

# History Shows that Hardenbergh Caters to Their Client's Needs



## **The Challenge:**

For several years a catering operation located in Southern New Jersey had been struggling with adverse workers compensation claims experience. The negative claims experience resulted in an elevated experience modification factor which substantially increased their workers compensation expenditures. After interviewing several brokers, Hardenbergh Insurance Group was chosen as their business partner.

## **The Strategy:**

Hardenbergh Insurance completed an in depth analysis of the catering operations historic claim activity – paying special attention to trends in the data and the current activity of open claims. The data trends were used as potential indicators of future incidents that could be prevented and the open claims were reviewed to determine all details were current and accurate. Hardenbergh Insurance Group presented their findings to the insurance carrier's claims handlers which allowed for the closure of claims that were erroneously left open, and the reduction in reserve amounts for the open incidents with improved development.

## **The Results:**

Experience Modification Factors are typically calculated annually using the historical claims data and payroll history of the organization. The historical claims data includes both paid losses and loss reserves. If loss reserves are not reviewed strategically it is possible that overstated and potentially inaccurate claims information is reported to your state's workers compensation rating bureau. This will result in an inflated Experience Modification Factor for the organization.

To the benefit of the catering operation Hardenbergh Insurance Group was able to review the claims history and have the impact of multiple claims reduced or eliminated entirely prior to the calculation of their Experience Modification Factor. As a result the state used the lower, more favorable, figures in the calculation and the insured received the financial benefit of a substantially lower Experience Modification Factor.

The regular review of historical claims information and loss reserves is one component of a comprehensive risk management strategy to proactively manage your risk.

