



Helping a Large PA Tire Distributor Turn Their Workers Comp Problems Around

The Challenge:

A large tire distributor in Levittown, PA has been with the PA State Workers Insurance Fund since May of 2013 due to poor claims experience. The modifier for the 2014 renewal is at 2.5. Not only are they paying excessive rates from the PA State Workers Insurance Fund but they are also paying 2.5 times more than they need to due to the adverse experience modifier. The insured recently began working with Hardenbergh Insurance Group on the non-workers compensation lines of business and recently invited Hardenbergh in to provide a solution to the ongoing workers compensation problem.

The Strategy:

A 2.5 experience modifier does not happen overnight and a similarly a lasting solution will not be a quick fix. No insurance companies in the state of Pennsylvania were willing to consider, based on experience and current controls in place. Our strategy on this particular risk was to take a "long term" approach to fixing the problems causing the elevated experience modifier. Instead of submitting the workers compensation to every carrier in the state and hoping someone would

quote, we decided to focus on improving the overall quality of the risk. The insured was in need of a broker that could help then transform their workers compensation program. We approached one of our key carrier partners and due to the longstanding relationship we have with them, as well as the quality of accounts we place, were able to secure a commitment that if the insured purchases loss control services from them (at a discounted rate with an annual cost of less than \$1,500) and follows the recommendations provided that they will offer a quotation for the 2015 policy term. The insured was agreeable to this arrangement and agreement was struck by all three parties involved.

The Results:

While the insured is still with the State Workers Insurance Fund for the 2014 term they now have a concrete plan to make their exit. Beyond this, they are implementing risk control measures as recommended by one of the top workers compensation carriers in the state of PA – which will also help to drive performance.

