



Promoting industry professionalism
and best practices.



The ROI of Certification: What PEOs are Saying...

Workers' Compensation Risk Management Certification provides numerous benefits for PEOs such as expanded access to WC coverage, valuable sales and marketing tools, access to key WC benchmarking ratios, and training opportunities.

One additional benefit is the hard savings that many certified PEOs achieve as they implement the program's risk management best practices. Certified PEOs note positive impacts in several areas including reductions in claims frequency and the number of lost time claims (with a corresponding reduction in the cost of lost time claims) and reduced WC premiums and favorable collateral requirements. Examples of these benefits are illustrated in the following testimonials from certified PEOs:



Landrum Companies recognized early the value of the certification process. We saw it as a way to apply best practices to our risk management program and to differentiate us in our market. We proved to be right on both counts. In the two years following our certification, we decreased our disability days per million dollars of payroll by 74% percent. In addition, we were approached by a prospect who was looking for a PEO in Florida that was both WC certified and had ESAC coverage. We were one of two PEOs under consideration. This prospect is now one of our largest clients.

Ted A. Kirchharr
Vice President/Chief Operating Officer
Landrum Professional Employer Services

Odyssey One Source began its WC risk management certification process in 2003. Since that time, our developed loss ratio has consistently improved, from 66.49% in 2002 to 18.25% in 2008. Our average incurred loss per lost-time claim is 30% below the industry average and our overall WC expense, as a percentage of payroll, is also below the industry average. Providing the focused risk control services required by the best practices has enabled us to maintain a claims frequency rate (claims per \$10,000 of payroll) near the industry average despite an aggressive growth plan. Additionally, implementing the certification program's claims management best practices has had a positive and tangible effect on our carrier relations.

Carl Kleimann
President
Odyssey OneSource



Since our certification in 2005, Advantec is able to measure some significant results from our utilization of CI's workers' compensation risk management best practices. First, we have seen a dramatic increase in the number of claims reported within one business day of the incident. In the past 12 months, an average of 74% of Advantec claims have been reported within one business day, a very impressive reporting metric. More significantly, Advantec has also found a 28% decline in our average developed loss ratios for the three most recent policy years as compared to the four policy years preceding our certification. In addition, Advantec is able to measure results of our participation in the CI program's impact on denial ratios. Our denials per annual claim volume have increased on average 75% since our certification. Improvements in all areas mentioned above led to an average decline in settlement costs in the three years since our 2005 certification. Advantec's average nationwide settlement costs have declined by 46% over the past three policy years. The value of the CI program to our risk management program is clear to Advantec. We offer a strong endorsement of the Certification Institute to all PEOs.



Angel Beltran
Vice President Risk Management
Advantec



We received our workers' compensation certification in September 2006. Since then, we have closely followed the Certification Institute's guidelines and recommendations for client screening and selection, as well as loss prevention and claims management. These practices have resulted in a direct decrease in our loss ratio for two consecutive years. We have also experienced a corresponding decrease in our workers' compensation premiums. All of this makes us more competitive in our pricing and stronger in our market.

Wallace Brumley
Chairman of the Board
Brumley Professional Employer Services, Inc.