visit the Company Corner on NestUp.com for the link.

KUDOS continued...

is set at 80%, and we are currently at 36%. This number still may seem high, but it is down from 48% in October of 2010.

One of the main contributing factors for the decrease in violations is that we have a full time mechanic on staff. Since Andrew Hand was hired in March of 2012, our trucks have been on a schedule for routine maintenance. The maintenance schedule allows for him to look the trucks over for defects before they are found on the road by inspectors. Another reason for a decrease in the number of violations has to do with our drivers. It is our drivers' responsibility to perform daily inspections of their trucks and to make sure material is properly loaded and tied down. Our drivers here at Kozel have been stopped three times within the past two months, all resulting in a clean inspection report.

As we move through these busy summer months, it is our goal to see our number continually drop. To do this, we need to continue to inspect our fleet before and after every trip and correct defects before it is too late.

- A.J. Lehman

Expanding your products lines & how I've been able to do it

When I first started at Trojan I knew that working for a steel company would require selling steel and steel related products. The challenge was how to expand the product base. Like most small businesses, Trojan has limited resources which must be used very judiciously, especially when it comes to expanding into new areas.

One way in which I have been able to expand our business at Trojan is to be the first steel supplier in the area to offer a line of products that would cater to the wall and the masonry contractors. This in turn enhances our rebar and mesh products. Doing this can be tricky however, and doing it wrong could be an expensive mistake. I was successful in expanding our products lines with minimal risk by listening to my customer's needs. In the process we were able to pad our product lines with what I call SURE BETS i.e. anchor bolts, wall ties, windows, escape wells, forms, and accessories.

Simply listening to our customers and being open to feedback is an integral part of our product line expansion process. A great way to keep track of customer feedback is to keep a list of all the products and dates that our customers request them. From this list you will start to see a pattern of when they need certain products. I follow up during these times of need by calling some of my customers and asking if they are ready for more of the product. Usually they say, "Yes we are. Thanks for staying on top of it for us." This in turn results in an increase in sales.

In short, by listening to your customers' feedback and keeping track of what they are asking for and when they are asking for it will help you expand your product lines and make more sales.

- Marc Phelps