

The Alliance Advisor

The Alliance Advisor October 2006

Comp Alliance vs. New York State - Comparing Rate Increases

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New York State determines the rates that go into effect each year using a similar methodology as the Comp Alliance, except that the Comp Alliance rates reflect the group’s experience. The New York Compensation Insurance Rating Board (NYCIRB) makes an actuarial determination by looking at workers’ compensation expenses and projected future costs statewide. It then makes a recommendation as to how much money will be needed by all NYS workers’ compensation carriers to cover all projected costs. The NYCIRB then sends this recommendation to the New York State Insurance Department (NYSID) for approval. NYSID has the power to alter the recommendation, approving any increase/decrease they desire. Their decisions are usually based upon political motivations, and, therefore, are not often aligned with NYCIRB’s actuarial recommendations.

the costs. The result— fewer choices for employers in New York State. If this trend continues, more uncertainty and higher costs are inevitable.

| New York State Rate Increase Summary | | |
|---|----------------|----------------|
| <i>Does not include payroll increases</i> | | |
| YEAR | NYCIRB REQUEST | NYSID APPROVAL |
| 2003 | 11.2% | 1.7% |
| 2004 | 29.3% | 0 |
| 2005 | 16.1% | 5% |
| 2006 | 7.5% | 0 |
| TOTAL | 64.1% | 6.7% |
| AVERAGE | 16.0% | 1.7% |

To illustrate, the attached table shows the increases recommended by NYCIRB versus the approved increase by NYSID. Note that if the costs of doing business within NY State for workers’ compensation really needed a 64.1% increase over the last 4 years, and NYSID only approved 6.7%. This means that the carriers and groups who insure employers in NY State most likely lost money. This has reduced the number of companies willing to write business in NY, making it more difficult for the remaining carriers and groups to share

In contrast, the Comp Alliance during this period (and beyond since 1994) has shown great stability with less than a 6.5% average yearly increase (not including payroll increases). Compare this to the instability represented by the huge fluctuations in recommended rate increases by the NYCIRB during this short 4-year span. This is precisely why the Comp Alliance was formed in the first place—to have more control over its pricing decisions and not to be governed by the state’s unstable pricing determinations such as shown in this table.

What NYSID allowed was only a fraction of what was needed to profitably write

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New York State
Municipal Workers’
Compensation
Alliance

www.compalliance.org

New York State Workplace Violence Prevention Act

On June 7, Gov. Pataki signed the New York State Workplace Prevention Act (Act). The Act covers all state and local governments, with the exception of schools for students in grades K – 12.¹

The Act was passed to address and prevent incidents of workplace assaults and homicides. According to the National Safety Council, homicide was the third leading cause of death for all workers, and the second leading cause of workplace fatalities for governmental workers.² The Act requires public sector employers to conduct a risk assessment of the workplace, and to identify and address any existing risk factors that may increase the likelihood of

workplace violence. The Act lists five examples of risk factors. The risk factors, and examples that affect Comp Alliance members are:

| Risk Factor | Affected Activities and Employees |
|---|--|
| Working with the general public | Essentially, most, if not all municipal employees |
| Working late night or early morning hours | Early shift public works or highway workers; security and police officers, second-shift employees |
| Exchanging money with the public | Municipal clerks, cashiers and treasurers |
| Working alone or in small numbers | Can include virtually any employee; higher risk factor for employees in small municipalities |
| Uncontrolled access to the workplace | Employees in remote locations, unsecured municipal buildings, employees at recreational facilities |
| Areas with previous security problems | Review and check workers compensation loss history, as well as incident reports and police records |

¹ This is a summary of the Act. Members should contact their municipal attorney before implementing policies and practices concerning the Act.

² National Safety Council *Injury Facts*. 2005 – 2006 Edition.

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Meet Charron Campbell, Claims Examiner



Charron L. Campbell

We are pleased to introduce Charron Campbell, the newest member to the Comp Alliance Claims Team. Charron comes to the Alliance after working in the industry for many years as both a Workers' Compensation Claims Adjuster and Supervisor.

Charron is versatile, knowledgeable and hard working. These qualities, combined with her extensive background, represent a significant addition in talent to the program. Securing this additional resource for our Comp Alliance Claims Team allows the number of cases per claims examiner to be lowered; thus, giving each examiner more time to focus on quality responses and personalized service to our members and their injured employees.

Charron is anxious to get to know all of our members. Please join us in welcoming her to the team.

Charron can be reached at:
516.750.3927 or ccampbell@wrrightrisk.com.

Comparing Rate Increases

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business in NY State based upon actuarial determinations over the past four years.

We hope this illustration helps you better understand the marketplace and what has happened over the past four years to the traditional insurance carriers governed by NY State rates.

The 2007 Comp Alliance rate increase is estimated at 6%, plus an average 3.5% increase covering salary adjustments on the prior year's payroll. This 6% is lower than any of the NYCIRB requests in the past four years and is significantly below the average of 16%.

The Comp Alliance is proud to be able to provide this stability in the midst of such unpredictable times.

If you have any questions, please contact:

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Violence Prevention Act

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In addition, the Act requires the following:

1. Employers are mandated to provide employees with **annual training** about identified risk factors to safeguard their well-being and reduce the likelihood of violence.
2. Employers with more than 19 full-time employees must create a **written workplace violence-prevention program** listing existing risk factors and the methods the employer is using to prevent violence and remediate the hazards and risk factors. The workplace violence-prevention program must be made available to all employees, designated representatives upon request.

The Act lists six examples of risk control measures to prevent incidents of violence.

- Making high-rise areas more visible to more people
- Installing good internal lighting
- Using drop safes or other methods to minimize cash on hand
- Posting signs stating that limited cash is on hand
- Providing training in conflict resolution and nonviolent self-defense responses
- Establishing and implementing a reporting system for incidents of aggressive behavior

3. **Employee Information and Training.** Every employer must make the following information and training available to employees at the time of their initial assignment and annually thereafter:

| Information | Training |
|--------------------------------|---|
| Information about the Act | Protective methods employees can take to prevent assaults |
| Identified risk factors | The measures the employer has taken to protect its employees |
| Location of the written report | Details about the written workplace violence prevention program |

4. **Application of the Law.** Employees may notify their supervisor in writing if they believe a serious violation of the prevention program exists, or if an imminent danger exists in the workplace. If not resolved, employees can file a complaint with the Department of Labor.

Comp Alliance members can obtain additional information about this law in the Risk Management section of the Comp Alliance web site: www.compalliance.org; See Section 16 of the Comp Alliance Safety Manual.

Other References

New York Committee for Occupational Safety and Health
Article outlining the provisions of the New York State Workplace Prevention Act.
http://www.nycosh.org/UPDATE/view_article.php?articleid=533

New York State Workplace Prevention Act – Link to Statute
<http://public.leginfo.state.ny.us/menugetf.cgi?COMMONQUERY=LAWS>

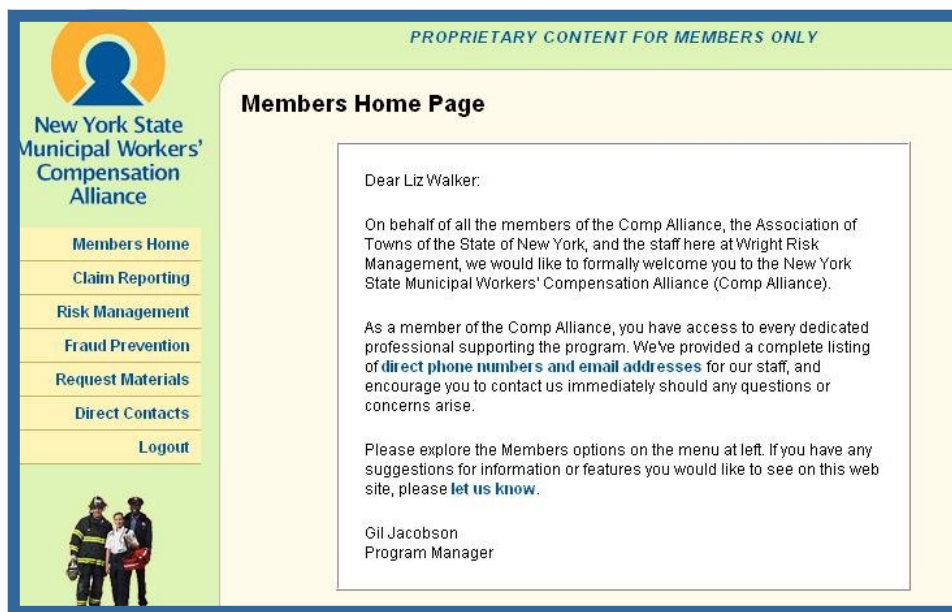
Workplace Violence Awareness and Prevention -U.S. Dept. of Labor
http://www.osha.gov/workplace_violence/wrkplaceViolence.PartII.html
Contains sample policies and documents, including a sample workplace violence prevention program and hazard assessment.

Communicating with You – Our Commitment

The Comp Alliance is happy to announce a major enhancement to our website:
www.compalliance.org

In response to client feedback on our Satisfaction Survey initiative and our own commitment to offering our members the highest level of service, we have extended our **Members Only** section to provide you access to much of the information that formerly you would have had to telephone us to obtain.

We always welcome hearing from our members, but understand that there are those who prefer the convenience of an electronic interface. Regardless of your communications preference, we know you will find the new **Members Only** section easy to use and chock full of relevant information to help you manage your workers' compensation program as well as useful reference materials.



Following are highlights of the features now available for printing or downloading to your computer:

| Members-Only Section | Contents |
|------------------------|--|
| Members Home | Member Services Kit Member Satisfaction Survey |
| Claim Reporting | Reporting forms: C-2, VF-2, VAW-2 Claims Handling Guidelines (coming soon!) |

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Communicating with You – Our Commitment

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| Members-Only Section | Contents |
|--------------------------|---|
| Risk Management | Safety Training Video Library (Borrow from our extensive library!) Workplace Violence Prevention Information Safety Manual (downloadable by section as needed) |
| Fraud Protection | Printable Fraud Poster or Request Laminated Copies |
| Request Materials | Loss Runs Certificates of Insurance Certificates of Insurance with Certificate Holder listed Member ID Cards Posting Notices (C-105) Laminated Fraud Posters |
| Direct Contacts | Up-to-date Listing of Comp Alliance Team member's direct phone numbers and email addresses. Our team is always ready to serve you! |

To gain access to the Members Only section, you must first register by completing the information in the Member Registration section. (See Member Registration button on the Comp Alliance Home Page.)

Once you receive our confirmation email, you will be able to access the Members Only features by entering your registered email address in the Member Login.

The Comp Alliance website is continually updated and we hope you will visit frequently. We endeavor to enhance communication with you wherever possible and encourage you to call us or use the Member Satisfaction Survey form, located on the Members-Only Home Page, to provide feedback on our services or to let us know what additional information you would like to see on the site.

Satisfaction Survey

As part of our continuing effort to deliver the highest quality services, we ask you to take a moment to respond to this survey. Your responses will be kept strictly confidential.

Your Claims Experience:

| STATEMENT | DISAGREE | SOMEWHAT DISAGREE | SOMEWHAT AGREE | AGREE | DEFINITELY AGREE | DON'T KNOW |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| The claims staff is knowledgeable. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The claims staff gets back to me promptly. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The claims staff is courteous. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| If I leave a voice mail it is returned promptly. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| In general the claims staff is responsive. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| In the past year I have had an issue with a claim. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I know who my claims examiner is. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I know where to tell an injured worker to send their medical bills. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Overall I am happy with the claims service. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Liz Walker

516.750.9374 ewalker@wrightrisk.com

Comp Alliance Investigative Procedures

Many of our members have indicated a wish to understand what goes into a claims investigation. Following are highlights of the process we follow at the Comp Alliance.

Within 24 to 48 hours upon receipt of a new claim, our claim examiners make three-point contact with the:

- Employer
- Injured employee
- Treating physician

We interview the injured employee in order to corroborate the accident description, substantiate the injuries, confirm the average weekly wage, and obtain any information we may need in order to provide necessary medical authorization. Where possible, we endeavor to return the injured employee to modified or light duty.

After we have completed our initial investigation, the claims examiner will ensure all required forms are filed with the Workers' Compensation Board within 14 days of the date disability begins. We also send a package containing medical authorization release forms and a questionnaire to the injured employee. The completed questionnaire form may provide direction to us in applying for financial relief from the Second Injury Fund.

If the employee's injuries are severe, the claims examiner will assign telephonic case management to assist in the return-to-work and medical coordination on the file. The claims examiner and nurse work as a team to provide the most appropriate and cost-effective service possible. Independent Medical Exams (IMEs) are also used to corroborate the need for treatment and the level of disability. We are also watchful for any suspicion of unwarranted disability, malingering or fraud. An activity check or surveillance will be conducted to ensure everything is what it appears to be.

Charron L. Campbell
Claims Examiner

We hope you found this issue of *The Alliance Advisor* informative and useful. If you wish to obtain additional copies, make comments, or suggestions for future topics, please contact:

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