

# Risk Management

case study

## Goal

Superior Staffing wanted a risk management strategy that would improve their loss rate and reduce workers' compensation costs.

## Action Plan

Superior Staffing worked with Assurance to utilize benchmarking, implement a comprehensive large deductible program and hire an internal Risk Manager.

## Achievements

- » 82% reduction in loss rate
- » 48% decrease in overall workers' compensation costs
- » 32% Experience Modification Rating (EMR) improvement
- » 57% decrease in insurance fixed costs

**82%**  
reduction in loss rate

## Superior Staffing Significantly Reduces Workers' Compensation Costs Through Focus on Claims Management

### The Story

Superior Staffing is a leading light industrial staffing services firm in the Chicagoland area. From 2008-2012, Superior had numerous claims not investigated or handled properly by their insurance carriers. The company had a stable client base and proper oversight at customer locations, but needed better claims management to lower their loss rate. Superior turned to a new business partner, Assurance, for guidance.

The team met with Superior to lay out a plan to lower overall costs and minimize risk in the workplace. Part of this plan included an analysis of claims by customer, which identified several that needed additional scrutiny. The analysis also established benchmarking data for all customers so that Superior could tangibly measure future results to help focus on what needed additional attention.

Based on the findings and Superior's commitment to improving results, Assurance recommended terminating a large client that was responsible for more than a third of the company's losses and hiring a Risk Manager to further reduce workers' compensation claim costs. Superior agreed and with help from Assurance made the investment in a full-time Risk Manager who was devoted to aggressive and proactive claims oversight and promoting worksite safety.

A strategic decision was also made to pursue a large deductible workers' compensation program that would give Superior greater control over the direction and outcome of claims. Strong claims management and partnership with Assurance and the insurance carrier resulted in a significant Experience Modification Rating (EMR) improvement producing a result far better than the industry average. With a new insurance program and Risk Manager in place, the team at Superior took advantage of ongoing education through Assurance University to stay up-to-date on industry trends and claim strategies.

Over a 6-year period, Superior Staffing reduced their loss rate by 82%, improved their EMR by 32%, experienced a 48% decrease in workers' compensation costs and a 57% reduction in insurance expense, while more than doubling the size of their company during the same period. Having greater control over claims has allowed Superior Staffing to steadily grow, while expanding their margins and bottom line profits.

### Get in Touch

Learn how Assurance's Risk Management advisors can help you obtain measurable results.

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