

TSIL Times

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SPECIAL POINTS OF INTEREST:

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April Board Meeting on Cayman Island

The next Board Meeting for Temporary Services Insurance Ltd. will take place on Grand Cayman Island at the Westin from April 21-25. A special New Member Orientation and Financial Review Session is scheduled on Sunday, April 22. Those members planning on attending this event should consider traveling a day earlier to arrive in time.

There is a New Member Cocktail Reception and dinner as well. All members of the Membership Development Committee are welcome to attend the Orientation and the New Member Welcome Dinner. Each new member will also be accompanied by a mentor, (a member currently in the program assigned to them as a mentor). For those members attending the regular meetings,

activities start on Monday, April 23 with a Beach Party Social Activity from 9:00 AM—2:00 PM, followed by a cocktail reception and Welcome Dinner. On Tuesday, April 24, the Committee Meetings (Finance, Underwriting, Risk Control, Membership Development) will be held, followed by the Board Meeting and President's Dinner. Members will

depart on Wednesday, April 25. The room rate is \$ 310 for single/double accommodations. Please contact Uniglobe Preferred Travel and ask to speak with a TSIL agent for flight and hotel reservations. Outside Illinois call (800) 626-0359. Within Illinois call (847) 640-7100. The fax is (847) 640-9675. At the meetings, members should dress in business casual attire including slacks, sport shirts and casual sportswear. Resort casual attire is acceptable for the social outings and dinner events. The Cayman Islands are in the Eastern Standard Time zone and are blessed with some of the best weather in the world. Points of interest include Botanical Gardens, a Turtle Farm and the capital, historic Georgetown.



News from November 2006 Board Meeting

On November 11-15, 2006, a TSIL Board of Directors Meeting was held on Nevis Island, West Indies. The following important issues were discussed and agreed upon.

1. Representatives from the top 3 brokers can attend Board Meetings, with up to four additional brokers allowed to attend as determined by CRI in conjunction with the new Membership Development Chair.
2. The Claim Settlement Consultation limit was increased from \$8,500 to \$10,000.
3. The Letter of Credit or Collateral Funding was increased from 60% to 66.67% for the 1/1/07-08 year.
4. Both Audit Factors and Funding Factors can be used for the 1/1/07-08 renewal, but each Member must decide which one it will use by 1/1/07.
5. Operating Costs came in flat (about 38% in total) for the 1/1/07-08 Renewal.

Future Risk Control Workshops



Effective January 1, 2006, TSIL requires attendance at a minimum of one workshop in an 18 month period. Failure to comply will result in placement on the Watch List. There are two per year; one in Spring and one in Summer. The agendas change based on input from Gallagher Bassett and Risk Control Services (RCS).

March 20-22, 2007
Orlando, Florida
Disney World Coronado Springs

August 14-16, 2007
Itasca, IL
Gallagher Bassett Training Center

This workshop will include GB claim & adhoc reports and online report system training.



An investment in knowledge always pays the best dividends.

-Benjamin Franklin



Barcelona, Spain

Welcome 2006 New Members

The following 15 companies have been accepted into TSIL since January 1, 2006. Thanks to our agents who have been successful introducing these organizations into TSIL. We look forward to continuing the growth of our temporary staffing group captive. Please contact Luan Lee (847) 879- 2362 if you are aware of a quality temporary staffing company.

Precision Staffing—AJG, TX
Peak Technical—Assurance
Marquee Staffing—Lyon's Ins
Mancan—Lyon's Ins
ERG Staffing—Lyon's Ins
Briggs & Briggs—Lyon's Ins
Coastal Connections—
McElrath & Parrish
Northwest Services—Lyon's Ins

Paramount Staffing—JMB
Atlas Staffing—AJG, TX
Workforce Strategies—
SilverStone
Gage Personnel—Lyon's Ins
DRG Staffing, dba Gill Staffing—AJG, TX
Contract Professionals—AJG, TX
MAC Incorporated—AJG, TX

Future TSIL Board Meeting Dates and Locations

April 21-25, 2007
Weston, Grand Cayman

November 9-13, 2007
Hotel Arts, Barcelona, Spain
Post Trip from Nov 13-16

April 12-16, 2008
Isla Navidad, Mexico

November 8-12, 2008
St. Kitts

April 18-22, 2009
Acapulco, Mexico

November 8-12, 2009
St. Kitts



2005 TSIL Awards Presented by RCS

At the November 2006 Board meeting on Nevis Island, the Awards for the members with the best Risk Control Score were announced. The Award is a composite Score consisting of frequency, severity, loss ratio, and audit scores, by member. The data is collected by Captive Resources and Risk Control Services. The following 10 companies represent the top 10% of TSIL Members in these categories in 2005. The top two received the Award of Excellence. The winners, in descending order

were:

1. Action Staffing Group
2. Innovative Employee Solutions
3. Creative Staffing
4. Squires Temporary
5. Wal-Staf Services
6. A Team Temps
7. Bright Services
8. Executive Staffing Group
9. Careerxchange
10. Lofton Staffing



Rick Penn, Risk Control Chair with the Award of Excellence Winners Tav Gauss and Caroline Poythress from Action Staffing and Elizabeth Rice from Innovative Employee Solutions.

Safety Best Practices Shared During 2006 November Board

During the November 2006 Board Meeting, the TSIL Risk Control Subcommittee called for attendance at a voluntary meeting of members to share loss prevention and loss control best practices. Over 30 people took time out of their day to attend this workshop, hosted by Rick Penn of BG Personnel Services and Joe Smith from RCS. Highlights of the discussion included:

1. Various incentive programs were discussed. Rick Penn (BG Personnel Services) and Carolyn Osbourne (Integrity Staffing) provided practical ways to promote and reward safe behavior. Incentive programs can include eligibility for drawings either by location or based on number of hours of safe behavior.
2. A fresh and continually evolving safety campaign was also used by several members. Ideas included payroll stuffers, safety posters, "Superheroes of Safety" theme, consistent top-down message, seasonal messages, usage of safety videos and creative ways to keep safety in front of employees such as, by starting off meetings with a safety message.
3. Several members referred to ideas and materials they received from RCS that supplemented their own Safety Programs.
4. Drug testing was used by several members. Different programs were used, including time of hire, post accident and random.

Coverage Helpful Hints: Waiver of Subrogation

Coverage for Waiver of Subrogation can be added via endorsement; however, the coverage is not automatic. Zurich requires the following information which should be forwarded to your broker. Upon receipt, Zurich will respond within 48 hours:

1. A written contract that specifically requires waiver of subrogation:
 - > The client cannot be added as an additional insured on the Workers Compensation policy.
 - > Certificate wording can not be changed.
 - > Provide the name and address of the client requesting the waiver and the effective and expiration date of the contract.
 - > Provide the type of work being performed, the payroll and class code information.
2. Third party contracts will require all of the information above, plus:
 - > Information about the relationship between the client, third party and TSIL Member.
 - > Contracts must allow the TSIL member to perform post accident investigations and also to do a client on-site safety evaluation.

Marketing Tools Available

All members should be aware that CRI has hardcopy 2005 Annual Reports for TSIL available. The 2005 Annual Report provides valuable financial information and current membership information. You may find this to be a valuable tool to help you showcase TSIL to prospective members. If you would like additional 2005 Annual Reports, please contact a member of the CRI TSIL Team.

The TSIL website is another good tool to direct prospective TSIL members to review. The website is www.tempsinsurance.com. Please note there is a link to the on-line 2005 Annual Report.



Delighted TSIL members receiving dividend checks at the April, 2005 Board Meeting in Puerto Rico



Puerto Rico



Members receive their 2005 TSIL Award from Rick Penn, Risk Control Chairperson

OSHA's Elements of a Safety Program

According to the November 2006 SI Review, here is a list of four key elements of a Safety Program:

1. **Management Leadership and Employee Involvement.** (Post the company's written safety and health policy for all to see and take an active part in safety).
2. **Workplace Analysis** (Analyze all workplace conditions to identify and eliminate existing or potential hazards. Make certain all employees know current hazard analysis for all jobs).
3. **Hazard Prevention and Control** (Ensure employees know how to use and maintain personal protective equipment).
4. **Safety and Health Training and Education** (Make sure no employees perform any job that appears unsafe. Focus on employees learning new operations to make sure they are aware of the hazards).



TSIL Mensa Test

Mensa is an organization for those with exceptionally high IQ's. We have put together an I. Q. test of our own to test your TSIL knowledge.

1. What year did TSIL start?
2. How many companies were in TSIL the initial year?
3. What was the initial written premium when TSIL started (rounded in millions)?
4. How many companies are in TSIL now?
5. What is the current written premium as of 12/1/06 for TSIL (rounded in millions)?
6. What is the initial acceptable RCS audit score a potential new member must receive in order to obtain approval?
7. How many new members joined TSIL in 2006?
8. What injury produces the highest % of claims for members in TSIL?
9. What part of the body is most frequently injured for members of TSIL?
10. What is the value of reducing your losses by \$1.00?
11. What % of workplace injuries are thought to be caused by "unsafe acts" of people?
12. What % of claims occur in the first 30 days for TSIL members?
13. What are the four components of IBNR (Incurred But Not Reported) Claims? (ex – claims that are closed but then are reopened).
14. Once the TSIL actuaries develop the A Fund, what percentage is taken to develop the B Fund?

Please submit answers electronically to Steve Kolter (skolter@captiveresources.com). The winning entrants will be eligible for an April 23 drawing for a free dinner for two at the Westin during the April 2007 Board Meeting.



TSIL members enjoying a social outing on a catamaran on Nevis Island during the November, 2006 TSIL Board Meeting

The Ten Most Dangerous Jobs

The November 2006 Issue of SI Review (Staffing Industry Review) listed the 10 Most Dangerous Jobs by Fatality Rate in the U. S. How many of these are acceptable class codes in TSIL? The top ten most dangerous jobs are:

1. Logging Workers
2. Aircraft Pilots
3. Fishers and Fishing Workers
4. Structural Iron and Steel Workers
5. Refuse and Recyclable Material Collectors
6. Farmers and Ranchers
7. Roofers
8. Electrical Power Line Installers/Repairers
9. Driver/Sales Workers
10. Taxi Drivers/Truck Drivers and Chauffeurs

Request for Help

TSIL members and Captive Resources are always looking for new referrals that would make good TSIL members. If you are aware of any Temporary Staffing firms that would be a good TSIL Member, please contact a member of your CRI Team.

CRI is always looking for contributing articles on timely topics for future TSIL newsletters. If you have published or authored any articles your feel TSIL members would benefit from, please advise your CRI Team.



Signing Client and Subcontractor Agreements: Do You or Don't You?

management solution

by Steven A. Odell

Problem: You've got a large prospect that requires you to sign their contract in order to get their business.

Solution #1: Sign it – no questions asked.

Solution #2: Refuse to sign it and let your competitors assume the risk and associated liabilities that may or may not be insured.

Solution #3: Negotiate it so it's win-win for both parties.

Everything is negotiable and since 9/11, your clients are requiring you to assume more liability whether or not your insurance covers it and whether or not you're responsible.

What do you do when you're asked to sign a contract requiring you to: add your client as an additional insured; sign a waiver of subrogation and then defend, indemnify, and hold them harmless whether or not you're at fault?

You already know you shouldn't sign most contracts because of the increased liability you're assuming, some of which is insurable and some is not.

So let's figure out how to best protect you and your company with a list of the key lines of coverage that must be addressed most times when you need to sign a contract:

Workers' Compensation

- Alternate Employer Endorsement
- Waiver of Subrogation
- Employers Liability Limits usually not less than \$500,000

General Liability

- Additional Insured
- Waiver of Subrogation
- Contractual Liability
- Products and Completed Operations
- Personal Injury
- Advertising Injury

Automobile Liability

- Non-owned and Hired Auto Liability
- Additional Insured
- Waiver of Subrogation

Umbrella

- Limits of Liability
- Additional Insured

Crime Insurance

- Third Party Form
- Limits of Liability

Employment Practices Liability (EPLI)

Errors and Omissions (Professional Liability)

Next, let's make sure you understand some basics and "common sense" definitions of certain terms, conditions and coverages:

Additional insured status means you're adding other companies to your policy and giving them the ability to share your limits. The more you add, the less you have. You can run out of insurance, so do this wisely.

Waivers of Subrogation prevent you and your insurance carriers from going back after your clients and primary contractors even if they were at fault. This means that all claims now go on your loss records and can cost you increased premiums in future years.

Hold harmless and indemnification clauses have become "deadly." Many of your clients and prime contractors are forcing you to defend them for liability whether or not you're negligent. Your insurance doesn't cover all of this!

Modification of certificates of insurance other than the standard wording already on them, can be impossible to obtain regardless of how simple an issue you think it is or how large your client is. Having the "endeavor to" and "failure to notify" provisions modified or eliminated, "notification to certificate holder of 30 days notice of cancellation" or "material change in coverage" can't even be obtained for the largest accounts.

Not all insurance carriers are "A" neither rated, nor licensed to do business in your state. Check out both of these issues BEFORE you sign a contract or renew your coverage so it can't kill your next deal or leave you in breach of contract!

The Alternate Employer Endorsement gives something similar to additional insured status to your clients for workers' compensation. It can be client-specific or blanket and automatic for all customers.

Employers Liability is the only coverage you have on a workers' compensation policy that covers you if you're sued by an employee, their family members or heirs, due to a work-related injury.

Third Party Crime Coverage protects you from employee theft of client property.

I guess the best clichés to summarize this article are:

- *We only get one chance to make a first impression.*
- *If it ain't broke, don't fix it.*
- *Buyer beware.*
- *If it's too good to be true, it probably is.*

So the next time you're asked to sign a contract, just make sure it's not one you'd be better off having one of your competitors sign.

Steven A. Odell is the Chief Executive Officer of LyonsOdell. He can be contacted at 484.586.3902, or by email at LyonsOdellInfo@LyonsInsurance.com, or visit www.LyonsInsurance.com.