



RiskMAP™ RESULTS

RiskMAP: A process to uncover risks and better position organizations for success



A Proactive Approach to Reducing Work Comp Premiums

“Since work comp is required by law, we thought all carriers, risk advisors and loss control specialists treated it the same. Not so. McClone showed us a better way.”

Identify

A Wisconsin manufacturer that has provided innovative industrial and consumer metalwork products for nearly 75 years believed its workers' compensation premiums were set in stone with no way to improve. They liked the insurance carrier's software and had a decent relationship with their existing loss control specialists. What they didn't know was that **they were paying much more than they should have been**, were noncompliant and also had exposures for employees in another state. If a claim occurred across state lines or an audit from the Department of Labor (DOL) was conducted, the company was at great risk of having to pay all or a portion of the claim and receive a hefty fine.

Monitor

Reviews are conducted regularly to assess existing practices, address any changes and make recommendations as needed. One such review discovered an issue with a new supply chain subcontractor that didn't have proper liability protection, exposing the manufacturing firm to potential risks. Protocols for reviewing and mitigating such risks were developed, and **an easy and thorough system is in place moving forward**. Both the work comp and business insurance policies are routinely reviewed to ensure renewals are in line and remain competitive.

Develop

After agreeing to a complimentary review from McClone, the compliance issues for domiciled workers in the other state were quickly discovered. There were also mistakes between the information held at the insurance company and those held at the workers' compensation regulating authority which resulted in the company significantly overpaying premiums. **Corrective actions and safety training were recommended** to enhance worker safety and mitigate the risks of future claims to potentially bring premiums down even further. Additionally, McClone evaluated the company's business insurance to assess potential savings and better coverage options.

Implement

Taking the potential implications seriously, the company followed McClone's instructions and corrected its practices to comply with regulatory mandates. The move not only ensured compliance, but **reduced the company's annual work comp premium by approximately \$36,000!**

Managers within the company received extensive training on how the company's Experience Mod is calculated to elevate understanding and to get buy-in from its workforce. Safety training and light-duty programs were also implemented. McClone took things a step further and was able to compare several carriers to recommend **updated property, liability and vehicle coverage, resulting in a 20% reduction in related premiums.**

**Annual premiums reduced
by \$36,000!**

The Story

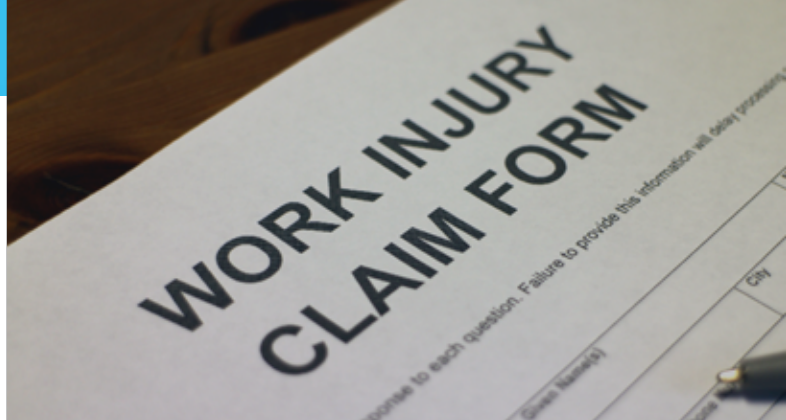
With a rich history of providing fabricated metal products to various industries, an Eastern Wisconsin manufacturer experienced rapid growth to meet the growing demands of its ever-increasing customer base. A new state-of-the-art manufacturing facility and larger workforce facilitated the company's growth and its entrance into new markets.

With growth came growing pains, and the company was unaware that its workers' compensation coverage was noncompliant in many areas. If a DOL audit were conducted, they were at risk of receiving significant fines.

For example, companies must list all states where employees are domiciled. With its expansion, one state ended up not being listed, creating a major exposure that resulted in the company being noncompliant.

It was also discovered that, because of inconsistent information between the insurance company and the workers' compensation regulating authority, the company was **overpaying premiums by approximately \$36,000!**

Training on Experience Mod — a critical component in calculating work comp premiums — was provided for leadership. McClone understands the relationships that exist between all involved parties and how a client's Experience Mod is calculated. Through a proprietary approach called



ModIntel — Creating a Path to your Minimum Mod, steps are taken to improve risk management by proactively addressing workplace safety, job hazard analysis, recovery at work programs and more. A 2-point correction to the Experience Mod was made, resulting in an additional \$9,000 reduction in the premium.

Calculations on the company's Experience Mod worksheet are checked each year to make sure the data being reported is accurate, and to understand how its work comp losses compare to the state industry average.

Realizing the results of McClone's proactive and thorough approach to workers' compensation, the company agreed to a review of its other business coverage which resulted in an overall reduction of 20% in their property, liability and vehicle premiums.

As a result of the McClone's RiskMAP process, the company is relieved to know it's abiding by regulations, paying what it should for premiums and, most importantly, providing a safer environment for its valued workers. To receive a complimentary review of your workers' compensation coverage to see if you might experience similar results, **reach out to the strategic risk advisors at McClone today.**

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Transparent.
Refreshing.