

# HORIZON

COTTINGHAM & BUTLER RISK CONTROL PROGRAM

Presented By | Alex Bodermann, Risk Management

Cottingham & Butler

# AGENDA

---

- I. Overview of Cottingham & Butler
- II. Explanation of Insurance Dilemma
- III. Why we built Horizon
- IV. Horizon Program Overview
- V. Client Examples
- VI. Details of safety and claims services
- VII. Next Steps

# WHO WE ARE

---



- 28th largest insurance broker in the U.S.
- National provider of employee benefit and risk management solutions
- Established in 1887
- Privately owned and operated
- Headquartered in Dubuque, IA, with employees in 20 states
- 850+ employees – 125 in consultant role
- Over 5,000 customers
- Handling approximately \$3 billion of our clients' money

TODAY YOU MIGHT FIND OUT...

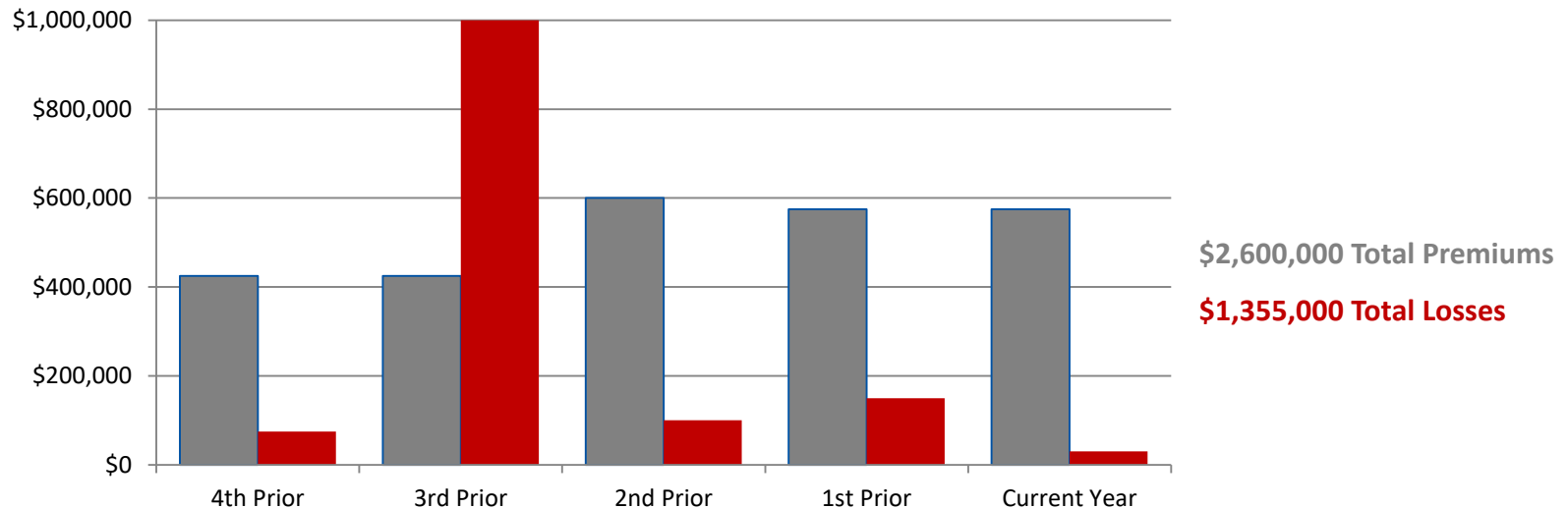
---

**Paying too much**

————— OR —————

**Buying it poorly**

# WHY BUY LESS INSURANCE - THE INSURANCE DILEMMA



**The Insurance Dilemma:** you would be better off not buying insurance and paying your claims. Unfortunately, most companies can't survive when they suffer the large severe claim. Particularly when the severe claim happens early on.

## ALTERNATIVE RISK EXPERTISE

---

- Our clients needed to take a different approach
- Multiple clients in unbundled programs and active self-insured
- Captive expertise
  - Currently 220 members
  - Handling more than \$175 million of premium
  - \$120,000,000 in dividends paid
- Proprietary programs such as Horizon

## CAPTIVE VS. HORIZON

---

		Group Captive	<b>Horizon</b>
Up-Front Cost		Filing Fees + Collateral	None
Total Costs	<i>Minimum</i>	40%	40%
	<i>Maximum</i>	138%	120% - 130%
Cash Flow		Poor (3-5 year return)	Moderate (6 month return)
		Fixed Costs + Claim Sharing	Fixed Costs + (Claims x LCF)
Volatility	<i>Premium Flucuation</i>	Low	Low

## WHY BUILD HORIZON

---

- We can bring a loss sensitive program down to smaller companies
- For larger companies that:
  - Don't want the major upside risk
  - Don't want to post collateral or pay initial fees
  - Don't want to share risk
  - Want their returns in a reasonable manor
- We built Horizon for these clients

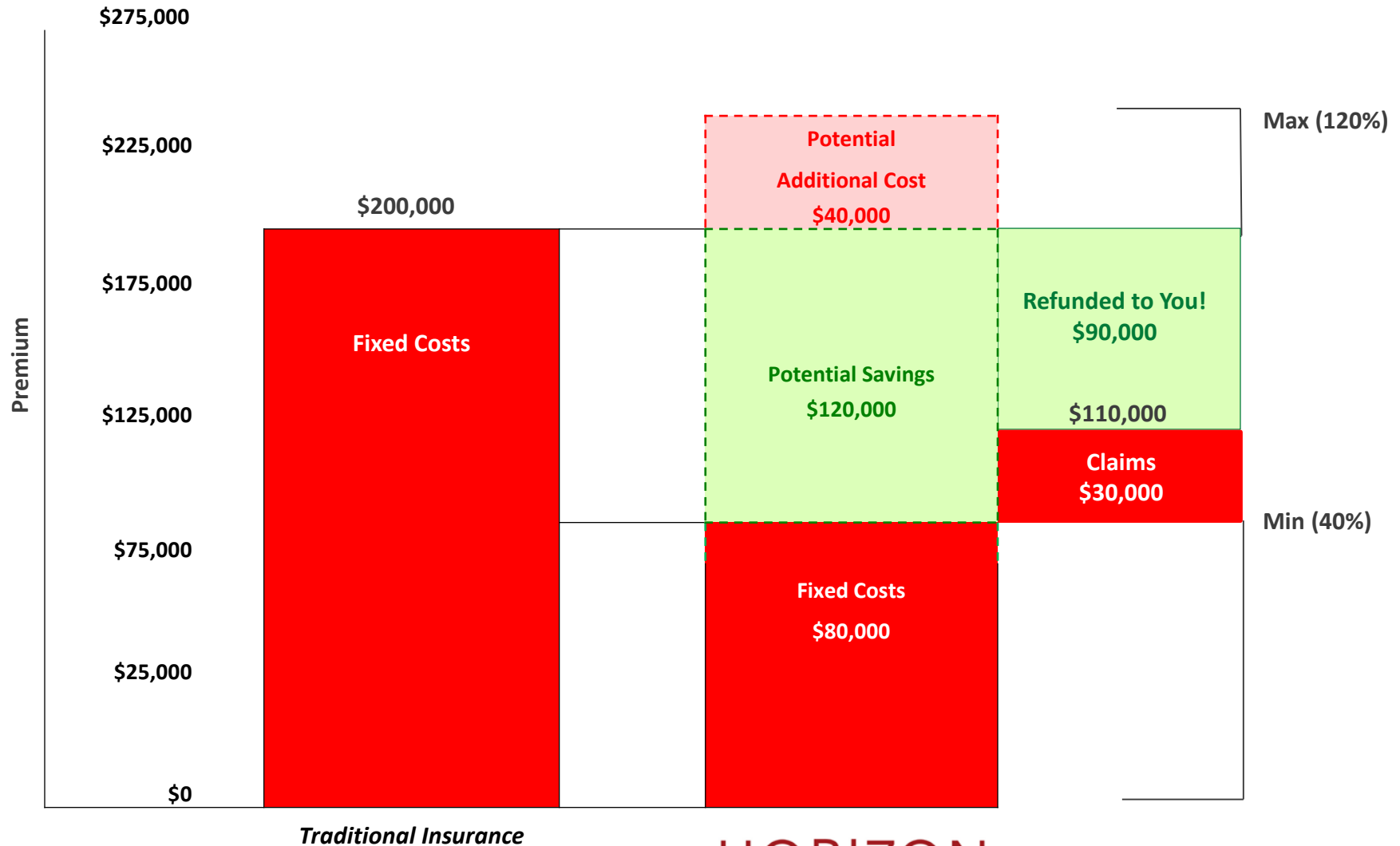


# HORIZON PROGRAM OVERVIEW

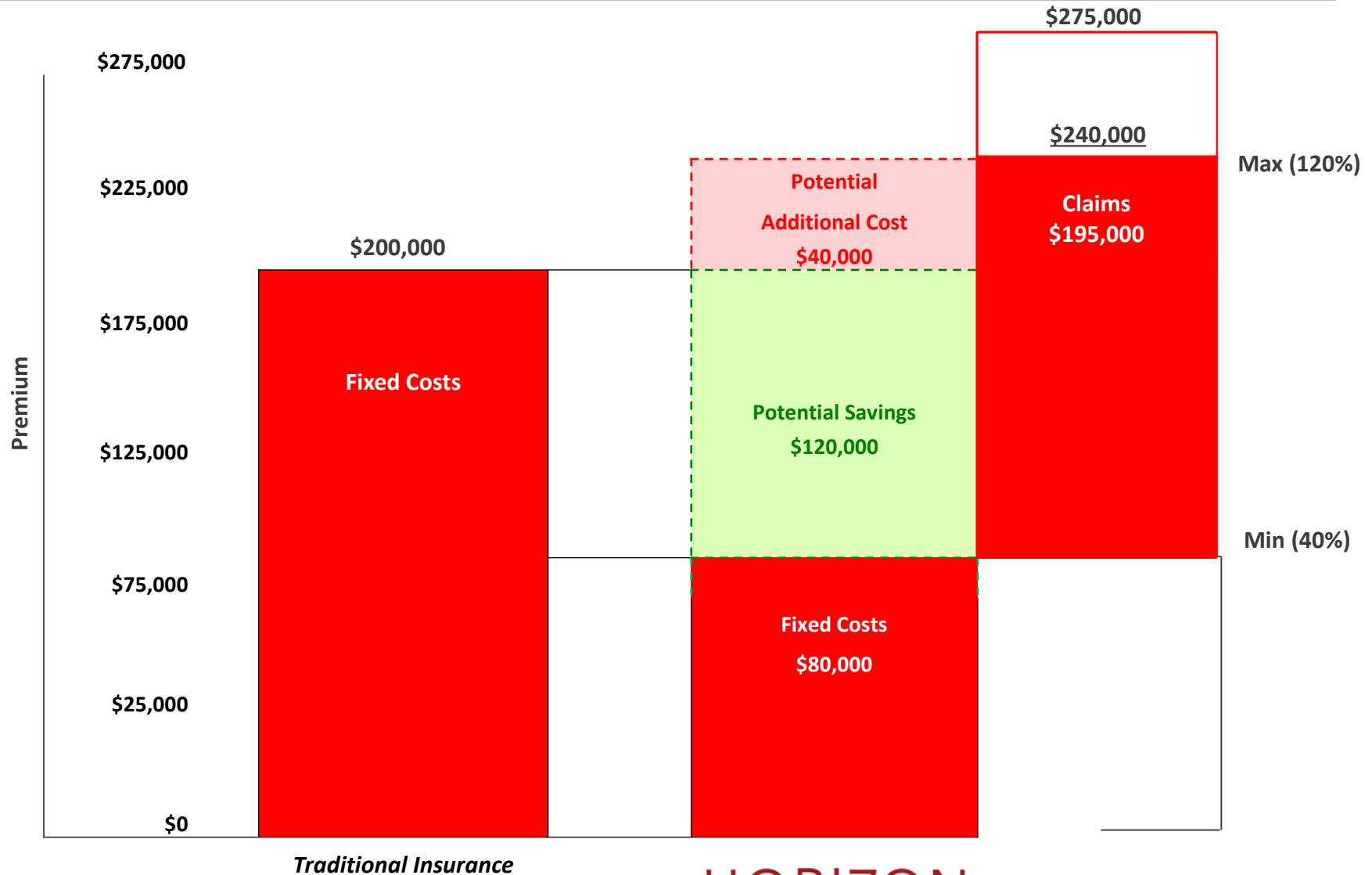
---

- Exclusive to Cottingham & Butler
- Built specifically for manufacturing & distribution companies
- Coverage includes Workers' Compensation, General Liability, and Auto Liability (carrier can write all lines)
- Premium amount is similar to what it is today with potential to receive up to 60% in returned premium dollars
- Minimum and maximum costs are established upfront.
- Safety and Claim Management services included with premium

# HORIZON VISUAL TYPICAL YEAR

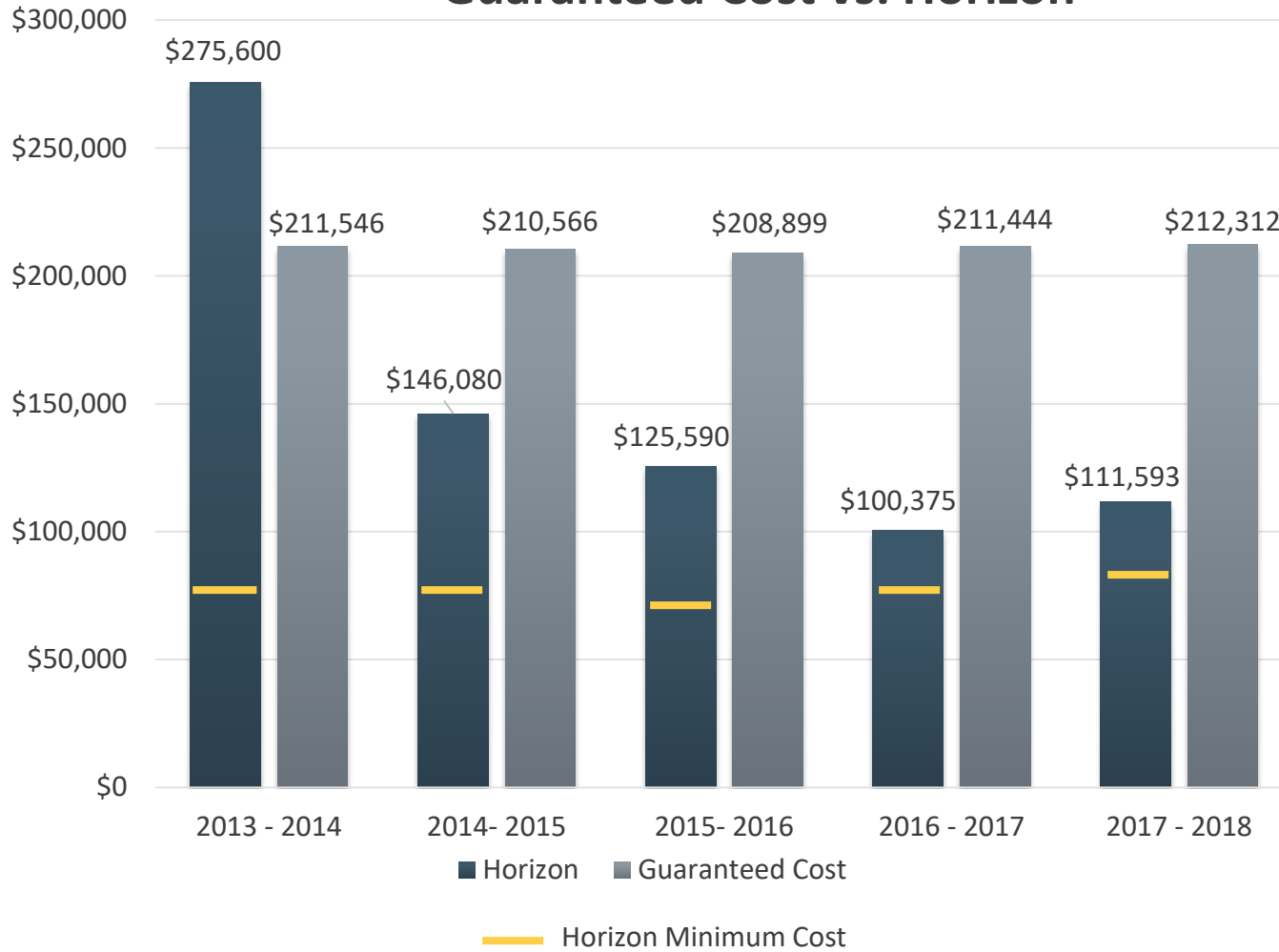


# HORIZON VISUAL CATASTROPHIC YEAR



# METAL MANUFACTURING SHOP - ILLINOIS

## Guaranteed Cost vs. Horizon



Year	Losses (WC, GL, & Auto)
2017 - 2018	\$22,368
2016 - 2017	\$12,370
2015 - 2016	\$34,843
2014 - 2015	\$53,105
2013 - 2014	\$276,480

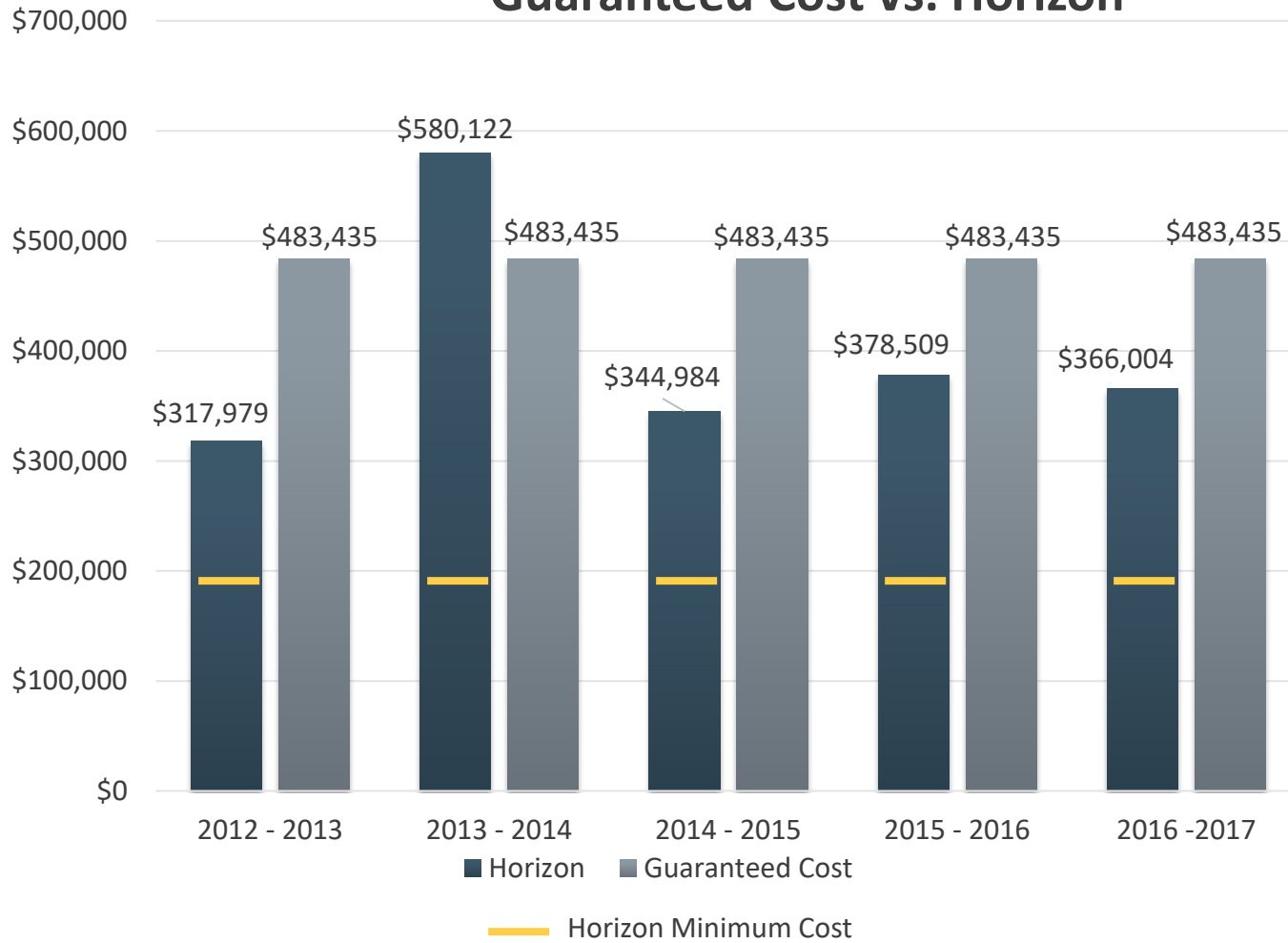
5-Year Net Savings: \$295,529

Average/year: \$59,105

**Win 4 out of 5 years**

# PLASTIC INJECTION COMPANY- MINNESOTA

## Guaranteed Cost vs. Horizon



Year	Losses (WC, GL, & Auto)
2012 - 2013	\$149,018
2013 - 2014	\$467,789
2014 - 2015	\$176,023
2015 - 2016	\$209,548
2016 - 2017	\$197,044

4-Year Net Savings: \$526,624  
 Average/Year: \$131,566  
**Win 4 out of 5 years**

# SAFETY SERVICES

- Safety director assigned from the carrier
- Scored assessment with customized action plan
- Safety seminars, webinars, and ongoing training topics

## Benefits at a Glance

- ✓ Used by over 45,000 organizations worldwide
- ✓ Comprehensive risk management platform eliminates the need for multiple programs
- ✓ Easy access through web-based application
- ✓ Complete library of safety and risk management materials based on industry best practices
- ✓ The tools for a true behavior-based safety program
- ✓ Comply with regulatory requirements
- ✓ Improve profitability through reduced costs and increased productivity
- ✓ No internal development or maintenance costs
- ✓ Customized to your organization's needs

*A Holistic Solution to Manage Risk, Control Loss, and Improve Compliance*

*Click an item below to view more information*



### Online Training Library

Multitude of bilingual PowerPoints, Policies, and Training Shorts



### HR & Benefits Database

Resources and handbooks for all 50 states



### Incident Tracking/Trending and Claims Reporting

Trend incidents, report claims, print OSHA Logs



### Safety Data Sheet Management

Be compliant with OSHA hazardous material standards and the new Globally Harmonized System



### Succeed Services

Have your risk and compliance programs managed by Succeed



### Certificate of Insurance Management

Manage your COIs to control liability and risk



### Behavior-Based Safety Programs

Build behavior-based safety programs with job hazard analyses



### Job Description Tracking

Access a pre-loaded library of comprehensive job descriptions; create Modified Duty assignments



### Employee Training Management

Automate scheduling and reporting using our online training



### Client Testimonial

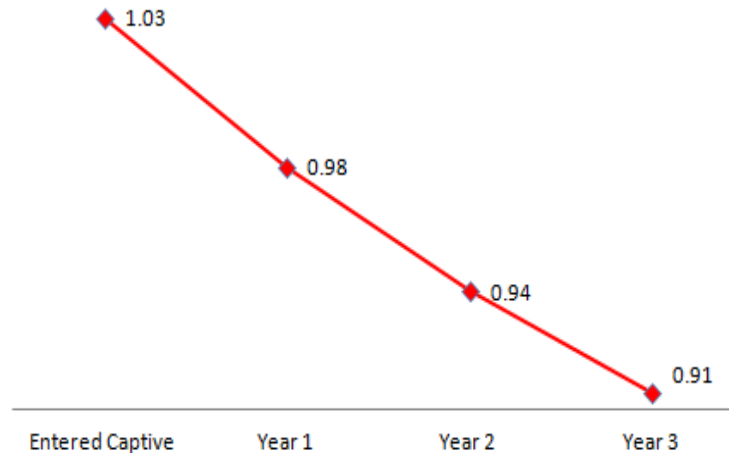
Jennifer Massey talks about how the Risk Management Center has helped her organization

Powered by  
**SUCCEED**  
Management Solutions, LLC

# MANUFACTURING SPECIFIC CAPTIVE- MOD DECREASE

Member	Entered Captive	1st Year	2nd Year	3rd Year
Company A	1.43	1.17	0.93	0.89
Company B	0.95	0.77	0.71	0.72
Company C	1.11	1.08	1.06	1.13
Company D	0.87	0.98	1.00	0.80
Company E	1.00	1.01	0.81	0.76
Company F	0.99	0.94	1.00	1.00
Company G	1.07	0.97	0.88	0.95
Company H	1.12	1.13	1.05	1.04
Company I	1.22	0.96	0.96	0.97
Company J	0.86	0.85	0.88	0.95
Company K	1.32	1.35	1.51	1.25
Company L	1.14	1.01	1.01	1.04
Company M	0.91	0.83	0.82	0.86
Company N	0.73	0.74	0.87	0.88
Company O	1.18	1.06	1.11	1.03
Company P	0.94	0.96	0.77	0.94
Company Q	0.89	0.86	0.79	0.81
Company R	0.87	0.84	0.74	0.74
Company S	0.99	0.88	0.68	0.67

## Average Experience Mod



**On average, members see a 12 point drop in their experience modification after 3 years**

# CLAIMS SERVICES/ADVANTAGES

---

- No surprises
  - 2 claim reviews a year
  - Online access to adjuster notes, claim reporting, & claim tracking
- Claim advocacy & support
  - Cottingham & Butler claim specialists



**Katie Hensley**  
*Workers' Compensation Specialist*



**Kelsey Streinz**  
*Claims Advocate*



# ALTERNATIVE RISK CONSIDERATIONS

---

To consider an alternative risk option, you would need to believe:

1. You foresee your claims being favorable in the future
2. You can control and prevent the majority of your losses
3. You are willing to bet on yourself and potentially pay more if you have a bad claim year

To stay in the traditional insurance marketplace, you would need to believe:

1. Your loss experience will get worse in the future
2. Your premium will decrease year over year
3. Your losses are unpredictable and difficult to manage and you prefer a more conservative approach to buying insurance

## NEXT STEPS

---

*Interested to find out if you Qualify?*

Information needed to perform your financial comparison

- 5 years of historical premium
- 5 years of loss runs
  - Workers' Compensation
  - General Liability
  - Auto Liability

EXPAND YOUR PERCEPTION. EXPAND YOUR  
EXPERIENCE. **EXPAND YOUR HORIZON.**