



## **WHAT ARE THE BENEFITS OF THE ABCMA Workers COMPENSATION SELF- INSURANCE GROUP (SIG)?**

### **Dividends**

Self-insurance group members are entitled to share in the surplus, otherwise known as dividends, which are distributed annually. Once claims are paid out of premiums collected, the remainder is returned to the members based on performance. In an insured product, if you have no claims, premiums are paid to policyholders that do. Since inception in 1994, the SIG has distributed over \$10 million in dividends to its members with an average of 34% back.

### **Superior Loss Control**

Due to the nature of self-insurance groups, loss control service is much superior to the same services provided by conventional workers' compensation insurance companies. The ABCMA Group Trust contracts with Contractors Risk Management as the loss control consultant. The goal of a self-insurance group is to minimize members' claims and prevention is a major part of that goal. The services made available are relevant to the construction industry, keeping in mind how a jobsite and workforce operate. Most of these services are provided free of charge to the members. An average of 2000 hours are spent on jobsite safety and training annually, no charge to the members.

### **Peer Group Best Practices**

On a monthly basis, a safety representative from each of the member companies is required to attend a safety committee meeting run by the SIG administrators and Contractors Risk Management (loss control consultant). This is an opportunity share best practices, lessons learned and to collaborate on how to create stronger safety cultures within the group's member companies. Training is provided on voted-upon topics such as reasonable suspicion, ladder safety, electrical safety, discipline programs.

### **Superior Claims Management Services**

Similar to loss control, claims services are superior to those provided by commercial carriers. We rely on continued communication from both our members and our claims administrators. The goal is to minimize members' claims costs by getting injured workers back to work, with fewer lost days and with better treatment. It can be assumed that this claims management process leads to a 20% reduction in claims costs.

### **Member Input and Direction**

The self-insurance group process allows the member input and direction as to how they would like their claims handled. This flexibility is not available in a traditional insurance marketplace. Approval is sought by the member for items such as settlement of a claim, applying surveillance, and return to work programs.

### **Stability/Permanent Solution**

Most SIGs illustrate high retention levels as members find them to be a permanent solution to their workers compensation needs. Additionally, self-insurance groups do not change their appetite when it comes to class of business. Members do not find themselves shopping their workers compensation program year after year.

### **Direction from Board of Directors**

The Board of Directors (member companies) has the responsibility and advantage of deciding on how the group is run, while adhering to rules set forth by the regulators and MA workers compensation laws. This empowers them to direct the claims and loss control administrators in a way that benefits the members. They formulate rules on safety requirements, claims management practices and membership. In a commercial insurance carrier scenario, the carrier is in control of who they cover, what they will cover and when they will cover it without policyholders' input.

### **Common Risk**

From both a service and a risk standpoint, being part of a homogeneous self-insurance group provides great benefit. Those servicing a member's workers compensation program are most familiar with its industry; They are familiar with the injuries and treatments that are common amongst the class codes within the Group. Loss control and claims management are based on the accommodation of one industry. In addition, members may feel comfortable knowing they are not mixed in with hundreds of different industries as they are in a fully insured product.