



Proactive Strategies to Improve Your Insurance Program



Reagan Companies

Risk Management and Investment Services

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Controlling Your Costs

- ✓ Establish a Safety Policy
- ✓ Build a Culture of Safety
- ✓ New Employee Orientation & Training
- ✓ Adopt a Return to Work program
- ✓ Streamline reporting procedures
- ✓ Identify top loss sources



Order of Importance

- Productivity
- Quality
- Safety

Correct Order of Importance

- Safety
 - Quality
 - Productivity
-
- Improving your safety culture will increase your Profitability!

The Tip of the Iceberg



Insured Costs

- Medical
- Compensation

Uninsured Miscellaneous Costs

- Investigation time
- Cost of hiring and/or training replacements
- Overtime
- Extra supervisory time
- Clerical time
- Wages not compensated
- Down time
- Negative public image
- Legal fees
- Reduced employee morale

The real cost of accidents can be measured and controlled

Reducing Indirect Costs Will Increase Your Profitability

■ Total Claim Cost	\$ 250,000
■ Indirect Cost Factor*	<u> x 4</u>
■ Total Indirect Cost Savings	\$1,000,000

- *The indirect cost savings factor as recommended by the Occupational Safety and Health Administration (OSHA).

■ Clients' Gains

- 1. Increase in Productivity
- 2. Reduced Waste
- 3. Increased Quality and Reliability
- 4. Increased Employee Loyalty and Morale
- 5. Reduced Absenteeism
- 6. Improved Compliance with OSHA Regulations

Controlling Your Underwriting Costs

- Classifications
- Credits
 - Drug Free
 - Construction Premium Credit
 - Payroll Limitation

Claims

Check Accuracy

Proper Reserves

Look for Frequent Flyers (Equate for 25% to 75% of all claims)

Verify Experience Modification

Establish a Safety Policy

- Write a comprehensive plan to include:
 - Statement of policy – explain purpose
 - Expectations of employees
 - Job Descriptions
 - Drug/alcohol policy
 - Role of Safety Director & Supervisors
 - Loss control efforts (identification and correction)
 - Training
 - Use of occupational medicine clinics

Incorporate the Policy into Your Company Culture

- Review written policy with new employees
 - For non-English speaking workers, offer materials in worker's native language
- Periodically review policy with all employees
- Review policy in monthly Safety Committee meetings
- Ensure any other regulations or rules stem from the policy

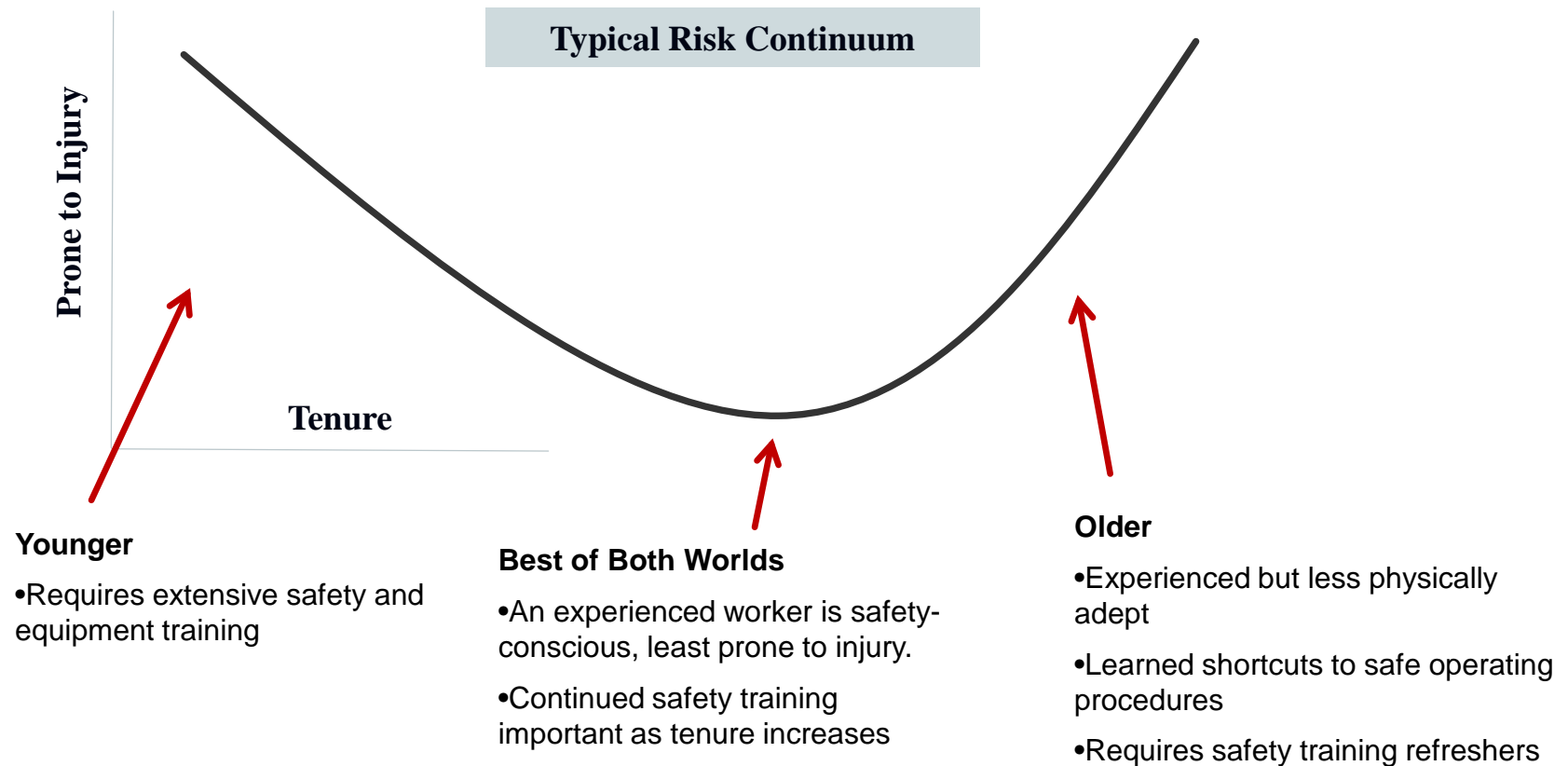
New Employee Orientation

- Have Job Description
- Drug Testing
- Review All Safety Materials & Programs
 - Have them sign that they reviewed and understand
- Training
 - Personal Protection Equipment
 - Job Duties
 - Claim/Incident Reporting

Return to Work Program

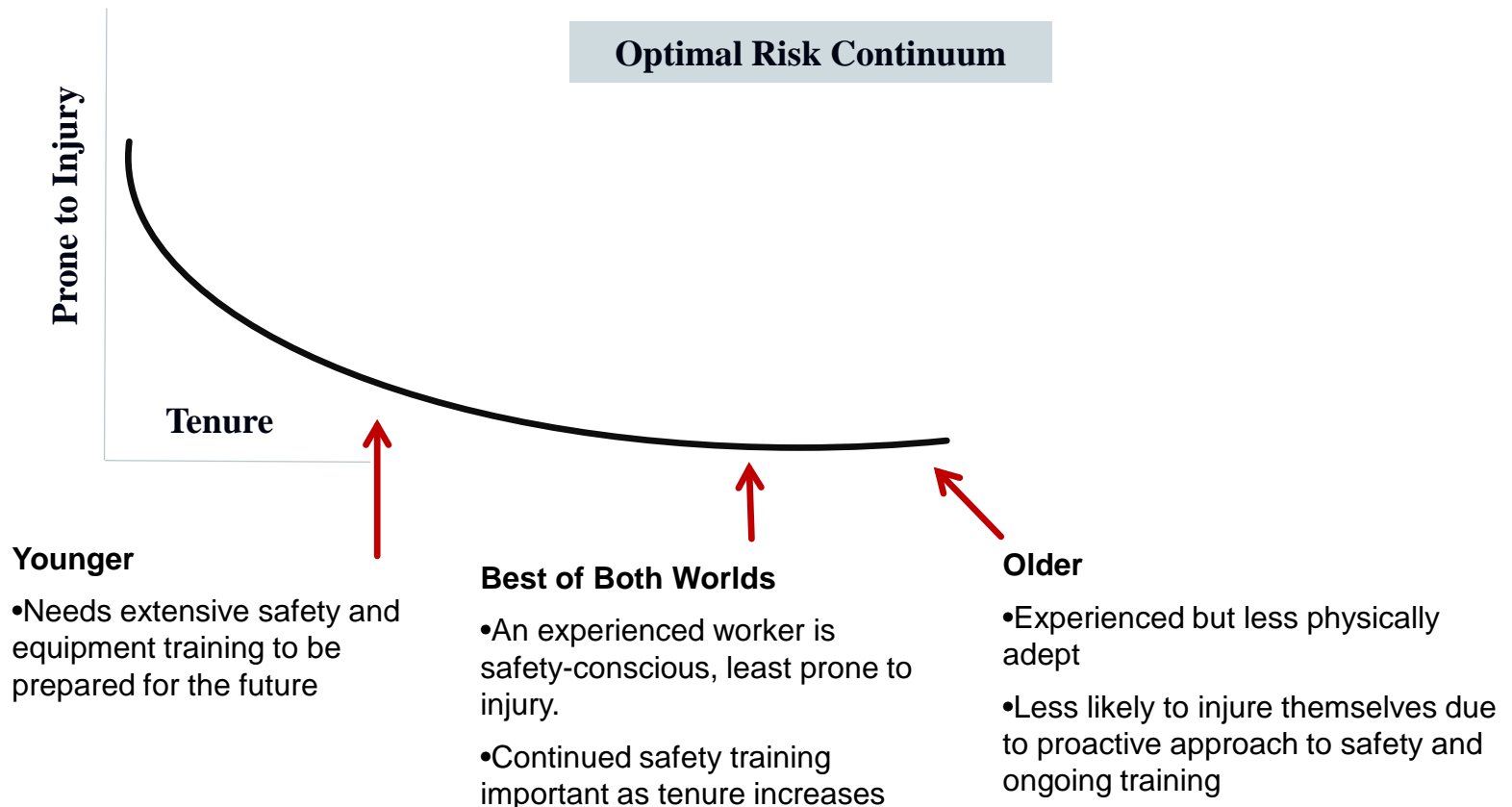
Understand Your Employee Demographics

- Identify training needs accordingly.



Optimal Risk Continuum

- Proper focus will steer you in the right direction!



Supervisor Training

■ Understand & Know Company Policies

- Make part of job description
- Tie to compensation/bonus

Conduct Accident Site Investigation

Timeliness of claims reporting

Have proper forms (ask what, when, how, where, why)

Supply cameras

Obtain witnesses Statements

Report all incidents including near misses

Accountability

Make part of annual review

Adopt a Return to Work Program

- Include in employee handbook and safety policy
- Introduce policy during new hire orientation
- Make it part of your company culture



Return to Work Program

- Clearly detail expectations and duties of employees
 - Write job descriptions
 - Include physical demands required to perform job functions
 - Create a modified duty job bank
 - Spell out ramifications of non-compliance (jeopardize workers' compensation benefits)

Return to Work Projection



Streamline Reporting Procedures

- Establish clear reporting channels
- Educate personnel on importance of prompt reporting
- Prompt reporting:
 - Initiates benefits
 - Avoids delay in compensation and medical treatment

RISK INSIGHTS

[B_Officialname] Your risk management partner

GENERAL INDUSTRY

Are Your Employees Appropriately Reporting Workplace Injuries?

According to a report by the Bureau of Labor Statistics, 69 percent of workplace injuries and illnesses may not be reported to the employer. This is a staggering 69 percent of the 3.8 million workers who are injured or become ill each year. These injuries and illnesses can have serious ramifications for the worker and the employer, including fines, lost productivity, and unnecessary health care costs.

Are your employees reporting workplace injuries? Research has found that employer's behavior and attitude are key factors in a worker's decision to report an injury. Not only is it important for employees to be educated on the importance of reporting, but it is also important for company policies to encourage reporting. Discouraging reporting or underreporting can lead to serious consequences.

Report Workplace Injuries Promptly

No matter how minor an injury may seem, our company requires all employees to report on-the-job injuries immediately to their supervisor. Prompt reporting:

- Identifies potential safety hazards;
- Initiates the process for workers' compensation benefits;
- Allows the company to provide you with a safe working environment.



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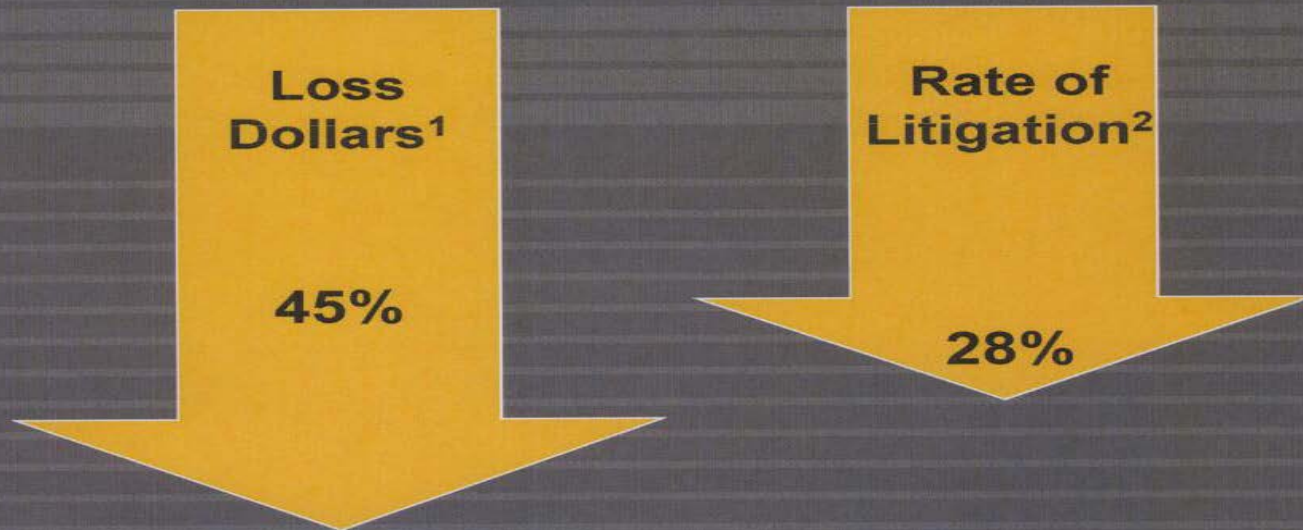
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Prompt Reporting of Claims

Rapid Reporting Can Reduce Claim Costs



¹Based on comparisons of claims reported within one week of the injury vs. claims reported four to five weeks later. Reductions shown are averages.

²Based on comparison of claims reported within 10 days vs. claims reported after 30 days. Reductions shown are averages.

Source: Hartford Financial Services Group, 2008.

Utilize Occupational Medicine Clinics

- Identify local clinic
- Invite staff physicians to tour facilities
- Review expectations of Return to Work program
- Supply clinic with Return to Work forms



Identify Top Loss Sources

- Develop corrective actions:
 - Conduct a loss source analysis
 - Review types and causes of accidents
 - Breakdown by location or department
 - Consult with a loss control expert

Control Insured and Hidden Costs

- ✓ Establish a safety policy
- ✓ New employee orientation & training
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- ✓ Streamline Reporting Procedures
- ✓ Utilize Occupational Medicine Clinics
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Working Together



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Working together to reduce loss expenses!

QUESTIONS????