4 CORNERSTONES OF CAPTIVE SUCCESS

CONTROL OVER YOUR CLAIMS

Presented By | Danny Badovinac
Captive Development Coordinator

Dustin Lucas
Casualty Claims Supervisor

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Cottingham & Butler

FOUR CORNERSTONES OF CAPTIVE SUCCESS

AN ALTERNATIVE GIVING YOU CONTROL

RETURN OF UNDERWRITING PROFITS

DEDICATION TO SAFETY

CONTROL OVER YOUR CLAIMS

CB

C&B CAPTIVE CREDENTIALS

- 7 Member-Owned Group Captives since 1993
- Currently over 220 members
- More than $175 million of premium
- Over $119,000,000 in dividends returned
- 99% Retention
- Administer the two largest transportation captives in the world
- Expert claims administration
- Proven safety services
- Network of resources

TRAFFIC INSURANCE LTD.

INSURANCE LTD TRUCK

SECURITY INSURANCE COMPANY OF NORTH AMERICA

SAFETRUCKING INSURANCE LIMITED

CSL CONSTRUCTION SPECIALTY INSURANCE LIMITED

STIL SPECIALIZED TRANSPORTATION INSURANCE LIMITED

BRIL BIG RIG INSURANCE LIMITED

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TODAY'S PRESENTERS

DANNY BADOVINAC
Captive Development Coordinator

DUSTIN LUCAS
Casualty Claims Supervisor

AN ALTERNATIVE RISK SOLUTION GIVING YOU CONTROL

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COTTINGHAM & BUTLER CLAIMS SERVICES

- CBCS has been TPA for over 30 years
- Privately-held ownership
- Client retention of 98%+ annually
- Consistently rated excellent during insurance carrier audit results

CBCS

A BETTER CLAIMS EXPERIENCE

- **Contrarian approach to claims handling that gives you input over your claims**

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CONTROL OVER YOUR CLAIMS

	CBCS	STANDARD MARKET
CLAIM ASSIGNMENT	Dedicated Adjuster	Multiple Adjusters
SETTLEMENT	Member Decides Settlement Authority	Pay it and close it
RESERVING	Fact/Experience Based	Formula
CLAIM REVIEWS	Member Determines Frequency	Conference call with multiple adjusters, if any
CLAIM REPORTING	24/7/365	Good luck
STAFF TURNOVER	3%	20%-25%
COST SAVING STRATEGIES	Savings Returned to You, The Captive Member	Additional Profit

CBCS CORE PHILOSOPHY

Every dollar spent on claims ultimately comes out of your pocket.

What can CBCS do to maximize your experience and returns in a captive?

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THE DEDICATED ADJUSTER MODEL

CBCS	STANDARD MARKET
1 adjuster to handle all of your GL/AL/APD claims **1** adjuster to handle all of your Work Comp claims ***You develop a working relationship and rapport with your dedicated adjuster***	• Adjusters assigned at random • Medical only clerks on 70% of your claims • Indemnity handled by additional adjuster • Separate subrogation unit • Claim transfers adjustors based on incurred limit

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SETTLEMENT AUTHORITY

Your dedicated adjuster communicates with you before paying claimants.

Multiple Benefits:

1. Encourages captive member input
2. Ensures claims are handled to your satisfaction

Over time, you can grant your adjuster some settlement authority.

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FIRST CALL SETTLEMENT AUTHORITY

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FACT/EXPERIENCED BASED RESERVING

First report of claim comes in...employee shoulder strain.

CBCS

What are the facts of the claim...

- How did the injury occur?
- Age?
- Job duties?
- Health condition?
- Pre-existing conditions/prior injury?
- Concurrent employment?
- Wages?
- Treating physician?
- <u>Employer's opinion</u>

STANDARD MARKET

Shoulder Strain = $25,000

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CLAIM REVIEWS

Recommendation is twice a year, but client determines frequency

Review and discuss

- Open clams
- Large claims
- Action Plans
- Cause of loss trends

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24/7/365 CLAIM REPORTING

On-Call Adjuster at all times

- 24 hours a day
- 7 days a week
- 365 days of year

Adjuster is prepared to not only take the first report, but to take immediate action in mitigating the loss.

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ADJUSTER CASELOAD

CBCS	STANDARD MARKET

CBCS

120 Average Indemnity Claims

- Appropriate attention given to each claim
- Close claims with the client's best interest at heart

STANDARD MARKET

150+ Average Indemnity Claims

- Pay it and close it
- Leave claims open/unresolved

ADJUSTER SATISFACTION SURVEY

	My Adjuster:	1	2	3	4	NA
1	Demonstrates technical competence. Comment:					
2	Conducts prompt and complete investigations and evaluations. Comment:					
3	Responds with well-informed answers to my questions. Comment:					
4	Acts with an appropriate sense of urgency. Comment:					
5	Displays initiative to protect my assets and save me money. Comment:					
6	Achieves favorable results on my behalf. Comment:					
7	Expresses ideas to me in a clear and concise fashion. Comment:					
8	Acts with discretion and conciseness in communicating with those involved in the situation. Comment:					
9	Frequency of communication meets my expectations. Comment:					
10	Meets my expectations of satisfaction with CBCS as my claims management service provider. Comment:					

I would provide this feedback (positive or constructive criticism) to the adjuster:

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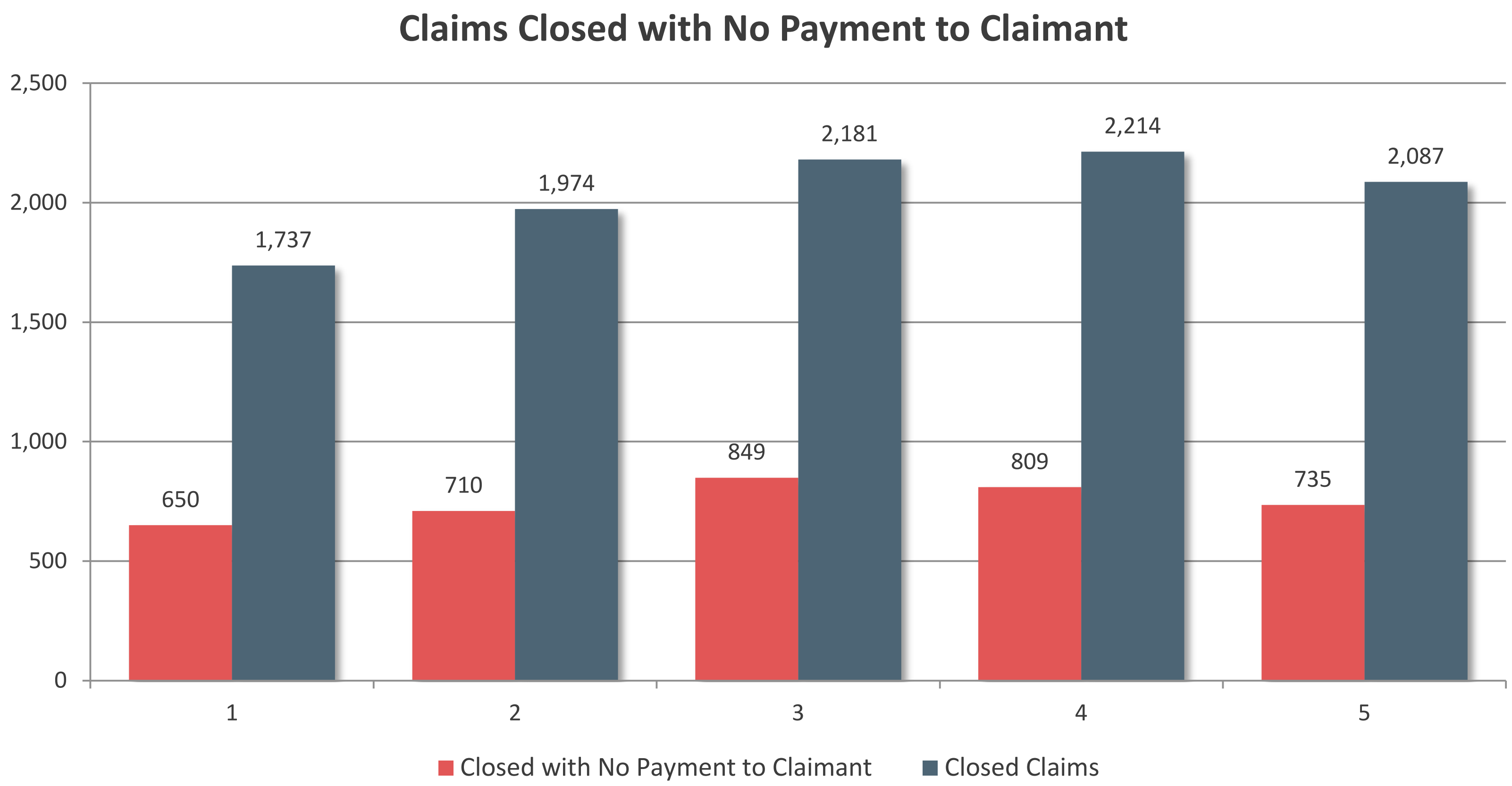
AGGRESSIVE CLAIM HANDLING

37% of liability claims closed with $0 payment to claimants over the last five years

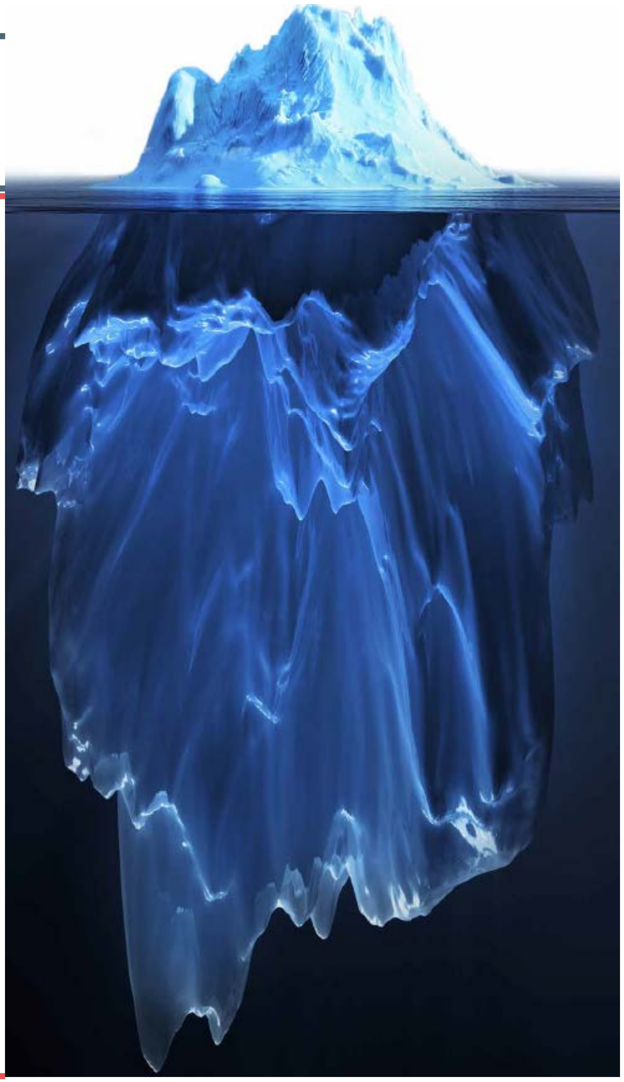


TOTAL COST OF THE CLAIM – HIDDEN SAVINGS

COST OF THE CLAIM

What's below the surface?

- Bill Review Fee Schedule
- Negotiated Savings Review
- PPO Fees
- PT Network Fees
- Nurse Triage Fees
- TCM Fees
- FCM Fees
- Diagnostic Services
- Pharmacy Bill Review
- Durable Medical Equipment
- Subrogation Fees
- RMIS Access Fees
- Administration Fees
- Settlement Authority
- Claim Reporting Fees



MEDICAL BILL REVIEW COMPARISON

Invoice Example

Gross Amount Billed	$24,526
Bill Review Savings	-$13,490
PPO Reduction Savings	-$1,226
Total Allowed Amount	**$9,810**

Over **$3,000** in service charge fee savings for captive member on just this one claim

Service Charge Comparison

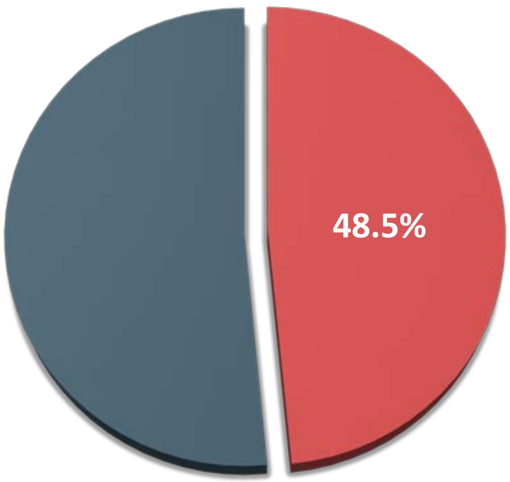
	CBCS	Standard Market
Bill Review Fee	$8.05	$3,372.50
PPO Fee	$307.00	$307.00
Total Applicable Fees	**$315.05**	**$3,679.50**

MEDICAL BILL REVIEW

Over **$60,000,000** in net Medical Bill Review savings over the last five years.

This equates to **48.5%** in net savings.

CBCS



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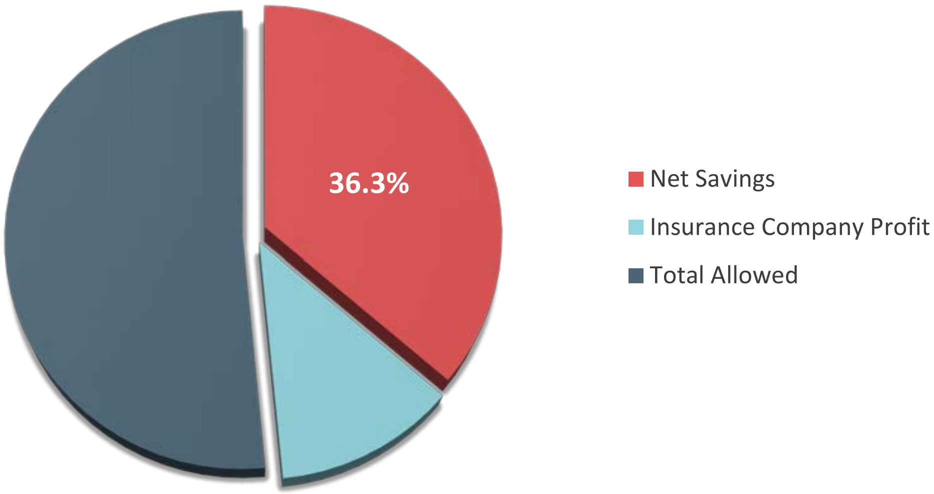


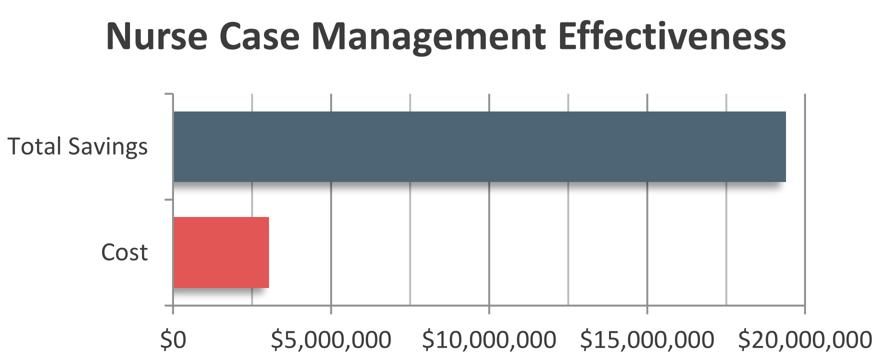
NURSE CASE MANAGEMENT

Staff of certified nurses assigned to every lost time work comp claim to work with inured employee, treating provider and employer.

- Manage and control medical issues
- Clarify and coordinate reasonable and necessary medical care
- Facilitate early Return-To-Work (RTW)

Over **$16,000,000** in net Nurse Case Management savings over the last five years

Average ROI is **5:1** per engagement



SUBROGATION EFFORTS

5-Year Recovery by Line of Coverage

Over **$8,750,000** in claim recoveries collected from at-fault parties in the last five years

- At no cost to member
- Same dedicated adjuster pursuing

Some insurance companies will take up to 10% of subrogation savings

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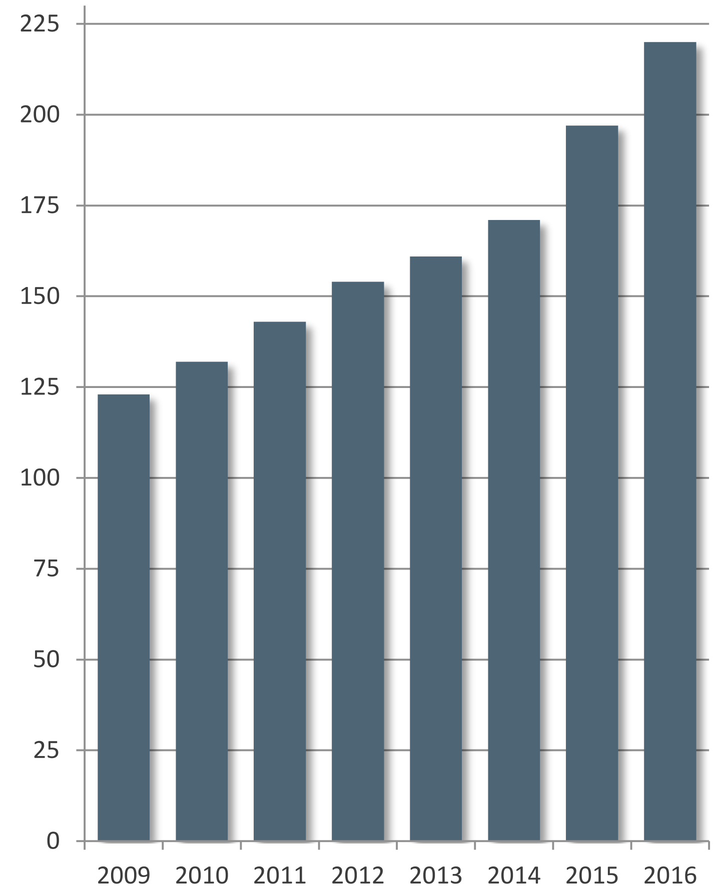
IS A CAPTIVE RIGHT FOR YOU?

- Are you frustrated with the lack of control and input you have in your claims with your current provider?
- Do you feel the premium dollars you spend deserve a better claims experience?
- Is your insurance carrier profiting off your claims and you deserve to see those savings returned to you?

IF THE ANSWER IS YES, JOIN THE 220+ CAPTIVE MEMBERS WHO HAVE ALREADY TAKEN CONTROL OF THEIR INSURANCE DESTINY WITH COTTINGHAM & BUTLER.

C&B CAPTIVE MEMBERS



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QUESTIONS?

2017 Captive Webinar Series: *The Four Cornerstones of Captive Success*

- **July 12** – Group Captive 101
- **September 13** – A Continuous Dedication to Safety
- **November 8** – Reduce Your Insurance Spend

DANNY BADOVINAC
Captive Development Coordinator

dbadovinac@cottinghambutler.com
563-587-5547