

# Addressing the Unique Needs of Large Sophisticated Accounts



## Risk Assessment for Large Accounts

		1	2	3	4	5	6	7	8	9	10
1.	How confident are you that you are effectively leveraging data analytics to support your risk management and risk financing decisions?	1	2	3	4	5	6	7	8	9	10
2.	How confident are you that you have selected the "best fit" Workers' Compensation risk financing plan?	1	2	3	4	5	6	7	8	9	10
3.	How confident are you that your claims administration contracts and cost containment fee structures are in alignment with your incentives and improving outcomes?	1	2	3	4	5	6	7	8	9	10
4.	How confident are you that your injured employees are recovering sooner than expected according to evidenced-based disability duration guidelines?	1	2	3	4	5	6	7	8	9	10
5.	How confident are you that your collateral requirements are not excessive and in alignment with your contractual agreements?	1	2	3	4	5	6	7	8	9	10

# Risk Assessment Drill Down Questions

## **ASSESSMENT QUESTION**

**1. How confident are you that you are effectively leveraging data analytics to support your risk management and risk financing decisions?**

## **DRILL DOWN QUESTIONS**

1. Will you please share how you are currently utilizing data to support your risk management and risk financing decisions?
2. Are you experiencing a greater demand for additional and enhanced data analytics from your colleagues?
3. Are you currently engaged with an independent actuary?
4. Are you open to exploring how additional data analytics can augment your decision-making process?

## **POSITIONING STATEMENT**

There is a trend for companies to invest in and access better models with greater predictive power to support their risk management strategies. These investments are essential to improving risk management and financing in today's increasing complex environment.

## **AGREEMENT QUESTIONS**

1. If we were to move forward together, would this be an area that you would like to address?
2. How would you rate the importance of this issue in terms of priority? (A, B, C)

## ASSESSMENT QUESTION

**2. How confident are you that you have selected the “best fit” Workers’ Compensation risk financing plan?**

## DRILL DOWN QUESTIONS

1. How frequently do you assess your risk financing plan and compare it to alternative options?
2. Will you please walk me through your process?
3. How would you describe your risk appetite and risk tolerance?
4. When was the last time you made any significant changes to your rating plan, and what prompted those changes?
5. Do you have any interest in pooling your risk with other companies, or do you tend to prefer individual risk rating?

## POSITIONING STATEMENT

The purpose of assessing and selecting a “best-fit” risk financing program is to maximize your cash flow benefits without subjecting the your company to more risk than it can safely afford to assume based upon its financial condition and overall risk appetite. It is important to balance the economic rewards of the risk retained with the insurance premium reductions as you endeavor to reduce your ultimate net costs.

## AGREEMENT QUESTIONS

1. If we were to move forward together, would this be an area that you would like to address?
2. How would you rate the importance of this issue in terms of priority? (A, B, C)

# Risk Assessment Drill Down Questions

## ASSESSMENT QUESTION

**3. How confident are you that your injured employees are recovering sooner than expected according to evidenced-based disability duration guidelines?**

## DRILL DOWN QUESTIONS

1. Has anyone ever shared with you how two employees with similar physiology and the same injury are likely to experience very different claim outcomes?
2. Will you please share how you select and engage with medical providers that are treating your injured employees?
3. What do you think are the primary causes of unfavorable injury outcomes?
4. How would you describe the level of fraud, waste and abuse you are currently experiencing in the workers' compensation system?

## POSITIONING STATEMENT

Getting the right care by the right doctor at the right time and place is challenging, but critical to reducing both the direct and indirect costs arising from employee injuries.

## AGREEMENT QUESTIONS

1. If we were to move forward together, would this be an area that you would like to address?
2. How would you rate the importance of this issue in terms of priority? (A, B, C)

# Risk Assessment Drill Down Questions

## ASSESSMENT QUESTION

**4. How confident are you that your claims administration contracts and cost containment fee structures are in alignment with your incentives and improving outcomes?**

## DRILL DOWN QUESTIONS

1. Will you please share your process for selecting and negotiating your current claims administrative contracts?
2. Has anyone ever shared with you how claims administration fee arrangements have evolved over the years, and how incentives may be misaligned?
3. How would you describe your level of confidence that all your claims administration fees are transparent and disclosed?
4. Are you aware whether quality of care agreements are included in your claims administration agreements?

## POSITIONING STATEMENT

Workers compensation managed care and cost-containment services came out of the gate with great promise. Experts in the field endeavored to create new systems that would improve the quality of medical care and outcomes while reining in runaway costs. However, as we look at the results more than 20 years later, we may be seeing that a great idea has degenerated into a series of misaligned incentives that are increasing costs and eroding injured employee outcomes.

## AGREEMENT QUESTIONS

1. If we were to move forward together, would this be an area that you would like to address?
2. How would you rate the importance of this issue in terms of priority? (A, B, C)

## ASSESSMENT QUESTION

**5. How confident are you that your collateral requirements are not excessive and in alignment with your contractual agreements?**

## DRILL DOWN QUESTIONS

1. Will you please walk me through your process for assessing and negotiating collateral requirements?
2. Do you perceive collateral requirements as an insignificant influence on your company or potentially causing an adverse impact?
3. Do you believe collateral may adversely affect your ability to raise capital or grow in the future?

## POSITIONING STATEMENT

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## AGREEMENT QUESTIONS

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2. How would you rate the importance of this issue in terms of priority? (A, B, C)