Workers' Comp **Key Metrics** You Must Know

June 21st, 2022

Hosted By:

Abe Jabhan, VP Claims, ESM
Anthony Poston, CEO/Risk Manager, ESM

PRESENTERS

ABE JABHAN
MBA, JD

VP, CLAIMS

ANTHONY POSTON
ARM, AIM

CEO / RISK MANAGER

ESM
INSITE

Presentation Housekeeping

WORKERS' COMP

SAFETY / OSHA COMPLIANCE

FRAMEWORK FOR RISK MANAGEMENT

Q&A TO FOLLOW

ESM INSITE

Today’s Topics

1. How to leverage technology to achieve your safety/Work Comp goals
2. How to set annual goals and monthly Key Performance Indicators (KPIs)
3. How to leverage business intelligence data to monitor your organization’s risk
4. How to turn your results into Workers’ Compensation insurance “credits” (savings)
5. Case study

Risk Management thoughts…

WORKERS' COMP

THE GREAT APPLICATION

NEW EMPLOYEES = INCREASED RISK

WORK COMP RATES ↑

COMPLIANCE

HIGHLY REGULATORY MARKET AND ADMINISTRATION

MORE PREVALENT OSHA WITH INCREASED CITATIONS & FINES

MARKETING

CARRIER MARKETING
CARRIER CREDITS
BIDDING ON PROJECTS
SELLING YOUR BUSINESS

Establishing Your Safety Committee

Building a team &
creating accountability.

ESM INSITE

POLL 1

Do you have a safety committee that meets monthly?

YES ☐

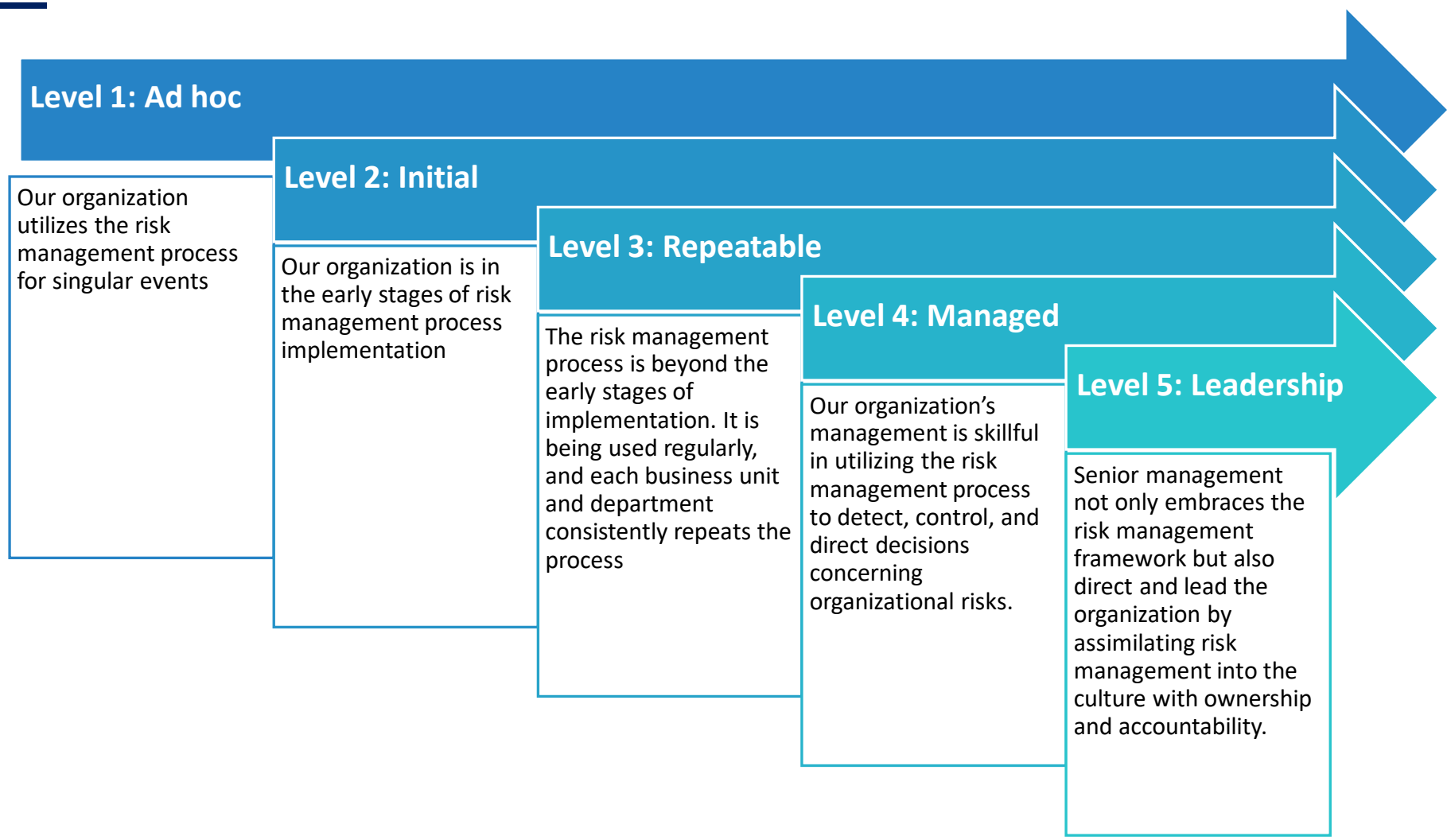
NO ☐

ESM INSITE

SWOT Analysis

	Strengths	Weaknesses
Internal	What are the strengths of our safety program? e.g., Consistent and effective safety committee meetings 1. 2. 3. 4. 5	What are the weaknesses? e.g., Inconsistent inspection program 1. 2. 3. 4. 5
	Opportunities	Threats
External	What are our opportunities for improvement? e.g., Increased training from online resources 1. 2. 3. 4. 5	What are our external threats? e.g., Cal/OSHA compliance 1. 2. 3. 4. 5

Risk Maturity Levels



What will it take to move to the next level?

Examples:

1. Supervisor training, accountability and empowerment
2. Consistency of training (monthly) and tracking
3. Establishment of policies and procedures (JSAs) (and training)
4. Emergency Action Plan
5. Personal Protective Equipment policy and management
6. Implementation of the NHSO

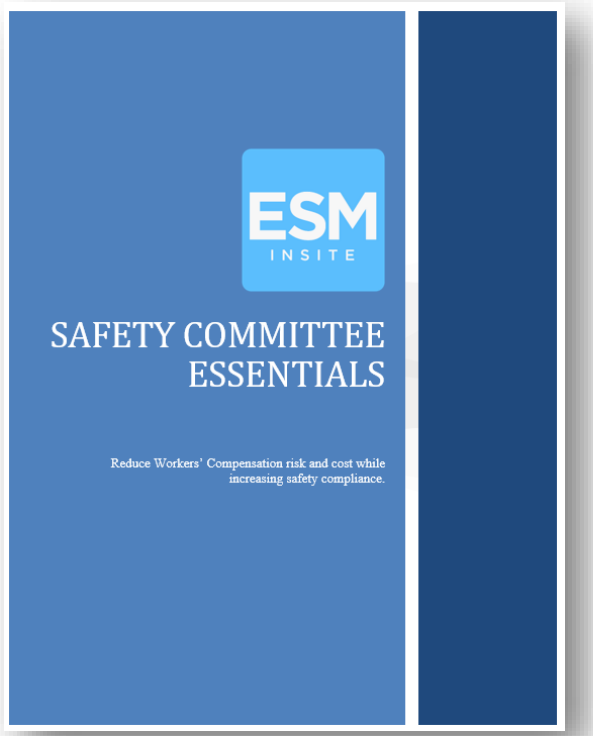
Goal: Is to be a level __ by Q __ 202__

Safety Committee

An active and effective safety committee whose membership and functions are reflective of the Company's size, complexity, and operating exposures will play a key role in the overall performance of the Company.

The Safety Committee is established to be of benefit first and foremost to the employees it represents, but it is also established as a safeguard and protector of the Company's assets.

Download ESM's Safety Committee Module and watch the Safety Committee computer-based Training



DOWNLOAD HERE

WATCH HERE

Leveraging Technology in Risk Management

Inspections, online training, PowerBI

ESM INSITE

POLL 2

Do you have a 2022 Risk Management Plan (goals, KPIs, initiatives)?

YES ☐

NO ☐

ESM INSITE

Leveraging Technology

Digital Inspection App for site audits and trend aggregation

Learning Management System for digital training recordkeeping

Task Manager for managing team's monthly tasks

Cloud Based Compliance Library for sharing policies and managing recordkeeping

PowerBI for KPI Dashboard and monthly safety committee analysis

Digital Inspection App

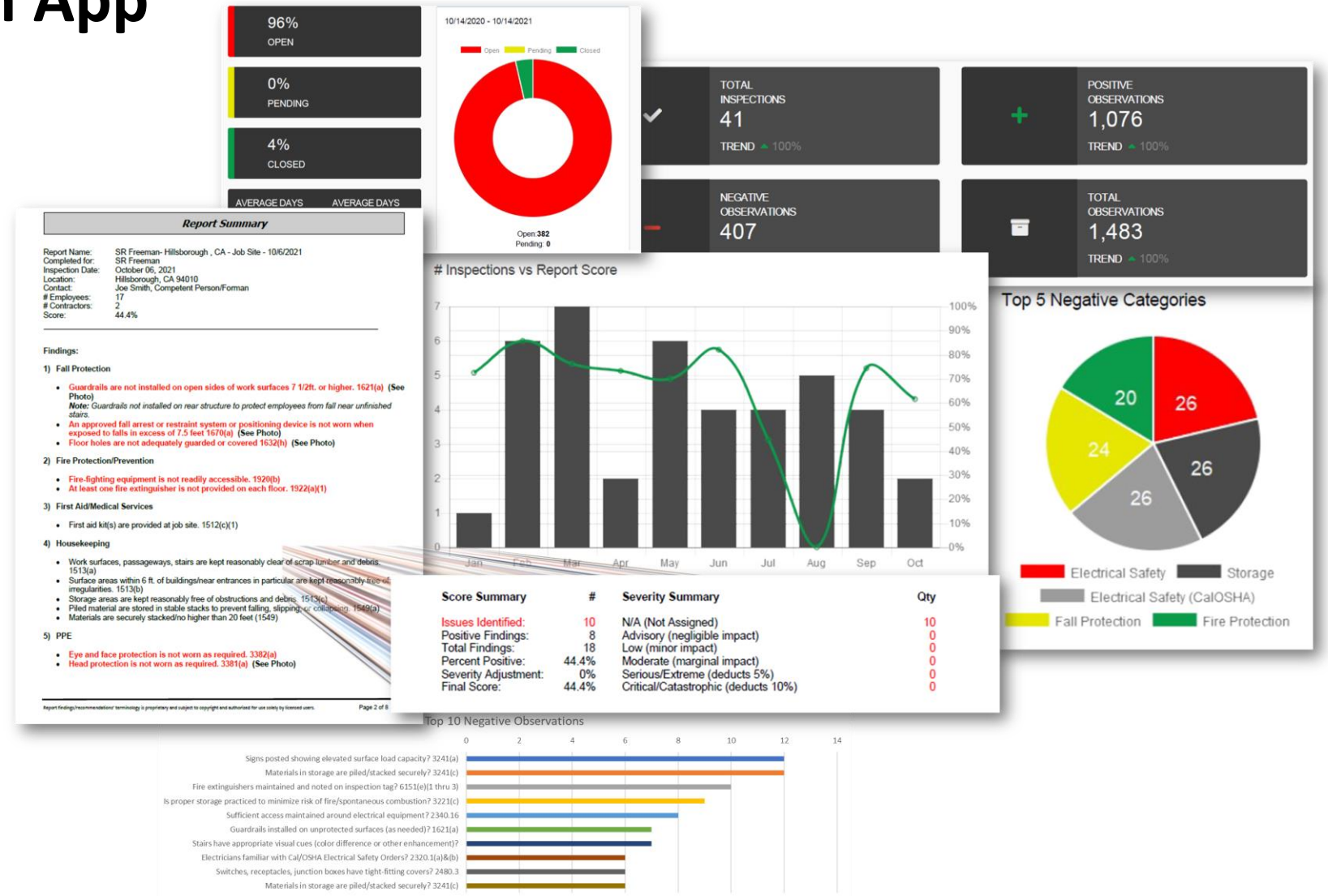
Conduct inspections utilizing a digital application.

Establish a monthly scorecard and aggregated trends.

Leverage those trends into safety trainings and awareness campaigns.

Benefits:

- Efficiency in reporting
- Data aggregation
- Track results vs. goals



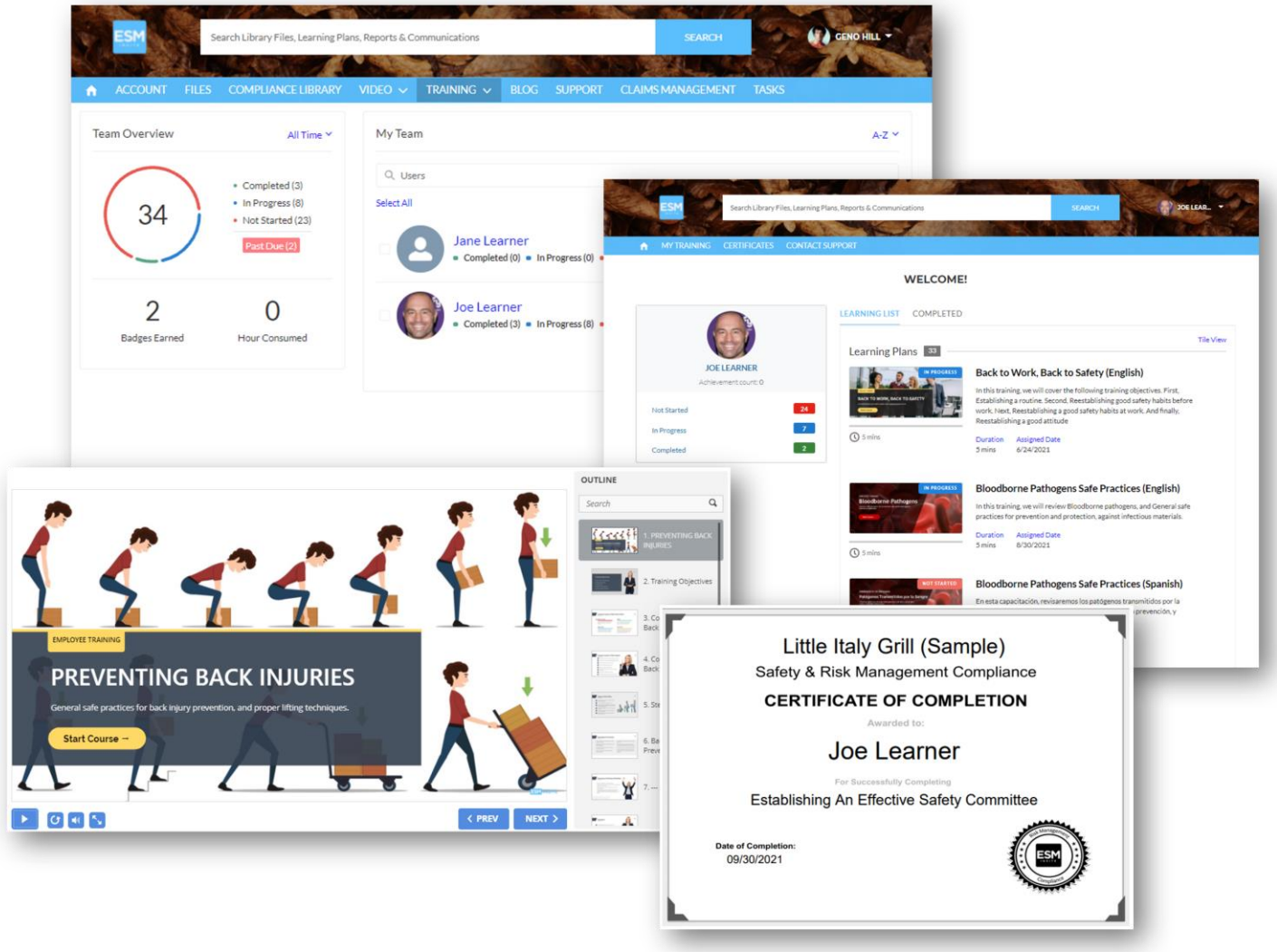
Online Training (LMS)

Online Safety Training Learning Management System (LMS)

- 5-8 min training can be assigned to employee
- Employee completes training and quiz
- Certificates of Completion are issued to each employee
- Employee statistics are tracked by the Administrator as a KPI

Benefits:

- Digitization of training
- Centralized real-time tracking and reporting
- Digital recordkeeping of certificates by employee
- Satisfies OSHA Compliance requirements



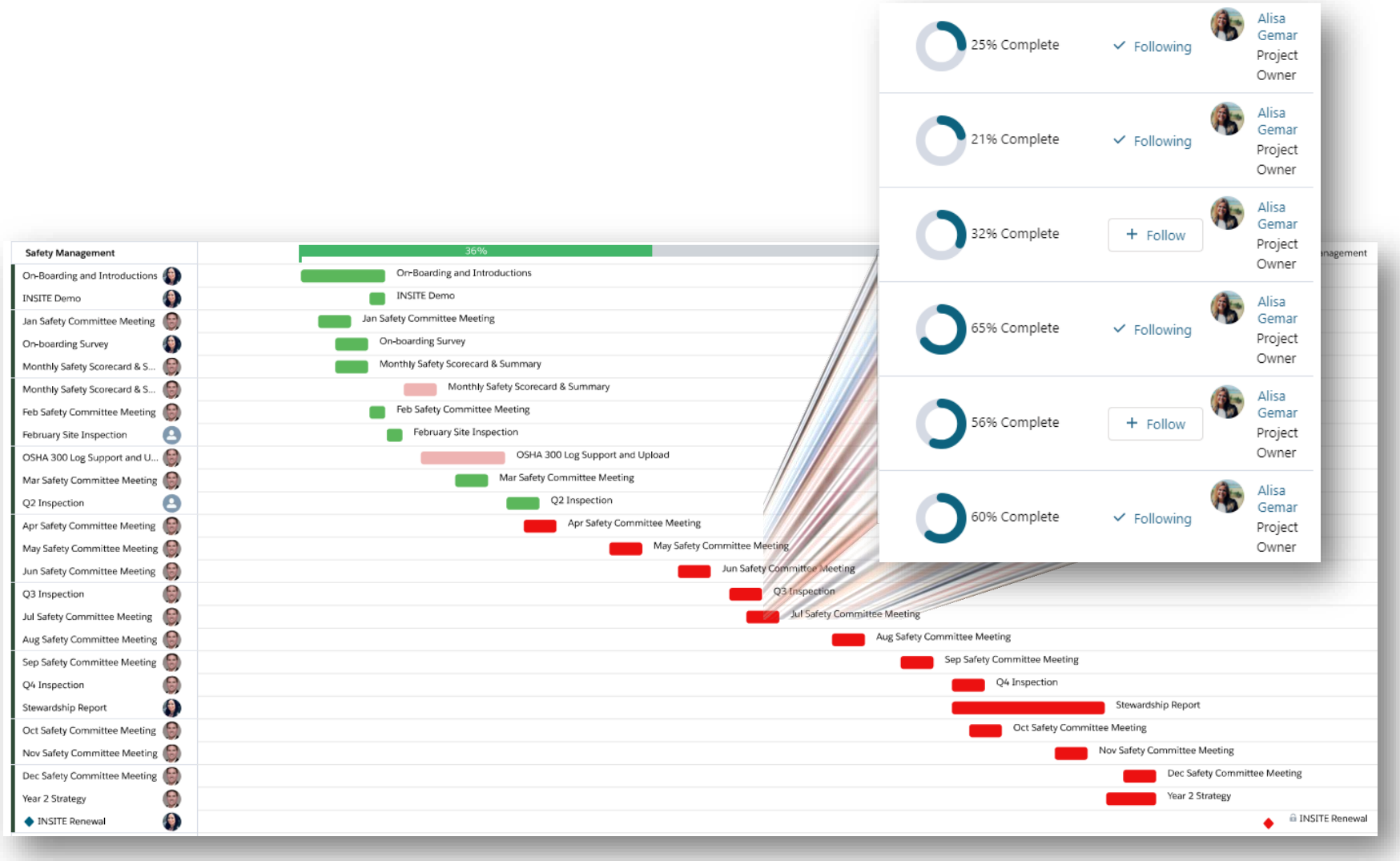
Task Manager

Leverage a task manager for assignment and completion of tasks.
Resources:

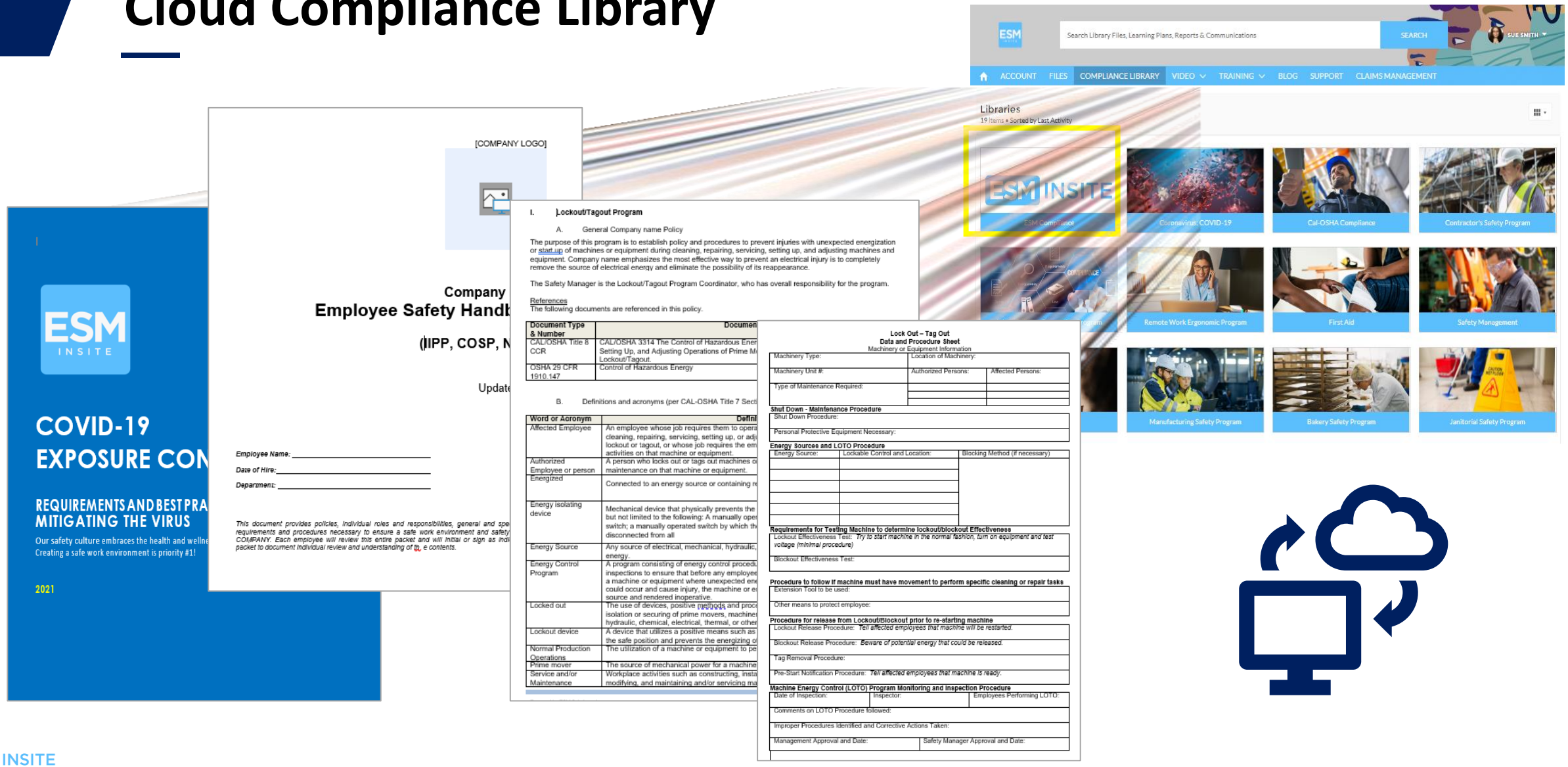
- TaskRay
- Trello
- Asana
- Basecamp

Benefits:

- Organization and assignment of required monthly tasks
- Accountability



Cloud Compliance Library



PowerBI

Microsoft Power Business Intelligence (BI)

Executive level dashboard with trending data provided monthly online. Data to include:

- Site Inspections
- Computer Based Training Scores
- Historical loss trending
- X-Mod comparison
- Supervisor accountability
- MBRs

Benefits:

- Leverage data for safety intelligence strategies and safety committee guidance.
- Maintain accountability of completing initiatives .

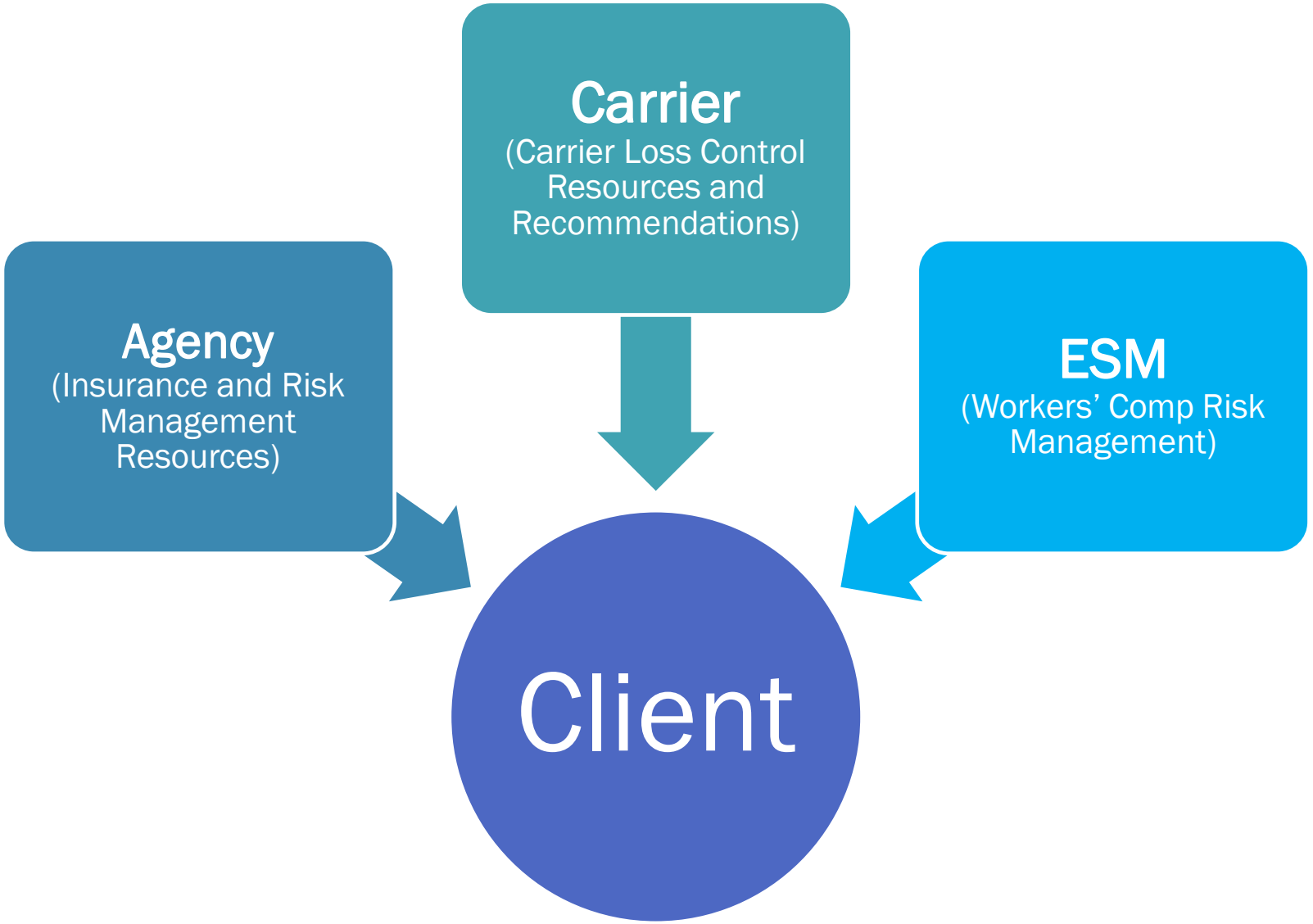
Risk Management Business Intelligence (BI)

Case Study:
Reducing injuries and costs by optimizing Work Comp Key Metrics

ESM INSITE

OVERVIEW

- **Organization:**
  - 600 Employees
  - 6 locations across 5 counties in the Bay Area
  - Historically high frequency, severity and litigation (10+ ligated claims a year)
- **Safety Committee:**
  - Initiated a Safety Committees in April 2019
  - Committee comprised of the Executive, Directors, Safety Leads, Supervisors
  - External support services include ESM & Agency
  - High level goals:
    - Reduce injury frequency by implementing relevant safety policies, procedures and best practices
    - Improve the company culture by implementing behavior-based mechanisms designed to improve morale through positive reinforcement
    - Leverage data to make monthly safety intelligence decisions
- **Claims Task Force:**
  - Monthly claims task force meeting
  - Reduce injury severity by leveraging Medcor, return to work initiatives and claims management procedures with the carrier



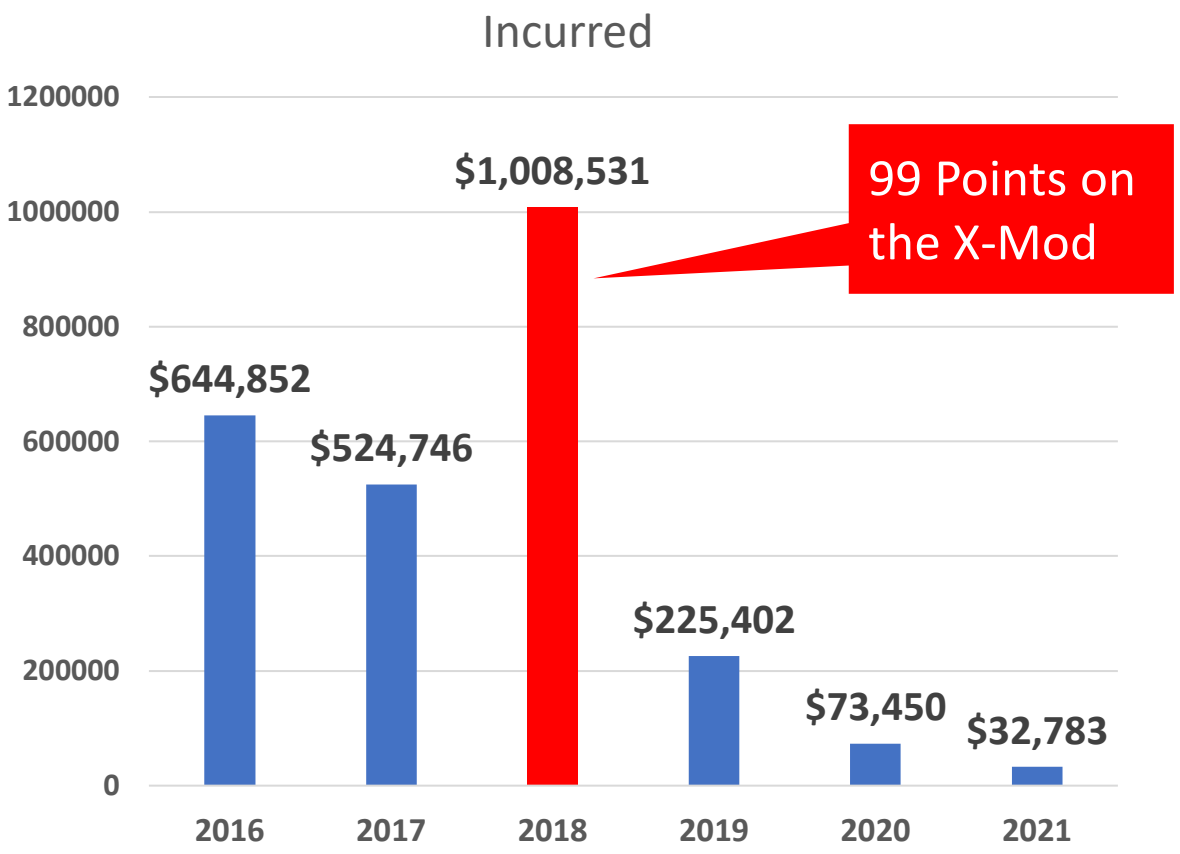
Safety Committees initiated April 2019. Committee meetings continued monthly through 2019 - 2021 policy year.

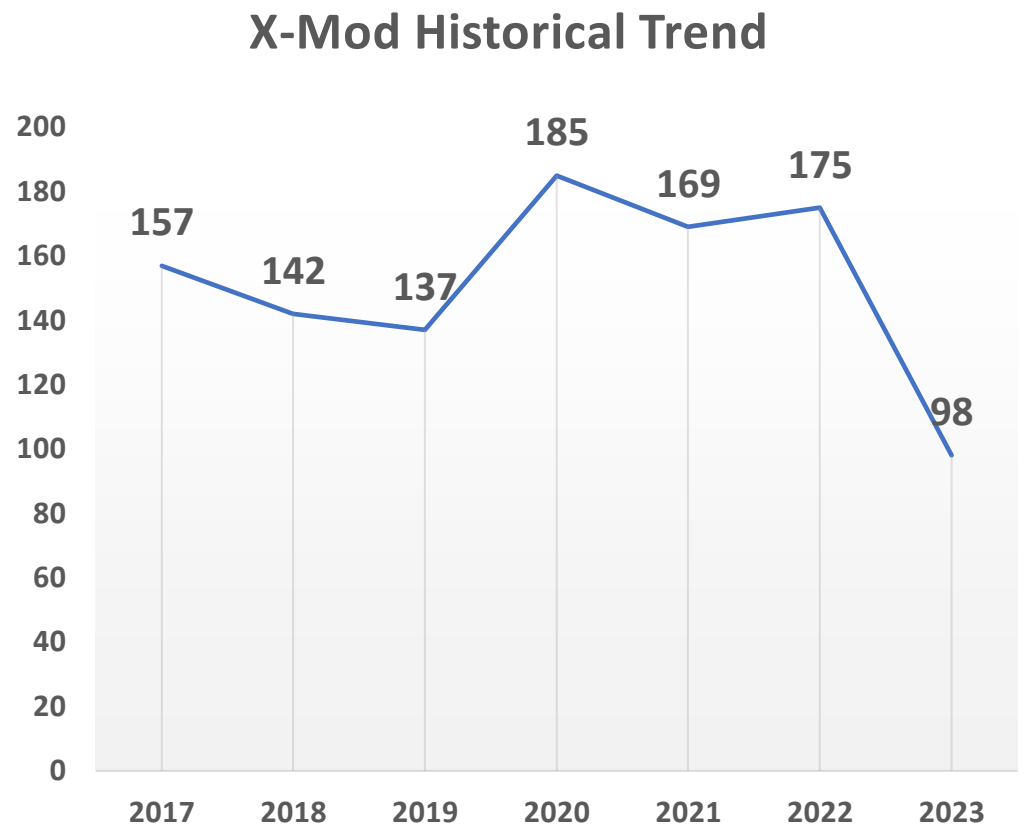
Aligned strategic partners to Risk Management goals and objectives

Ongoing support and resources from partners has provided the foundation to build a long-term, sustainable risk management program.

X-Mod = Lagging indicator

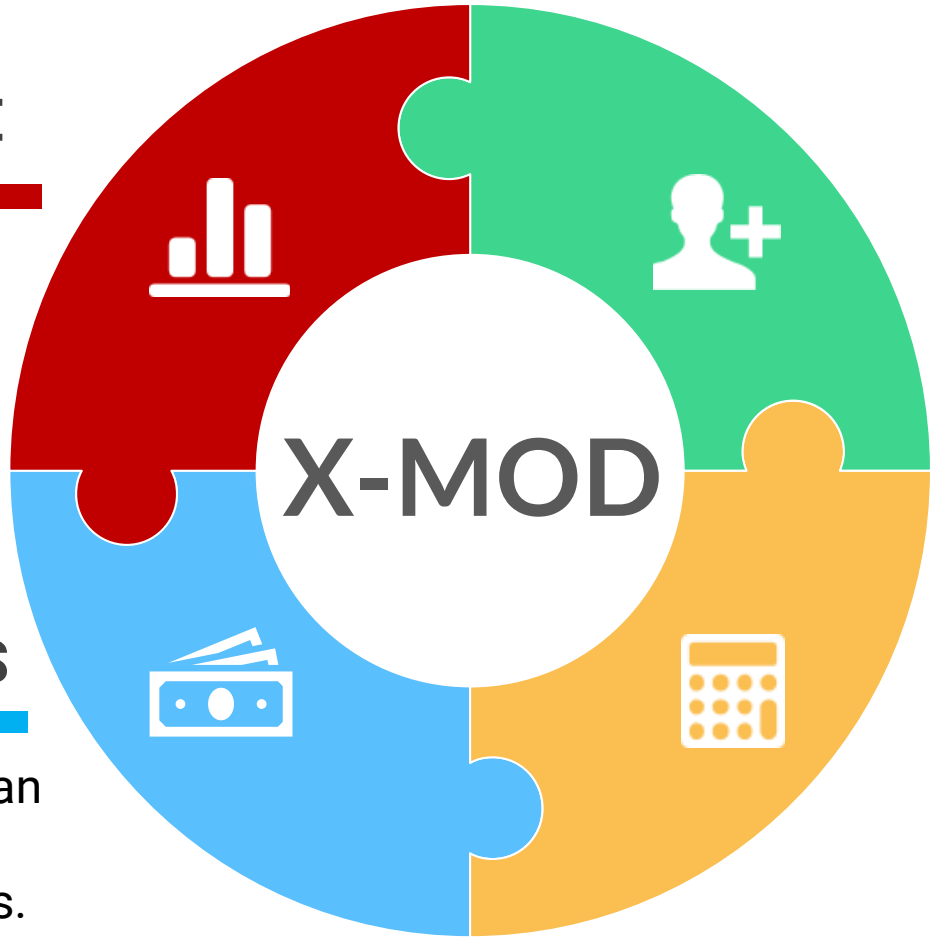
Current Primary Threshold	$38,000
Current Loss Free Rating	33%





SAFETY CREDIT SCORE

Your past losses affect your future X-Mod.



INSURANCE OPTIONS

The better your X-Mod, the better the Insurance Carrier options as the lower your X-Mod, the lower the risk.

INSURANCE PREMIUMS

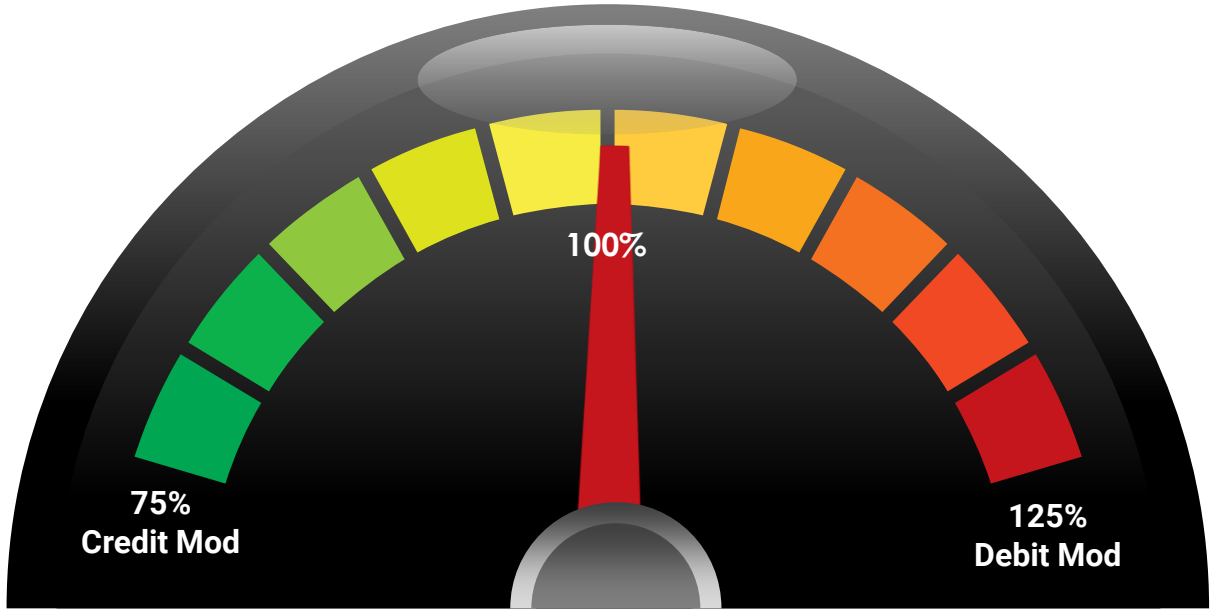
A proactive safety program can control your X-Mod and Workers' Compensation costs.

FINANCIAL INCENTIVE

Provides a financial incentive to reduce workplace injuries.

Bigger Isn’t Better!

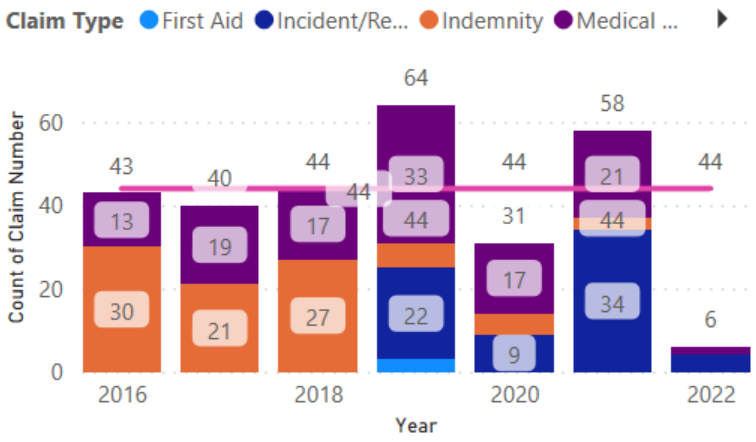
The higher the X-Mod, the higher the Workers’ Compensation premium.



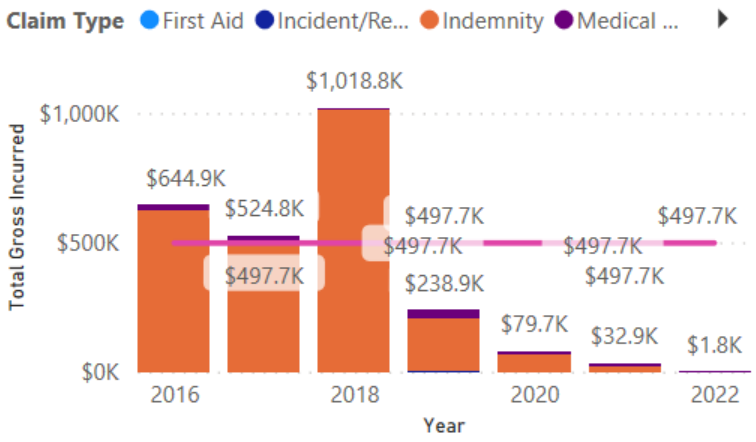
CREDIT MOD (75%)	AVERAGE X-MOD (100%):	DEBIT MOD (125%)
$75,000	$100,000	$125,000
Lower Workers’ Compensation Premium EXAMPLE	Average Workers’ Compensation Premium EXAMPLE	Higher Workers’ Compensation Premium EXAMPLE

Loss Trending

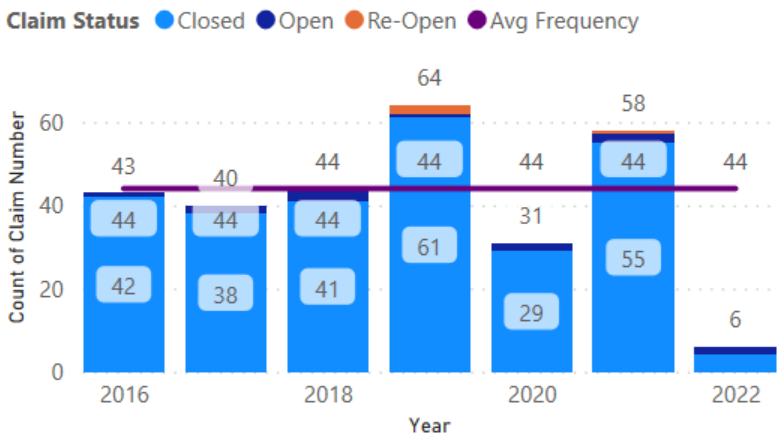
Claim Frequency



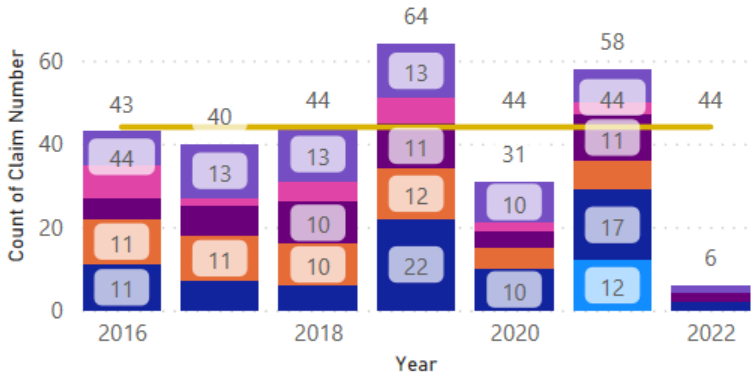
Claim Severity



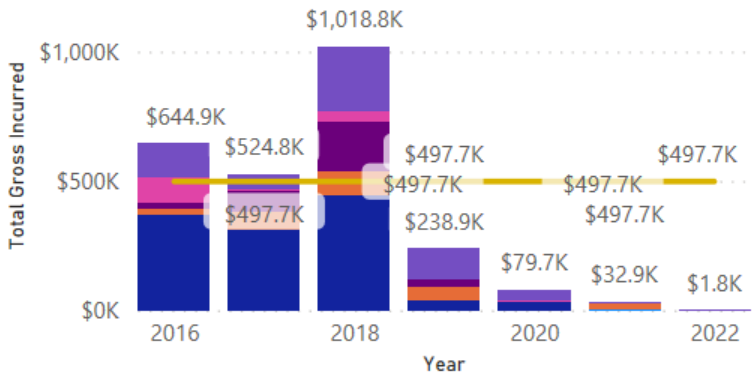
Claim Status



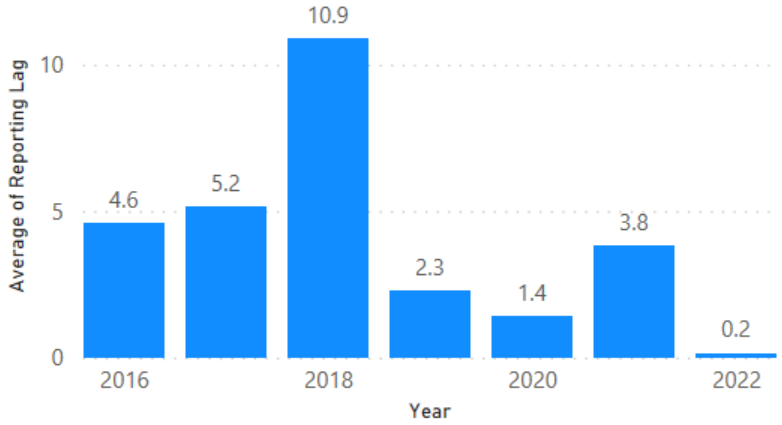
Claim Frequency by District



Claim Severity by District



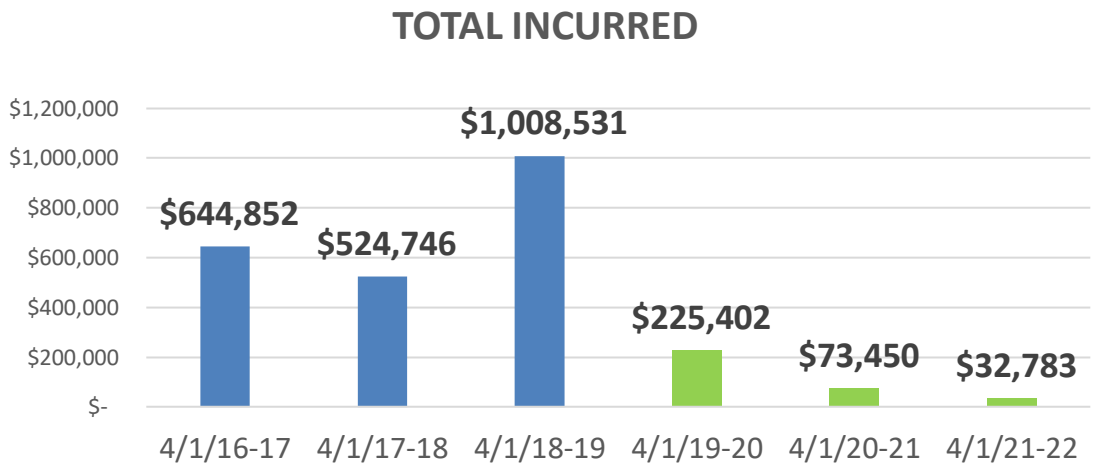
Average Reporting Time

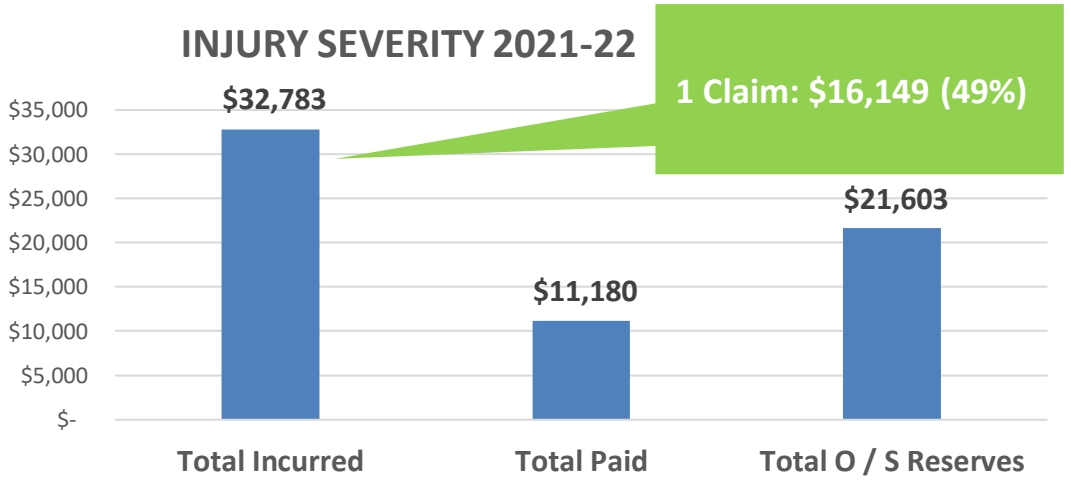


TOTAL INCURRED

- Total cost of claims (incurred) is at the lowest level in over 15 years
- Results due to enhanced safety program, utilization of MedCor, online training, safety recognition program, Business Intelligence dashboard, and other safety initiatives.

- The cost of claims has the greatest impact on the X-Mod. The lower the cost, the lower the X-Mod (over a rolling three-year period)
  - Long term goal: Reduce the X-mod below 100%





Safety Goals

< 38 ✓

38 injuries or less

90% ✓

90% monthly training completion

12 ✓

12 safety meetings (1 per month)

75% ✓

75% of injuries reported to carrier within 5 days

< 25 ✓

25 or less lost days

< $150K ✓

$150K or less in injury cots. (Lowest in 5+ years)

Goals & Key Performance Indicators (KPIs)

KPI	Annual Goal	Monthly Goal	Result	Results
Injury Frequency (5 yr. Avg: 44)	< 38	< 3.17	< 37	☑
Injury Severity (5 yr. Avg: $497K)	< $150K	< $12.5K	32K	☑
Reporting (Lag Time)	< 75% less than 5 days	< 75%	89%	☑
Safety Training	90%	90%	77%	☒
Inspection Score	90%	90%	93%	☑
Lost Days	< 25	< 2	2	☑

Monthly Safety Training

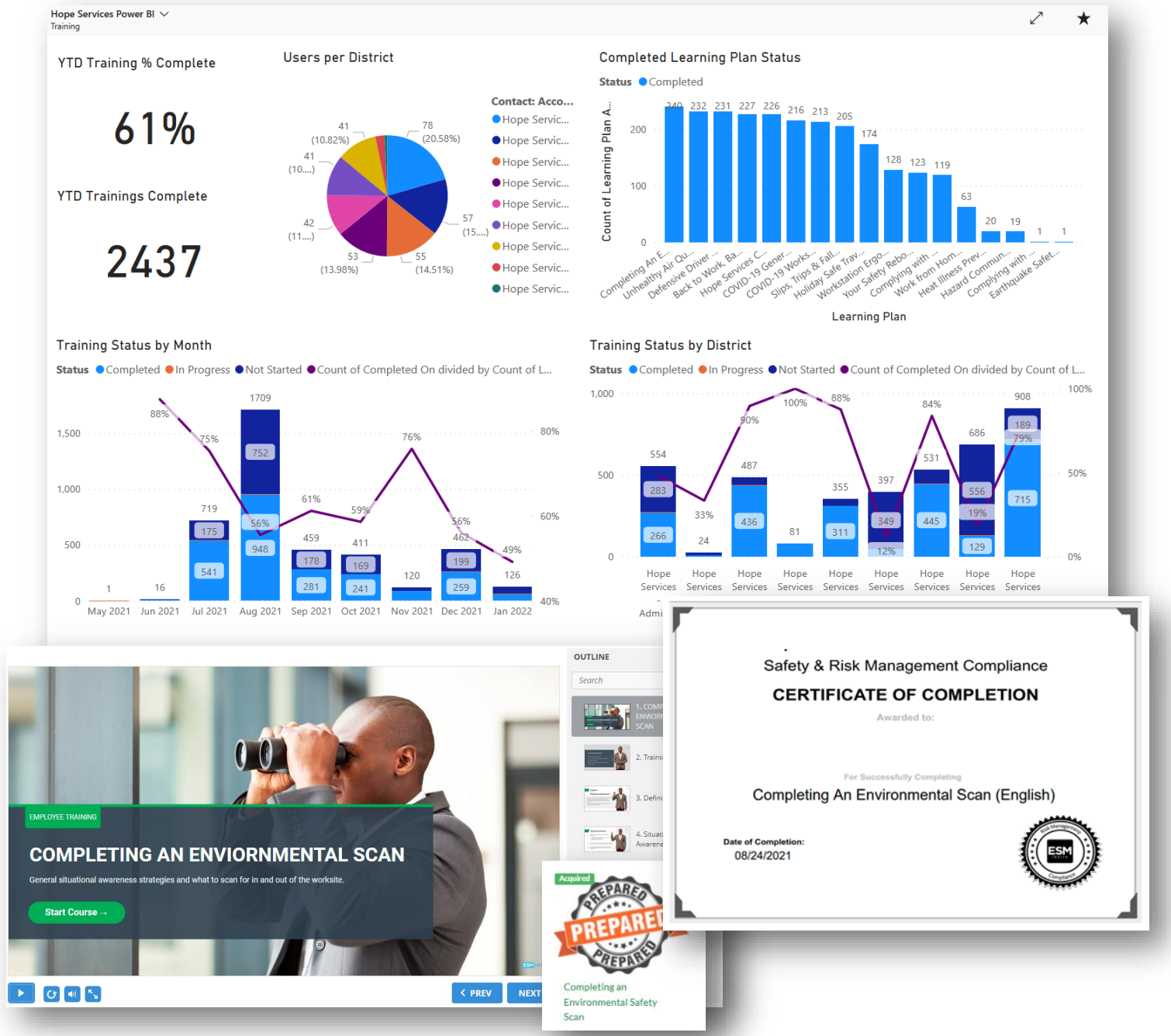
Launched the Learning Management System in July 2021. Safety trainings tracked by Department. Semi-monthly trainings provided to all employees

2,437

training certificates completed since July 2021

77%

monthly average completion rate. Lower % due to lack of devices available to certain departments, which is being corrected.
Goal for 2022-23 PY: 90%



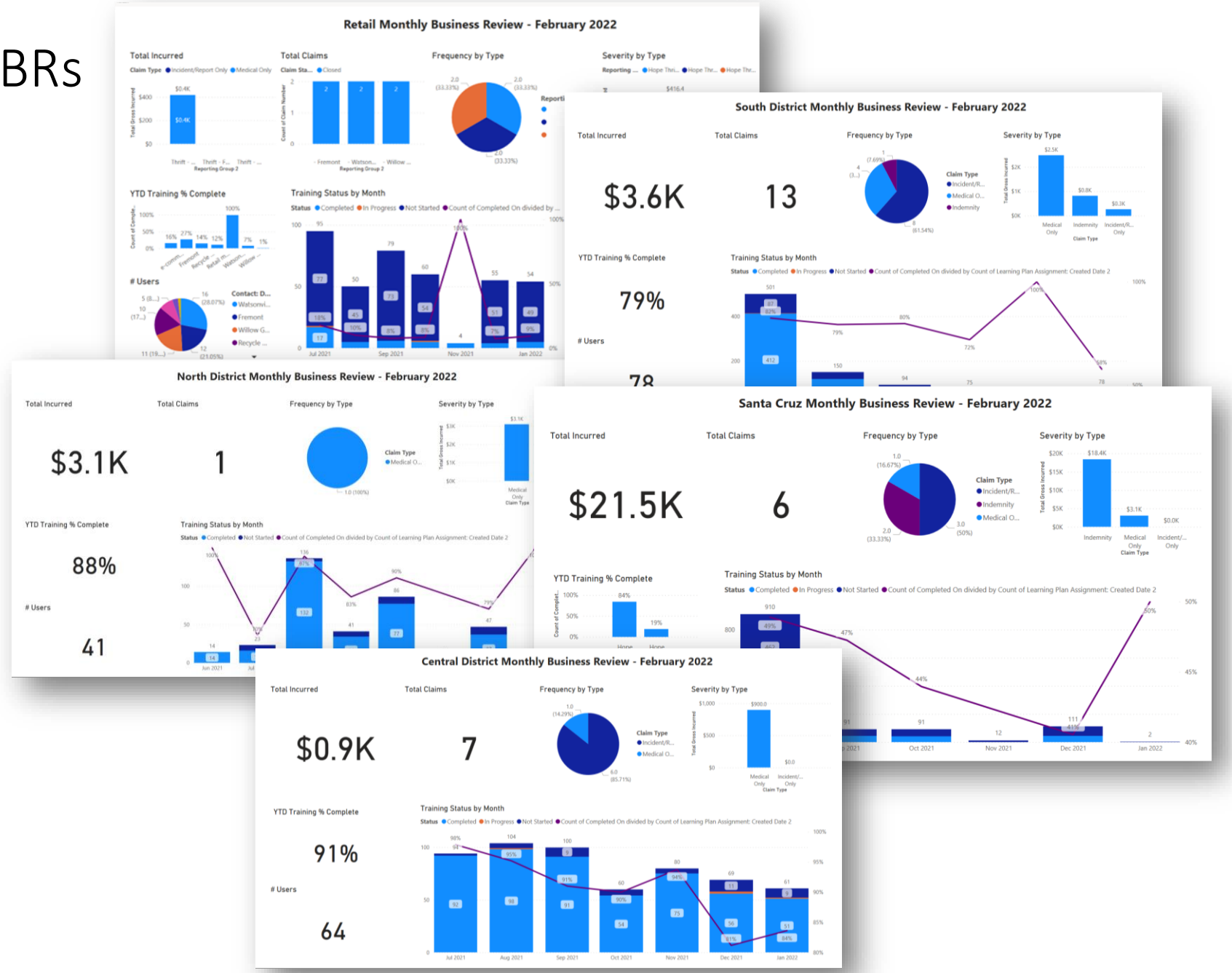
Department Specific MBRs

2021-22

Leveraging PowerBI, each Department now has its own KPI dashboard, and monthly business review (MBR) process.

Department safety committees meet monthly to review their progress, goals and then establish next month's safety initiatives.

Each committee's goals (Micro), roll up to the organization's goals (Macro), from which the data is tracked and reviewed monthly at all levels.



Monthly Safety Inspections

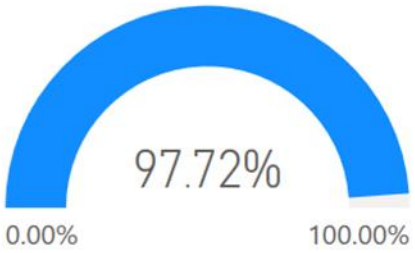
July 2021 – February 2022

Launched a digital safety inspection application at Retail stores, to proactively identify hazards. Develope a custom inspection checklist to correlate with retail store hazards.

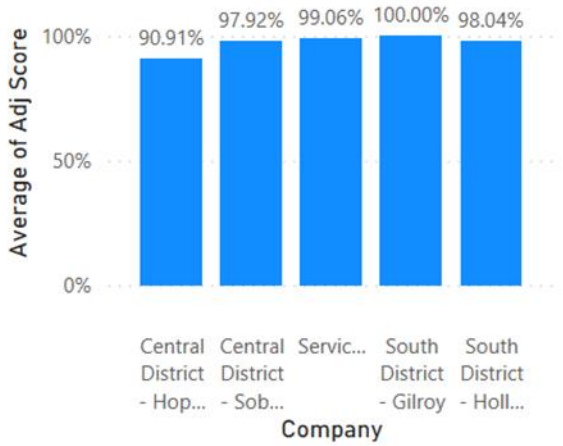
97%

Average inspection score.

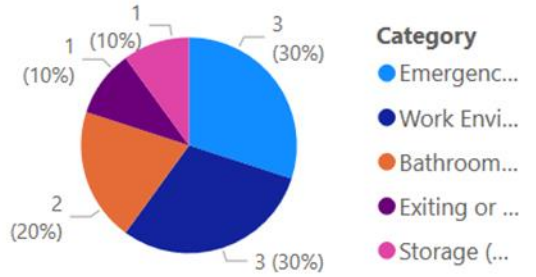
District Avg Inspection Score



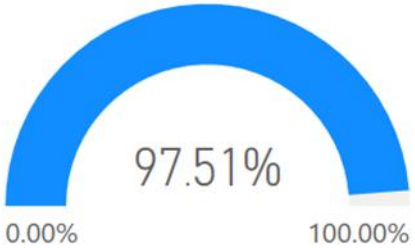
Avg Score by District Location



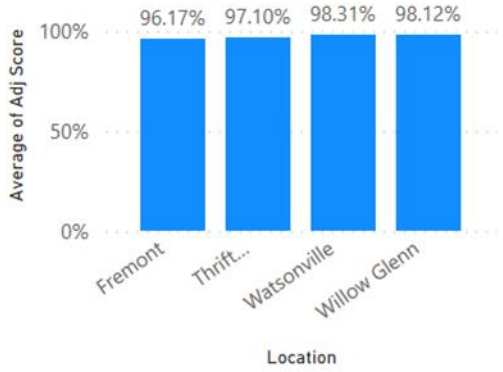
District Open Corrective Actions



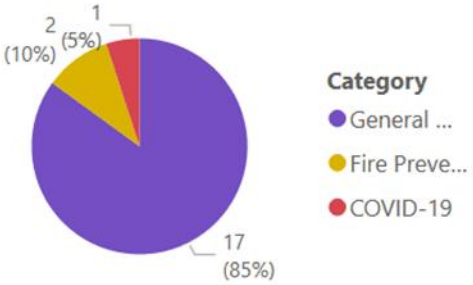
Retail Avg Inspection Score



Avg Score by Retail Location



Retail Open Corrective Actions

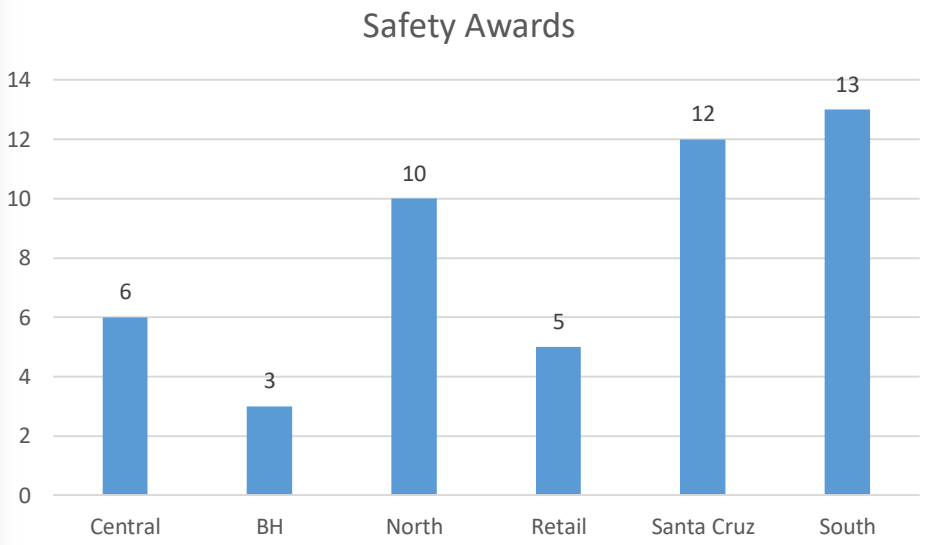


SAFETY AWARDS

49

Total Safety Awards
(9/1/21 – 2/2/22).

Awards provided to staff and clients for going above and beyond our safety standards.



ESM INSITE

RESULTS OF SAFETY PROGRAM

2022-23 Premium Credit: $117K
2022-23 premium: $537K

KPI	2016 – 18 Policy Years (Avg.)	2019-20 Policy Year	2020-21 Policy Year	2021-22 Policy Year
Frequency	50	64 (integrated Medcor for reporting)	31 (38% reduction)	37 (26% reduction)
Severity	$726,043	$225,402 (69% reduction)	$73,450 (90% reduction)	$32,783 (95% reduction)
Indemnity Claims	26	6 (72% reduction)	5 (81% reduction)	3 (99% reduction)
Premium	$1M+	$662,766	$731,192	$654,737

Next steps

Moving forward →

Want to see your data in PowerBI?

Measure what you treasure

Data needed:

Loss Runs

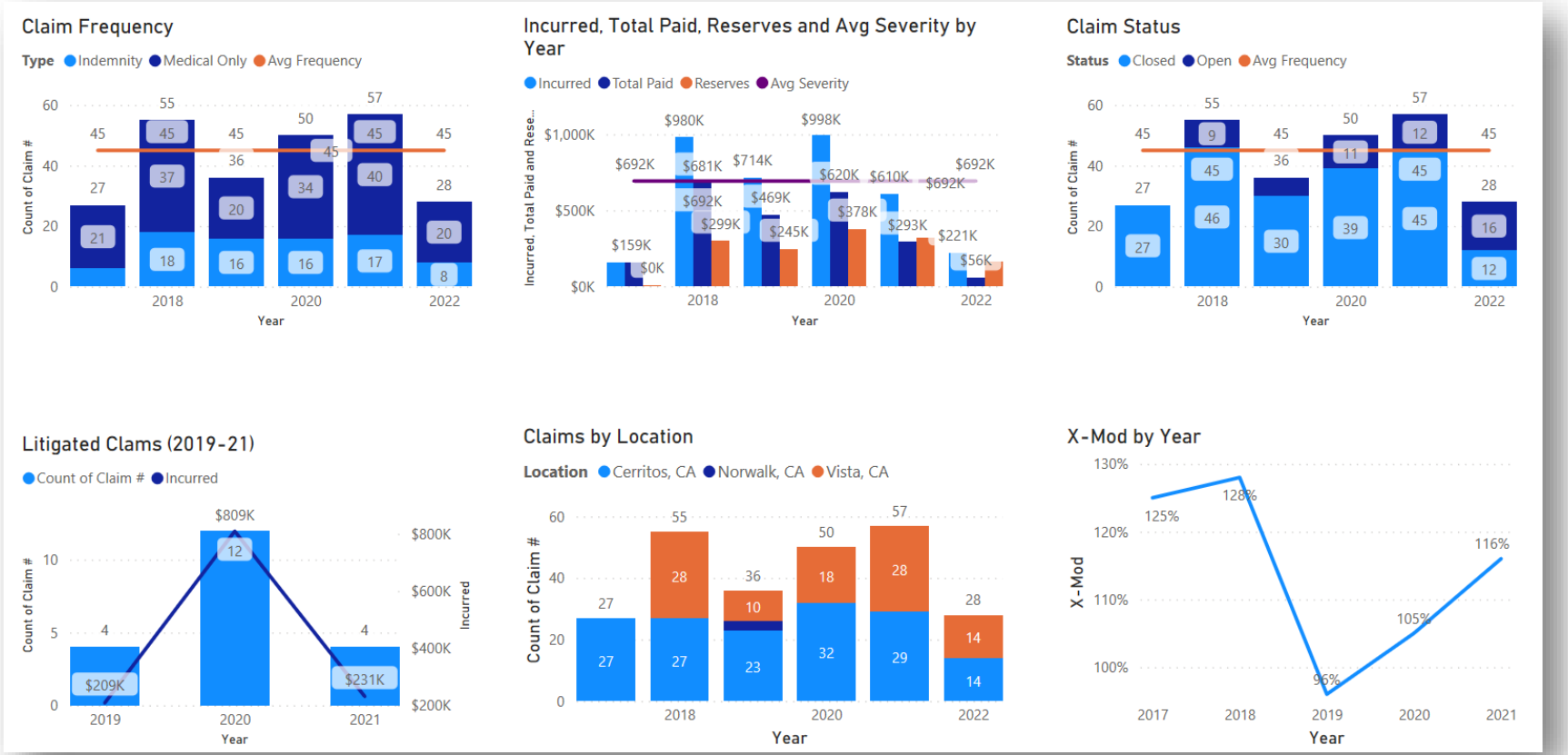
- 3 – 5 years of Work Comp Loss runs (Preferably in Excel)

Mod Worksheets

- 3 – 5 years

OSHA 300 Logs

- 300 & 300A



Time to get started…here's your next steps

ESTABLISH A SAFETY COMMITTEE.

BECAUSE YOU CAN'T DO THIS ALONE.

& MONTHLY KPIS FOR 2022-23.

FREQUENCY, SEVERITY, LAG TIME, TRAININGS, INSPECTIONS, ETC.

DEVELOP A TRAINING PLAN FOR THE YEAR.

TRAININGS SHOULD ALIGN WITH YOUR LOSS LEADERS OR KEY EXPOSURES.

COMPLETE MONTHLY INSPECTIONS.

IDENTIFY TRENDS AND STRATEGIES TO MITIGATE THEM

LEVERAGE TECHNOLOGY IN YOUR STRATEGY.

IT WILL CREATE EFFICIENCIES AND ACCOUNTABILITY.

Thank you!

Need assistance with mitigating risk? We're here to help.

CONTACT US

INSITE Users Login Here

916.426.0500 | info@esminsite.com | esminsite.com | LinkedIn | Newsletter