

Risk Management Review Case Study

Situation

A large Wisconsin scrap processor was being non-renewed by their workers' compensation carrier after they sustained a fatality in the prior policy term.

Due to an unfortunate series of events within a two year span (one of which included a fatality) the scrap processor sustained over \$1,000,000 in Work Comp claims – which significantly impacted their Experience Mod and left them non-renewed. The business received a 60 day notice to secure new coverage and their current agent approached over 20 markets.

R&R Involvement

R&R was initially introduced to the scrap processor through their Labor Attorney. After a series of in-depth meetings, R&R developed a comprehensive service plan, completed a property assessment, provided detailed large loss explanations, and toured the facility multiple times. In addition, R&R uncovered 5 open claims in their EMR.

Outcome

With R&R's involvement, substantial risk management opportunities and savings were uncovered. Opportunities included:

- ✓ A dividend option which allowed the business to earn \$82,000 work comp dollars back
- ✓ Identifying the property as being underinsured by over 25% - creating significant co-insurance penalties
- ✓ An increase in the building & personal property values by over 20 million
- ✓ Uncovering \$300,000 exposure of personal property off the premises.
- ✓ A non-work comp savings of \$10,845 – which included increasing the property values by \$6 million
- ✓ Hiring of a full-time Safety Director
- ✓ A two year loss ratio with R&R of 8%