

Views

Handle Your Business With

KARE

The Kentucky Chamber Program
Underwritten by Allmerica Insurance

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Will Rogers once said, "Even if you're on the right track, you'll get run over if you just sit there."

Today's savvy workers' compensation insurance buyers are sending this message loud and clear to carriers and funds operating in the Kentucky workers' comp insurance marketplace. Never content to "just sit there," we made significant changes during 1997 to better serve our customers and professional agents who serve them.

Following extensive market research, customer discussions, and agent input, we "converted" from being a group self-insured fund to becoming a fully insured program. Allmerica Financial, an insurance company with \$19 billion in assets and an A.M. Best rating of A (XII), excellent, is our new insurance partner. Allmerica is a publicly held company trading on the New York Stock Exchange under AFC. In addition to the enhanced



To further enhance the financial stability of the KARE program, we entered into another partnership with the General Security Insurance Company whereby General Security acquired KARE's outstanding claims liabilities prior to November 1, 1997. This change ensures our customers will not have to concern themselves with the probability of a future premium assessment for their past claims liabilities.

While we have entered into new partnerships to provide our customers with more security and enhanced coverage, we have maintained the strengths that attracted our customers to KARE in the first place. The Kentucky Chamber of Commerce, one of the most respected associations in Kentucky, remains as the program sponsor. We have also kept the same high quality underwriting, claims, safety, and managed care team that our customers and agents have come to rely on.

And it just gets better and better. The KARE board of trustees unanimously declared a \$550,000 dividend payable during 1998 to all KARE members in good standing as of October 31, 1997. You'll hear much more about this in the coming months.

In short, 1997 was a fantastic year for the 525 companies that chose KARE as their workers' compensation insurance provider. Our recent enhancements—conversion to a fully insured, guaranteed cost program; elimination of prior claims liabilities; easy access to other states' coverage, and a declared dividend—have put our customers on the "right track" for 1998. On behalf of everyone at KARE, we appreciate your continued support and thank you for thinking KARE.

The Year in Review

- financial security Allmerica brings to KARE, our customers can now place their out-of-state workers' comp business with KARE. Additionally, as a result of our new partnership and consistent history of profitability, we were able to offer a substantial rate reduction in November. This was the third reduction KARE has been able to give its customers in less than eighteen months.



Is an independent insurance agent the representative of the insured or the insurance company? A U.S. District Court once held that an insurance company was entitled to rescind coverage under a

in your agent if he/she “passes” the right tests in servicing your account. If the agent can’t, then you should seek one who measures up. You can’t afford to be represented by an agent who does not have the necessary competence and power to execute your insurance requirements.

The Independent Agent— Your Ally and Advocate



by George Rupert
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policy because the agent involved was an agent of the insured rather than the insurance company. Is your insurance agent acting on your behalf, on behalf of the insurance company, or both? You should know.

With some insurance companies advertising about “their” agents and others suggesting that you see “your” agent, it’s no wonder there is so much confusion in the marketplace. While the world of espionage has spawned double agents, the insurance business has brought forth even more complex relationships.



The connotations given to the words “insurance agent” are at least fourfold:

1. Insurance agents are always licensed by individual states.
2. Insurance agents are “appointed” by insurance companies under “agency contracts” giving the agent specific powers to act on behalf of the insurance company.
3. Many insurance agents “own” their policyholders’ files by virtue of their agency contract with the insurance company and case law, giving rise to a proprietary interest by the agent in retaining the policyholder’s business.
4. Most agents covet and serve their policyholders so well that the policyholders simply call them “my agent.”

The more your agent knows about you and your business operation, the better job he/she can do to secure the best coverage at the least cost. You should be able to place a great deal of confidence

A very good agent will always be your ally and advocate—even if it means challenging the insurance company on your behalf. Good agents are fiercely loyal to their policyholders. Test yours to find out what you have before trouble strikes. Your agent is the single most important cog in the machinery keeping all of your insurance functioning properly.

At Insurance Management Institute, we learn more about the agents we work with by having them complete our Agent Advocate Services Checklist. The answers provided will reveal an agent’s willingness to provide superior customer service as well as solid value in the coverage you purchase from him/her.

A free copy of this checklist is available to current KARE clients and producers by calling the Institute.

George G. Rupert is Executive Director of the Insurance Management Institute (IMI) of Ft. Myers, Florida; Lexington, and Ashland, Kentucky. The Institute specializes in advising employers and associations on workers' compensation and employers liability, workers integrated benefits, and employment practices liability matters. The Institute does not engage in the sale of insurance products and can be reached at 941-433-4390.

Worth Seeing



The following seminars and workshops are produced by the Kentucky Chamber of Commerce. For more information, call 502/695-4700.

OSHA 10-Hour Voluntary Compliance Course

April 2-3, Lexington
August 20-21, Louisville
December 2-3, Louisville

This two-day course will provide successful participants with an intensive review of current topics in the area of occupational safety and health compliance. Upon course completion, participants will receive a federal OSHA 10-hour card. This card demonstrates your company's efforts toward voluntary compliance with OSHA standards and will be useful in the event you receive an OSHA inspection. Cost: \$495 for Kentucky Chamber members and \$595 for non-members. Group discounts are also available.

Wage & Hour Workshop

April 8, Louisville
April 16, Lexington

Attend this one-day workshop and get answers to your wage & hour questions from leading experts in the field. Topics covered will include: Wage & Hour Statutes & Enforcement; Differences Between Employees & Independent Contractors; Advantages and Disadvantages of Employee "Leasing"; How to Handle Overtime Pay; Recordkeeping & Posting Requirements; and more. Cost: \$249 for Kentucky Chamber members and \$349 for non-members.

Forklift Safety Course

June 16, Lexington
June 30, Louisville

This single-day course tells you what you must know about the new 1910.78 federal law governing the operations of a powered industrial truck. Cost: \$249 for Kentucky Chamber members and \$349 for non-members.

OSHA Conference

June 17 - 18, Lexington

This two-day conference is designed to bring you up to date on the latest OSHA regulations and to show you how to design a strategy for complying with them.

KARE Safety & Health Training Videos

KARE customers can supplement their in-house safety and loss prevention activities by using this free service. An updated video listing is now available, and five new videos have been added to the comprehensive video library. To rent a safety video, fax the title and video catalog number to the KARE safety department at 502/429-6331. You may also obtain a copy of the video listing by calling the KARE safety department at 502/429-5997 or 800/781-7808.

KARE

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Worth Using



Sample Light Duty Policy Statement

[Your Company Name] recognizes the importance of maintaining control of our incident exposure and has implemented this light duty policy statement.

All accidents will be reviewed on a case-by-case basis. Provided the care provider has determined an injured team member is capable of returning to work on limited duty, we will review placing this team member in a modified duty position.

Our intent is to provide adequate and prompt care for our employees and to accommodate their limitations until released by the care provider. Questions concerning this program should be directed to the department supervisor, personnel manager, risk manager, etc.



The primary purpose of any safety incentive program (SIP) is to heighten safety awareness among employees so that work-related injuries are reduced. Secondary goals for SIPs include

Examples include: "Spring forward, fall back & don't forget to protect your back" (tie-in to the daylight savings time changeover); "Little falls hurt too," and "Safety glasses save eyes," etc. This technique is often combined with other safety incentive programs for maximum effectiveness.

Time Tested Safety Incentive Ideas

- improved productivity and a decrease in property damage-related accidents. Safety incentive programs utilize a variety of measurable techniques to reward individual employees and/or groups of employees for achieving and maintaining desired safety standards. This article summarizes some proven techniques used by companies across the country.

Safety Wheel of Fortune

The wheel will have a variety of prizes located on it consisting of virtually anything depending upon the budget and creativity of the program administrator. U.S. savings bonds, cash, coffee mugs, baseball caps, and clothing are frequently used. The program utilizes the Management by Walking Around (MBWA) approach to observe employees or groups of employees who are practicing proper safety procedures. The employees are rewarded with a spin of the wheel and given the prize indicated on the wheel.



Safety Slogan Contest

With this technique, a memorable safety slogan is created and imprinted on payroll check stubs or inserted with the payroll check. Employees who are able to recite the slogan are awarded a gift.

Safety Jackpot

This program integrates production and attendance goals along with safety goals to produce the desired outcome. Here is how some companies work the safety jackpot program.

An amount of cash is placed in a safety jackpot on a weekly, monthly, or other frequency basis with a contribution limit set for the period by the company. Employees who meet specified attendance requirements, have no lost-time injuries, have not been involved in a property damage accident, and have no OSHA recordable incidents are eligible for the jackpot drawings. The drawing may be conducted on a weekly, monthly, or other frequency basis. Should an OSHA recordable event or lost-time injury occur, the jackpot returns to zero and no drawing is held for this period. Many companies also include a year-end drawing for a more substantial prize to create sustained interest in the program. Only those employees who have met the contest requirements for the entire year are eligible for this drawing. The safety jackpot program can utilize employee peer pressure to support attendance, production, and safety goals established by the organization.

Monthly Safety Luncheon or Dinner

To enhance the effectiveness of safety meetings, some companies offer a monthly safety luncheon or dinner meeting provided certain criteria are met—no lost-time accidents and/or no OSHA recordable events.

Many companies successfully use safety incentive programs to reduce financial losses and to increase profitability without making significant financial investments. For more information on safety incentive programs, contact the KARE safety department at 800/781-7808 or 429-5997 in the Louisville area.

Views

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