

## Intensive Services Promote Best Practices and Dramatically Reduce Claims for Municipal Insurance Fund

The Garden State Municipal Joint Insurance Fund (GSMJIF) is a property and casualty insurance fund serving New Jersey municipalities. Established in 2002 by the NIP Group (NIP), a business insurance and risk management intermediary, the fund enables member towns to pool their resources and obtain commercial insurance coverage at a lower cost than if they purchased it individually.

During the formative stages of the GSMJIF's development, NIP identified the need for integrating the claims and risk control disciplines and sought an enterprise with those capabilities. As the GSMJIF's third-party administrator, PMA Management Corp. (PMAMC) fulfills that mission by helping member towns mitigate losses and control costs through comprehensive claims and risk control services. "PMA Management Corp. is very responsive to our needs," says Earl Miller, Vice President, NIP Group. "Their high level of service has helped us achieve positive results for our members and contributed to our growth from five member towns in 2002 to 18 in 2006."

June 2002



**65.2**  
points

March 2006



**91.3**  
points

Average safety  
assessment score

The municipalities have made great strides in improving their safety operations.

### A Multi-Step Approach to Risk Control

PMA Management Corp.'s risk control team takes a multi-step approach to reducing accident frequency and controlling costs for municipalities participating in the GSMJIF. "We begin by assessing the safety programs of each municipality against safety-related best practices that we've established in 10 basic categories," explains James Rhoads, Sr. Risk Control Specialist, PMAMC. "This is an

ongoing process that allows us to see where the individual members stand from a safety and risk management perspective and identify areas where they need to improve."

The results of the assessments are shared at monthly GSMJIF safety committee meetings conducted by PMAMC with representatives from each municipality and the NIP Group in attendance. "We publish the results so members can see how they score in comparison to the other towns in the fund and share strategies for improving their programs," says Rhoads.

To assist GSMJIF members in advancing their safety operations to best practices, PMA Risk Control conducts monthly training on topics ranging from defensive driving techniques to back safety and safe-lifting techniques. "We focus our training efforts on areas that are causing the most losses," says Jim Sheridan, Risk Control Specialist, PMAMC. "We also do a lot of individual training for towns that need or request training in specific areas."

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Each of the member towns has made great strides in improving their safety operations. “PMA Management Corp.’s risk management program has been superb,” says Miller. “Our average safety assessment score has risen from 65.2 out of 100 points to 91.3, a 40 percent improvement. We’re making great progress in establishing best practices in each of our municipalities, and that’s our goal.”

### Detailed Claims Service

To ensure smooth and efficient claims service for the GSMJIF, PMAMC’s claims service team establishes special claims-handling guidelines that help PMAMC to comply with each member’s expectations as to how it wants its claims adjusted. “From the very beginning, we talk about issues such as the type of self-insured retention each town has, how many employees they have, authority levels for setting reserves, and the different types of exposures they face,” explains PMAMC Claims Service Manager Justin Wilkinson. “This way all of our adjusters understand the expectations for a particular account.”

As soon as a claim comes in, a claims representative makes the appropriate contacts within 24 hours. “We truly believe that if you address a claim as quickly as possible and glean as much information as you can in the first conversation that you have, the claim is going to move forward with a mission,” says Terry Sheerin, Liability Claims Adjuster, PMAMC.

To keep clients informed on a particular claim’s status, PMAMC initiates and continuously updates a claim action plan, which is accessible through PMA CINCH®, PMA’s state-of-the-art risk management information system. “We also meet with the GSMJIF executive committee monthly to provide them with feedback as far as the total exposures faced by the GSMJIF, lost-time frequency, reporting time and the direction we are going with larger exposure cases,” says Wilkinson. “This helps keep the lines of communication open and everything moving in the right direction.”

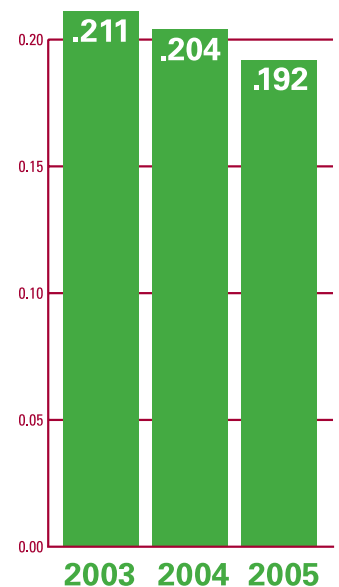
### Adding Value by Reducing Claims

Both the GSMJIF in the aggregate and the individual municipalities have experienced positive results with PMAMC’s proactive risk management and claims service. The Borough of Kenilworth was the 2005 recipient of PMAMC’s annual safety award for the GSMJIF for having the best claims results and safety assessment scores overall.

“Kenilworth is a real success story because they are not as large as some other member municipalities and they don’t have some of the resources that some of the larger municipalities have,” explains Sheridan. “By reestablishing their safety committee, providing them with training and incorporating various safety mechanisms into their program, we were able to help them reduce their workers’ comp claims by 84 percent, from 19 in 2003 to three in 2005. Their results demonstrate that any town can achieve big results if they have the willingness to improve.”

When the NIP Group markets the GSMJIF to potential members, they point to PMAMC’s high level of service and the other municipalities’ results in the GSMJIF as an example of the value they can provide to their clients. “In addition to providing state-of-the-art claims administration, PMA Management Corp. excels at addressing the issues, finding solutions and putting them into place, and that’s where they have been of value to us,” says Miller. “In my estimation, that is the true measure of the quality of any organization.”

Average number of claims per full-time employee



Proactive claims services have been generating strong results.