



Teaching a Local Day Care Center to Learn from Experience

The Challenge:

A large Camden, NJ community day care center was non-renewed by the existing carrier, AIG. The prior broker submitted the account to a multitude of insurance companies authorized to do business in the state of NJ but were unable to secure a quote from a voluntary market. The insured was forced to accept coverage through the NJ State Plan. Premiums increased from approximately \$35,000 to \$70,000. This was the result of the experience modifier increasing to 1.485 and the state of NJ applying a 35% surcharge on the workers compensation policy. The \$35,000 premium increase severely impacted their budget and Hardenbergh Insurance Group was invited in to work with the insured to help return the workers compensation to profitability.

The Strategy:

Hardenbergh Insurance Group provided an analysis of 10 years of historical claims information to determine underlying causes and trends in losses. They then customized a risk control program to focus in on the most common types of losses – which in this instance included slip and fall claims and falls from heights. The program included increased signage to warn of dangerous conditions, inspection checklists to ensure compliance, mandatory non-slip shoes being worn by staff, and

in-depth accident investigation procedures to avoid reoccurrences of claims. In addition to this, Hardenbergh instituted the following risk control measures:

- Formal Safety Committee
- Formalized Return to Work Program
- Development of Employee Incentive Program
- Distribution of Tool Box Talks for Staff Use
- Coordination of Carrier Loss Control to Focus on Problem Areas

The Results:

After implementing the changes suggested by Hardenbergh Insurance Group after 1 year the claims experience had drastically improved, and the marketing department at Hardenbergh Insurance Group was able to secure a quotation outside of the NJ State Plan from a carrier specializing in Workers Compensation. Securing the quote was a result of both the positive turn in claims experience due to implementing changes suggested by Hardenbergh as well as Hardenbergh advocating the positive changes in procedures and experience to the insurance marketplace. At renewal, the insured realized a premium savings of over \$15,000 and this number will continue to decrease with improved claims experience and corresponding impact on experience modifier at subsequent renewals.

