

SAFETY GROUP 430
67th ANNUAL MEETING
NOVEMBER 10, 2017

JW Marriott, Marco Island

WELCOME

SG430: Increasing Payroll & Decreasing Premium

	<u>Payroll</u>	<u>Premium</u>	<u>Discount</u>
2015	\$1,513,931,840	\$36,997,318	20%
2016	\$1,830,741,149	\$32,622,508	30%

2016 Recap

Payroll	\$1,830,741,149
Standard Premium	\$46,810,650
Discounted Premium (30%)	\$32,622,508
Dividend (35%)	\$11,417,878
Savings (55%)	\$25,606,000

SG 430 Group Accounting 2016 Policy Year

	<u>2015</u>	<u>2016</u>	<u>% Change</u>
▪ Earned Premiums	36,997,318	32,622,508	
▪ Premium Assessment	4,254,692	3,751,588	
▪ Interest Earnings	1,551,002	1,793,686	
▪ Uncollected Premiums	(103,016)	(131,880)	
▪ Net Total Income	42,699,995	38,035,902	(11%)
▪ Net Incurred Losses	9,103,816	7,959,927	
▪ Expense Charges	6,111,120	5,374,548	
▪ Losses + Charges	(15,214,967)	(13,334,516)	(12%)
▪ Contingent Balance	27,485,029	24,701,386	
▪ Prior Year Balance	38,804,497	48,909,772	
▪ Available Contingent Balance	66,289,526	73,611,158	10%
▪ Group Dividend	\$11,099,195	11,417,878	
▪ Net Contingent Balance	\$55,190,331	62,193,280	11%

2015-2016 Dividend

Motion To Approve
The Following (35%) Dividend
To Be Distributed

\$11,417,878

SG 430 Net Contingent Balance vs Developed Losses

Policy Year	Net Contingent Balance	Developed Losses	Funding Level
2014	\$47,723,126	\$25,690,689	185%
2015	\$55,190,331	\$25,015,195	220%
2016	\$62,193,280	\$24,145,753	258%

Funding level is the ratio of future development of incurred losses with contingent balance after dividend.

SG 430 Trend of Increase in Available Contingent Balance Before Dividends

Policy Year	Available Contingent Balance
2010	\$26,584,355
2011	\$28,785,696
2012	\$34,806,339
2013	\$42,636,621
2014	\$55,282,190
2015	\$66,289,526
2016	\$73,611,158

BEWARE Bundled Policies

-Garage Keepers, Legal Liability and Workers' Comp

-Payroll Services that include WC and other coverages.

30% Discount (?)

35% Dividend (?)

Average Safety Group Dividend is 23%

VS.

SAFETY GROUP 430

DIVIDEND OF

35 %

SG 430 Policies, Payroll, Premium & Incurred Losses

Policy Period	Total Policies	Total Payroll	Total Premium	Reportable Claims	Compensable Claims	Open Claims	Total Incurred
12/31/2008-12/31/2009	513	1,200,755,427	20,026,727	896	218	28	12,642,732
12/31/2009-12/31/2010	472	1,211,442,065	23,608,044	860	229	27	13,734,976
12/31/2010-12/31/2011	456	1,233,458,926	25,538,593	905	230	36	13,696,818
12/31/2011-12/31/2012	453	1,310,291,320	28,968,714	843	216	31	11,492,801
12/31/2012-12/31/2013	456	1,447,411,802	32,061,521	925	246	45	12,749,854
12/31/2013-12/31/2014	453	1,492,064,746	37,277,817	863	243	79	14,724,734
12/31/2014-12/31/2015	409	1,513,931,840	36,997,318	737	264	129	11,982,639
12/31/2015-12/31/2016	407	1,830,741,149	32,622,508	640	244	273	7,959,927
12/31/2016-12/31/2017	401*	1,480,796,359**	34,328,409**	474	169	310	4,853,425

**Total number of rooftops=798*

***Estimated payrolls and premiums*

Maximum Benefit

- **The current maximum weekly benefit of \$871* is subject to the claimants' earnings.**
- **The maximum weekly benefit has now increased 118% since the 2007 WC reform.**
- **The minimum weekly benefit remains at \$150 a week for claims with a date of accident on or after 5/1/2013.**

***Max benefit is based on 2/3 of state average weekly wage (\$1,306)**

2017 Workers' Compensation Reforms "The Good"

- **130 week limit on temporary benefits prior to "capped" permanency classification. ***
- **Proposed new permanent impairment guidelines for determining Schedule Loss awards****
- **Proposed Prescription Drug Formulary****

*Applies only to accidents occurring after April 9, 2017

**Effective January 1, 2018 on all claims.

2017 Workers' Compensation Reforms “The Bad”

- Injured workers no longer have to remain “attached” to the labor market in order to collect ongoing permanent disability benefits.***
- Injured workers may now apply for an extreme hardship or lifetime benefits when their permanency percentage exceeds 75% rather than 80%. ***

***Retroactive benefits regardless of date of accident or permanent disability classification.**

2017 Workers' Compensation Reforms “The Bottom Line”

- A credit of 1.2% of the 2017 premium for the members of SG 430 which will be applied on audit resulting in a return of approximately \$400,000.**
- Meaningful savings are dependent upon the outcome of the proposed changes to the impairment guidelines and the implementation of the prescription drug formulary.**

2018 Rate Changes

- **A 4.5% Average Decrease In Workers' Compensation Lost Costs (Rates) For All New York Insurance Carriers**
- **The State Insurance Fund Board of Commissioners Approves a 4.5% DECREASE in NYSIF'S Loss Cost Multiplier.**

**As A Result: NYSIF's
Rate for Group 430's
Governing Class (#8391)
Has decreased by 9% from
6.02 to 5.37 for the
Upcoming Renewal**

**NYSIF Approves a 25%
Advanced Discount for
Eligible Members**

Safety Group 430

Management Services Provides...

- First Report Of Injury of Claims
- Claims Management (reserves, retirement & return to work)
- Health and Safety inspections done
- Quarterly Claims Activity Report & Detailed Claims Analysis
- Premium Audit Support
- Hearing Assistance/preparation
- Distribution of Safety Equipment
- Experience Modification Analysis
- Coordination of OSHA Assistance and Training
 - Global Harmonization Systems (GHS); Labelling Compliance
 - OSHA Form 300 Record (Illness/Injury); Log Compliance

These Services Save SG 430 Members Hundreds Of Thousands Of Premium Dollars Each Policy Year!!!

Safety Group 430/NYSIF Profile In Market Place

- Established 67 Year Program
- Financially Stable (Backed by NYS)
- \$283,483,448 in Dividends paid to Safety Group Members over 67 years
- \$4.3mm in reductions of Group Reserves via Claims Reviews in 2016
- Annual Health & Safety Inspections – Mock OSHA Inspections done
- OSHA Training Assistance (e.g. GHS)
- OSHA Violation/Compliance Assistance
- NY Code 59 Assistance (DOL compliance)
- Health & Safety Equipment Distributed
- NO JOINT AND SEVERAL LEGAL LIABILITY

Safety Group 430's Distribution of Safety Items

- Back Braces 2005
- Mechanics' Gloves 2006
- Safety Goggles 2007
- Ear Plugs 2008
- Stabilicers 2009
- Safety Goggles 2010
- First Aid Kits/Band-Aids 2011
- Mechanics' Gloves & T-Shirts 2012
- Full Face Masks & Bench Grinder Gauges 2013
- First Aid Kits/Band-Aids & Fender Covers 2014
- First Aid Kits/Band-Aids & Mechanics Gloves 2015/16/17
- AED's 2017

These Safety Items and SG 430's Health & Safety Inspection Program with YOUR commitment to Safety have contributed to a reduction of CLAIMS!!!

Safety Group 430 Team

- Gordon Brown, *Lead Claims Administrator/Reviewer*
- Tierro Davis *Claims Administrator/Analyst*
- Lanise Talbert, *Claims Administrator/Analyst*
- Patrick McCabe, *Claims Administrator/Analyst*
- Bobby Belanger, *Health & Safety Inspector*
- Erik Michelsen, *Safety & Loss Control*
- Kristine Puckey, *Insurance Field Rep*
- Jeff Scardino, *Insurance Director*
- GCG Risk Management, *Consulting/Claims Management*

2017/2018 Safety Group 430

Proposed Executive Committee Members

- Jim Morrell, *Chairman* Albany
- Steve Miller, *Vice Chairman* Vestal
- Bill Cram Seneca Falls
- Bill Fox Auburn
- Lou Roberti Katonah
- Tom Morrone Norwich
- Rob Certilman Saint James
- Russell Geller Yonkers
- Bob Vancavage, *Secretary* Albany