

# COMPpress

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Summer 2012

## Tucker Paving

### Using safety and return to work to save—and earn—money

Safety has been a driving force for family-owned Tucker Paving, a Central Florida construction company that specializes in concrete, paving and site work.

In 2008, when most of the construction industry saw only a sagging economy, owner Larry “Chip” Tucker, Jr. saw a new opportunity. He noticed potential clients looking at contractor safety records as a major factor in their bid selection process. Chip, already safety conscious, notes that, “Strengthening our solid safety record would make us a strong candidate for national contracts. This is a high-risk industry that reported 774 fatalities nationwide in 2010—and safety is the one absolute way to increase bottom-line results. I decided that we could be even better at safety than we were.” He called on Terry Tucker to unify safety programs throughout the business, fine-tune them and showcase the results. Terry signed on as a full-time safety director, enlisted the company’s longtime workers’ comp insurance agent, Duke Mills of WorkComp Solutions, and Summit, their comp company of 25 years. It is a winning partnership, designed to make safety a daily priority.

### Creating a culture of safety

Terry instituted a zero-incident goal that includes mandatory hard hats, safety glasses and steel-toed work boots on every jobsite. “We’ve always required the equipment,” he explains, “but adding the goal ensures that every employee understands how safety affects the entire company. We’re saying, ‘care enough to be accountable,’ and it makes a difference. I see our guys on jobsites, and if they forget a piece of their safety equipment, they borrow a replacement.” Weekly safety meetings are in both English and Spanish, safety training is offered for every employee position, and pre-task safety worksheets are used regularly.



*Tucker Paving builds its reputation on employee safety every day. Chip Tucker, agent Duke Mills, Terry Tucker, Patrick Braisted, Clettus Greene and Summit work together to make safety, communication and return to work happen.*

### Keeping employees with return to work

“We have folks who have been with us for 25 or even 30 years, and we also use temporary workers. And every person out here understands that safety takes teamwork, and that it’s part of being in business for us.” Terry is quick to explain that a key component of the company culture is that should there ever be an accident, Tucker will be there for its employees. Terry uses their return-to-work program as an employee benefit, and while he aims for zero injuries, he

understands that his folks like the security of knowing they’ll have a paycheck—and a job—should an accident happen.

### Opening the lines of communication

Chip Tucker explains, “We work hard to get our folks back on the job as quickly as possible because they don’t get better by sitting home. We find something productive for them to do, whether it’s answer the phone or shred paper. We pay their wages because it’s the right thing to do, and because it helps keep our experience modification factor low. But I also want them to get well as fast as the doctor says they can. A couple of years back, we had a series of small accidents; sprained ankles, that kind of thing. At that time, it seemed like they weren’t coming back to work, and it was frustrating. Terry and I would hear one thing from the guy who was hurt and another thing from the doctors’ offices. Our Summit adjustor was in the middle trying to get it all straightened out. To get everyone on the same page, I called Duke, who called Summit, and we all decided to try the let’s-get-together-and-talk approach.”

Chip and Terry set up weekly meetings with each injured employee. They met around his office conference table,

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# A Message from Carol Sipe, Summit president and CEO



**Carol Sipe**  
Summit President and  
CEO

The past two issues of COMPpress have talked about cutting comp costs through workplace safety and having a solid return-to-work program, and how those two business practices impact your experience modification factor. As we've highlighted, the National Council for Compensation Insurance (NCCI) will modify its formula for calculating mods effective in 2013.

## Safety counts

The message inherent to the NCCI change is that safety matters. The increases in the split point over the next few years makes the size of a claim more influential on your mod than it ever has been. The number of injuries (frequency) still matters, because frequency will continue to impact the mod calculation more than severity. Simply,

the business with five \$10,000 claims will be impacted more heavily than the employer with only one \$50,000 loss.

## Return to work works

The single most predictable effect of this change will be that employers who do not plan to get their injured employees back to work, resulting in higher dollar claims, will feel the change in NCCI's formula via an increase in their experience modification factor—and its resulting premium hike.

## Our goal is to help you

For 35 years, Summit has offered one line of insurance—workers' compensation. That kind of targeted experience ensures an unparalleled discipline and focus that can make a difference for your business. We truly are the people who know workers' comp. For great safety and Back2Work tools, visit our website or give us a call. ■

## Tucker Paving *(continued)*

along with Duke and Tucker's HR director, Patrick Braisted, and they had their Summit adjuster on the line. The goal was simple, "If anyone was having a problem, Terry and I wanted to know. If our employees weren't going to scheduled appointments or physical therapy, we wanted to know why and what we could do to help. Summit worked with us; Duke pulled everything together. They called each doctor and explained that we would meet whatever job restriction was appropriate. I think the docs were surprised, but it worked. I think our guys appreciated being wanted back at work—although I don't think they particularly loved answering the phones! Most of all, I wanted them to know that we will do everything in our power to get them back on the job because we do care and they are part of our business success."

## Employees want—and need—to work

Clettus Greene, an injured employee, agrees. "I fell and tore some ligaments in my knee, so I came in and did desk work. Then I had a reaction to the pain medication that caused real complications. Because I was coming in each week and everyone was there, I was able to get help. Duke got the ball rolling, and Summit worked with the doctor until we found a medication that worked for me.



*Tucker Paving is part of Tucker Group, a four-company construction business based in Winter Haven, Florida. From Tucker Construction & Engineering, which opened in 1960, the family introduced Tucker Carpets in 1975, Tucker Paving in 1994, and Concrete Construction Services in 2008. Today, Tucker Paving is responsible for scores of large-scale projects, the latest of which include the parking lot and site work for the new LEGOLAND Florida theme and water parks; The Landings Winter Haven, a shopping, dining and recreation development; and Sessions Elementary and Middle schools in Orange County, Florida.*

But I never had to miss a paycheck or worry that my job wouldn't be there. You just want to be part of a company that looks out for you like that."

Patrick coordinates the light duty for Tucker Paving and believes that the program makes a difference. "Our folks want to work and be productive," he says. "Sitting at home doesn't make anyone feel any better. We have had tremendous success with getting people in for weekly meetings to talk about how things are going, how they are feeling and what we can do to help."

## Results to be proud of

Tucker Paving recently celebrated day 250 of their year-without-a-lost-time-injury goal. That's big news for any large business, particularly in

the high-risk world of construction. Chip Tucker is proud of his company's safety success and stellar mod, which is now front and center of every job quote they offer. "It takes all of us working at it together, being willing to try new things and reinforce success. Duke, Terry, Patrick, our employees and Summit—we are all partnering to take safety to the next level here, and it's working." ■

# Plan Now for Upcoming NCCI Split-Point Change

Starting in 2013, the new NCCI experience modification factor\* calculation will take effect in most states. NCCI is expanding the split point between primary losses and excess losses from the current level of \$5,000 up to more than \$15,000 over the next three years. The reason for the change is that the average claim cost has tripled since the \$5,000 split point was implemented 20 years ago.

As a result of the change, the experience rating plan will give more weight to an employer's workers' compensation experience. The intent of the new calculation is to more accurately reflect increased wages and medical cost inflation and, in turn, give more weight to each employer's actual workers' compensation claims experience.

**At press time, Florida officially signed the NCCI proposal, making it the last NCCI state in Summit's territory to approve the change. Texas is an independent state that uses similar rating methodology—but not NCCI's formula—for intrastate mods.**

## Here's why it matters

Primary losses are not discounted; they go into the formula dollar for dollar, whereas excess losses are discounted and impact the mod at a lesser percentage. As a result, employers with an above-average number of claims of more than \$5,000 will likely see an increase in their experience modification factor. The split point will double from \$5,000 to \$10,000 in 2013, and will rise to more than \$15,000 by 2015. (For more information, see the Spring 2012 issue of COMPpress online at [www.summitholdings.com](http://www.summitholdings.com).)

## Here's why it matters now

We are currently in policy year (PY) 2012. Your losses during this policy year will enter the calculation for your experience modification factor for PY 2014, and they will remain in the calculation through PY 2016. Basically, your 2014 experience mod is already being determined by this year's claims history for your company.

## You can control your costs by—

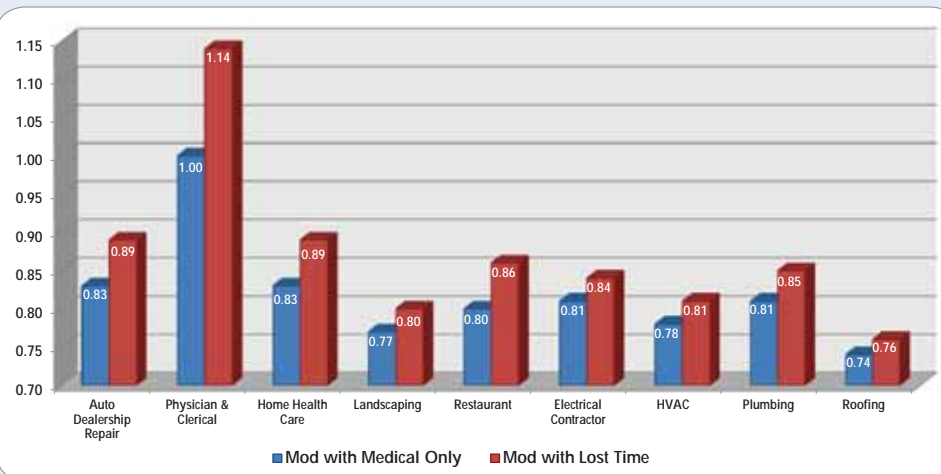
**Providing a safe workplace.** The best injury is the one that never happens. So make your safety list and make it a priority. Invest in the equipment, training and signage that can make your workplace safer.

**Eliminating lost time.** Bringing injured employees back to work before lost-time wage payments begin results in a medical-only claim—and medical-only claims are discounted by 70 percent when factoring your mod.\*\* Waiting periods before lost time begins vary from state to state. Once the waiting period is over, injured workers are eligible for indemnity (lost-time wage) payments, and the 70 percent discount for that claim disappears. The key is to bring injured employees back to work before indemnity payments are made. (Keep in mind that work status is determined by the treating physician. Your Summit adjustor will work with you and the physician to determine when the injured worker is ready for light-duty status, so you can be ready to offer transitional work.) ■

*\* Premium eligibility varies by state. For example, a risk is eligible for an experience modification factor in Florida if it has at least \$10,000 of subject premium in the most recent 24 months of the experience period.*

*\*\* In the states in which Summit-managed programs are available, except Louisiana and Georgia, where the 70% discount will become effective in 2013.*

## The Impact of Return to Work on Mods



To compare the mod based on a medical-only claim versus an indemnity claim, we used a total claim cost of \$10,000 for each (the lost-time claim = \$1,000 indemnity + \$9,000 medical costs). The mod differences between industries illustrated here are due to varying levels of expected risk inherent to each class code.

Here we've highlighted several industries to help illustrate how returning injured employees to work (in blue) or not (in red)—can impact a business's mod. Because a medical-only claim is included in the mod calculation at just 30 percent, there is a big difference when you compare it to a claim that includes lost time. Why? Even a small amount of indemnity (lost time wage payments) causes the entire cost of that lost-time claim to hit the mod at 100 percent.

Bottom line, return-to-work programs are important. Log in to our website for more information about our Back2Work program and for lists of transitional duty ideas.

## No Onsite Light-Duty? A **BACK**2work® Option

If you just can't find light duty at your workplace, Sue Raskie, Summit's Back2Work program manager has an alternative. "We're excited about this new nonprofit option," she says. "The benefits of getting injured employees back to work are far too big in terms of potential cost savings for employers not to think out of the box. Summit can help."

### Creative alternatives for light duty

One proven solution is to enlist a local nonprofit as a place to put injured employees to work. One company in Florida placed their injured employee at the SPCA in a nearby community. He answered phones and fed and walked small dogs, which met the medical restrictions necessary to allow his shoulder to heal. Providing productive work, wherever it is, offers workers a paycheck, helps them avoid dwelling on their injuries, bolsters a company's efforts to build community relations—and cuts long-term comp costs.

### Summit can help

"This solution offers potential," says Sue. "There are a lot of nonprofits, and most of them need help. Just make sure that the job an injured employee is doing fits medical restrictions and that you have a good avenue of communication. Summit can explain the process for interested employers to find these kinds of alternatives, and there are several firms that provide this service also." These companies charge fees to place a company's injured workers in light-duty jobs that match their ability, then track and report on them. "Just give us a call," says Sue. "We'll tell you what's involved to coordinate the light duty—or give you the name of some companies that will do it for a fee." ■

### A Real Back2Work Success Story

One of our top agents realized the value of Back2Work and convinced their client, a paving company, to give it a try. They called the CEO's favorite charity and put their employee to work "cleaning tons of knick-knacks" at Lighthouse Ministries. The employee's work was able to remain at the physician-ordered "sedentary," until the injury healed.

## IMPORTANT: Change to COI cancellation notices

Effective September 1, 2012, cancellation notices will no longer be automatically sent to your certificate of insurance holders. Why the change? Summit will be moving to industry-standard forms to ensure that we are compliant with various state regulations.

If you need cancellation notices sent for contractual purposes, your agent will be able to add an endorsement to your policy that specifically names these certificate holders. There is no charge for this endorsement, but it must be renewed annually. Please forward any contract requiring cancellation notice to your insurance agent.

You can let your certificate holders know that certain states offer the ability view coverage and cancellation information on their workers' compensation department websites. Find out more information by visiting your state's website.

If you have questions or requests related to certificates of insurance or cancellation notifications, please call your insurance agent. ■

## Announcing customizable claims data download!



You are now able to choose the fields you want to include when exporting your claims information from Summit's Online Business Center to an

Excel spreadsheet. When you choose the *Export to Excel* option on the left-hand navigation, a new screen will appear showing all the data elements available. Choose just those fields that are relevant to what you need (such as what has been paid to date on your claims) or choose all of the elements with a single click.

If you have a policy with deductibles, you can now easily see the amounts billed each month, the total billed to date, and the amount remaining on your deductible for each claim. Just look for the *View history* link next to the deductible. You can also choose to export only the deductible billing information to Excel.

We welcome your suggestions and feedback! Send us an e-mail at [feedback@summitholdings.com](mailto:feedback@summitholdings.com) to let us know your thoughts about how we can improve our website. ■

## What Can Summit Do for You?

Summit offers a variety of services and programs aimed at controlling your workers' compensation costs and making the most of your premium dollars. Here's a sampling of some of the tools we have available at no additional cost to you.

- **Online Business Center**, where you can—
  - Check claims activity
  - Print and download loss runs
  - Print certificates of insurance (COIs) or waivers
  - Find a doctor in our workers' comp network
- **Back2Work®**, Summit's return-to-work program gives you the tools you need to create a plan for your business.
- **SafetySmart Online**, a valuable web-based safety training tool offered at no charge as part of your workers' compensation coverage through Summit.
- **Open for Business**. Create and save your own detailed plan for disaster recovery online—it's free!
- **Specialized provider network**,\* consisting of more than 16,000 doctors and specialists experienced in occupational medicine and workers' compensation.
- **Tailored loss-control services,\*\*** including—
  - Safety consultations
  - Drug-free workplace assistance
  - Safety education, training materials, classes and webinars
- **For more information**, tips on workers' comp and frequently asked questions, visit our website at [www.summitholdings.com](http://www.summitholdings.com).

\* *Proprietary network in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In Arkansas and Texas, Summit uses contracted networks that offer our clients benefits comparable to our proprietary arrangement.*

\*\* *RetailFirst Insurance Company, BusinessFirst Insurance Company, Bridgefield Employers Insurance Company, Bridgefield Casualty Insurance Company and Retailers Casualty Insurance Company provide policyholders with accident prevention services at no additional cost.*



For a list of sources related to the information contained in this newsletter, please visit our website: [summitholdings.com](http://summitholdings.com)

## How to Reach Us

### Customer Service

1-800-282-7648

### Report a Workplace Injury

- 24 hours a day, 7 days a week by—
- Calling 1-800-762-7811,
  - Faxing your report to 863-667-1871 or
  - Visiting our website at [summitholdings.com](http://summitholdings.com) (login required)

### Florida/Corporate Office

1-800-282-7648 • (863) 665-6060

### Southeast Region

Georgia, Kentucky, North Carolina,  
South Carolina, Tennessee  
1-800-971-2667 • (678) 450-5825

### Southwest Region

Arkansas, Alabama,  
Louisiana, Mississippi, Texas  
1-800-421-2944 • (225) 926-3264

### Summit Manages

BusinessFirst Insurance Company  
RetailFirst Insurance Company  
Retailers Casualty Insurance Company  
Bridgefield Casualty Insurance Company  
Bridgefield Employers Insurance Company



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