



SPECIAL POINTS OF INTEREST:

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April 2009 Board Meeting in The Bahamas

We are very excited to announce that the next Board Meeting for Temporary Services Insurance Ltd. will take place in the spectacular location of Grand Bahama Island in The Bahamas. *In addition to the fantastic location, this event will be the 15 year anniversary celebration event for TSIL which started in 1993.* The meeting will be held at The Westin Grand Bahama Island from April 18-22. A special New Member Orientation and Financial Review Session is scheduled on Sunday, April 19. Those members attending this event should consider traveling a day earlier to arrive in time. There is a New Member Cocktail Reception and

Dinner as well on April 19. 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 current TSIL member). For those members attending the regular meetings, social activities start on Monday, April 20, followed by a cocktail reception and Welcome Dinner. On Tuesday, April 21 we start with the Shareholders Meeting followed by the Committee Meetings (Finance, Underwriting, Risk Control & Membership Development). The day will be completed with the

President's Dinner. After the morning Board of Directors Meeting on Wednesday, April 22, we will all depart for home. The room rate is US\$309 plus tax/service charge 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.

October 2008 Board Meeting News

On October 15, 2008, a TSIL Board of Directors Meeting was held in St. Kitts, BWI. The following important issues were discussed and agreed upon.

1. The Finance Committee moves to have non-renewal notices sent to those members who have not:

Remitted self audits, paid outstanding assessment balances, remitted audit or installment premium or posted their outstanding collateral. The notices will be rescinded if the members clear all outstanding obligations before December 15, 2008.

2. The Finance Committee moves that there be no deviation from TSIL's current policies on assessment premium and collateral collection.

3. The Executive Committee authorizes the Insurance Consultant to pursue a valuation of the Company using current benchmarks for the cost to do so, up to a 5% differential.

4. The Underwriting Committee moves to approve the 2009 renewal as presented.



Future Risk Control Workshops

TSIL Risk Control Workshops offer you tremendous benefits. TSIL requires member attendance at a minimum of one workshop in an 18 month period. Failure to comply with the requirement will result in placement on the Watch List. There are two workshops per year. The agendas change to focus on topics of interest provided by input from the members and service providers.

August 11-12, 2009 **

Itasca, IL

Westin Chicago Northwest

**This workshop will consist entirely of training for the OSHA 10 Hour Certification*

***This workshop will include an optional GB RiskFacs training session for new members or those members that need a refresher.*

February 11-12, 2009 *

Atlanta, GA

Marriott Airport

Our greatest glory is not in never falling, but in rising every time we fall.

-Confucius



Toronto, Canada

Welcome New Members



The following companies have been accepted into TSIL since the last newsletter in July 2008 was produced. Thanks to our agents who were successful introducing these organizations to TSIL. We look forward to continuing the growth of our member owned, temporary staffing group captive. Please contact Luan Lee (847) 879-2362 or Brian Bailey (847) 879-2369 if you are aware of a quality temporary staffing company.

Advanced Personnel, Inc./Wichita, KS

(HRH of Kansas, Inc./AJG-Houston)

Contemporary Personnel Staffing, Inc./Liverpool, NY

(The Odell Studner Group, LLC)

Star H-R, Inc./Petaluma, CA

(The Odell Studner Group, LLC)

Future Board Meeting Dates and Locations

October 10-14, 2009

The Four Seasons

Toronto, Canada

October 9-13, 2010

Fairmont Chateau Laurier

Ottawa, Canada

April 17-21, 2010

The Ritz Carlton

Grand Cayman

April 9-13, 2011

The Fairmont Mayakoba

Riviera Maya, Mexico



Grand Bahama Island



Riviera Maya, Mexico

Referral Contest

The Membership Development Committee is offering a contest for referrals to TSIL. These referrals must be submitted to the Underwriting Committee in order to qualify. The following prizes will be awarded in the contest.

1. One referral will earn you \$100
2. Two referrals will earn 1 airline ticket to a TSIL Board Meeting
3. Three referrals will earn 2 airline tickets to a TSIL Board Meeting

Please remember that Captive Resources has hardcopies of the 2007 TSIL Annual Report and the TSIL website, www.tempsinsurance.com, has a link to the Annual Report as well. You will find that these tools can help you showcase TSIL to prospective members. If you would like additional 2007 Annual Reports, please contact a member of the CRI TSIL Team.

CONGRATULATIONS!

Bill Gage of Gage Personnel received \$100 in December for referring Contemporary Personnel Staffing, Inc. who became a new TSIL member in the 3rd quarter of 2008. Thank you Bill!



Member Highlights

Careerxchange — They were ranked #51 out of the top 200 small businesses in Florida by South Florida Business Leader Magazine. Sue Romanos, CEO, was nominated by the South Florida Business Journal and Rachlin LLP for the “Women Who Mean Business Award”. Sue was also nominated by the same publication for the “Excellence in Human Resources Award”.

Elwood Staffing, Inc. — In August of 2008, Inc. 5000 named the company as one of “America’s Fastest Growing Private Companies”. The Indianapolis Business Journal ranked Elwood Staffing the 2nd largest temporary employment service in Indianapolis for the second straight year. The American Staffing Association presented the company with the 2008 VOICE Award which goes to a company that demonstrates originality, innovation and creativity in its magazine advertising. Finally, John Elwood, President & COO, was named to ASA’s National Board of Directors.

Innovative Employee Solutions — The San Diego Business Journal recognized the company as one of San Diego’s “Best Family-Owned & Closely-Held Businesses”. Karla Hertzog, CEO, was nominated by the same publication for San Diego’s “Most Admired CEO Award”. The company was also nominated for the San Diego Society of Human Resources’ 2008 “Workplace Excellence Award”.

Integrity Staffing Solutions, Inc. — In November, Integrity launched its sister firm, The A&F Group. The A&F Group specializes in Accounting and Financial positions from assistants to CFOs. Todd Bavol and Sean Montgomery were presented with the 2008 Well Fargo/NGLCC “Business Owners of the Year Award” at the National Building Museum in Washington, DC.

Key Staff Source, Inc. — Leslie Hutchins, Regional Sales Manager, was selected as one of Mississippi’s “Top 40 Under 40” for 2008.

Lloyd Staffing — The company received the first ever American Staffing Association Care Award. This award recognizes a company who has implemented outstanding corporate social responsibility initiatives that have produced an overall positive effect on society. They won this award for companies in the \$15MM to \$100MM annual sales category.

Personnel Connection — Last year Personnel Connection grossed their second highest sales figure in the company’s 20 year history.

Temporary Resources, Inc. — The Business Journal’s Triad Edition named the company #9 on their “Fast 50 List” which is for the fastest growing companies in the Piedmont-Triad area. There were over 30,000 companies in the Piedmont-Triad area eligible for the list. In addition, the company received certification in 2008 for the Carolina STAR program. This program recognizes companies in North Carolina that have committed providing a safe work environment for their employees, their client’s employees and other visitors to the worksite.

The Job Shop — Their medical division, Med Plus Staffing, LLC, achieved the “Gold Seal of Approval” for healthcare staffing services from The Joint Commission.

he Reserves Network — The company recently received the 2008 “Weatherhead 100 Award” which recognizes the fastest growing companies in Northeast Ohio. The Reserves Network has received the award an unprecedented 11 straight times. This award is presented by Case Western Reserve University’s Weatherhead School of Management and Council of Smaller Enterprise. In addition, TRN has won its 8th NorthCoast 99 Award which recognizes the best workplaces in Northeast Ohio. The award is presented by the Employers Resource Council which is Northeast Ohio’s leading and largest professional organization dedicated to HR practices, programs and services.

TOPS Staffing, LLC — Staffing Industry Analysts ranked TOPS Staffing/AITek as the 9th fastest growing staffing company in the U.S. In addition, the company is excited to announce that they have moved their corporate office into their newly built, 12,000 square foot facility.



“You Really Can Make a Silk Purse Out of a Sow’s Ear!”



Argue for your limitations, and sure enough, they’re yours.

- Richard Bach

Picture if you will an Experience Modification Rate of 3.58!

Next, imagine the Workers’ Compensation insurance premium that results when factoring in an Experience Modification Rate this high. With rates this high, would you be in business today?

Well folks, that was MY “Sow’s Ear.” Needless to say, it almost sunk my ship. God must have been watching over this girl as she ran into lots of walls during the preceding years in the “state pool.”

I dutifully followed my general market insurance agent’s advice and turned everything into “let them handle it...that’s why you have the coverage.” Amen.

In the mid 1990s, I found myself in quicksand up to my eyeballs. Desperate, I called Tim Hester, who I had met at a state staffing meeting. I remembered him mentioning a special program to me.

Tim referred me into the arms of the TSIL structure. That phone call and subsequent events that took place over the next five or six years became the salvation of Quality Personnel. My entire staff and I morphed ourselves 100% into the TSIL culture and have never looked back for a minute.

I have still had my share of “bad years” but at this writing my funding factor is 64%, which is a far cry from 3.58 times my former premium! Other than 100% immersion in all aspects of TSIL, I fully credit my personal involvement with the group for our continued success.

I attend all board meetings, myself or staff members attend workshops and we have nearly annual in-house refresher training sessions. We utilize the webinars and offerings of our risk control service provider. I have served on the Underwriting Committee and am currently on the Risk Control Task Force as well as Vice Chair of the Risk Control Committee.

I challenge each of you to get more involved in this exciting company that we share as members by increasing your personal participation. You, too, can enjoy the “Silk Purse” as much as I do. See you at the next event!

Sandy Jones, Quality Personnel

TSIL Risk Control Program

At the October Board Meeting in St. Kitts a presentation was made to introduce the new TSIL Risk Control Program that was developed by the Risk Control Task Force and CRI. Below are some of the fundamental concepts that will be the foundation of the new program.

1. TSIL’s (The Staffing Industry Leader!) safety philosophy is “Keeping Employees Out of Harm’s Way”.
2. The TSIL Risk Control Program’s goals are to Educate, Train, Monitor and Discipline.
3. Our focus on Risk Control will shift to 95% Prevention and 5% Claims Management.
4. Risk Management is not a role, it needs to become part of the company culture starting with the owner on down through the organization.
5. Your Risk Manager’s expertise is critical to your success in the TSIL program, therefore, TSIL has established requirements for this individual that will help make you a more successful member.
6. TSIL will use leading indicators as well as trailing indicators to monitor the performance of the captive group as well as the individual members.
7. TSIL has established “Best Practices” in Client/Staffing Company Partnership, Hiring Practices (Internal & Field), Field Employee Training, Incident Protocols/ Training and Accident Investigation.

The Dangers of Signing “Broad Form” Indemnity Agreements



Many of the agreements you sign with your clients include an indemnification agreement. These agreements generally state that you will indemnify the client or others for any claims against them which arise out of the work of your temporary employees. You generally have coverage for the liability you assume through indemnity agreements under the Contractual Liability section of your General Liability policy. The problem arises when the indemnity agreement you sign is the “broad form” type in which you agree to indemnify the client for its sole negligence. **Today many General Liability policies limit your coverage under Contractual Liability to those claims in which you were at least partially at fault.** This means that you could be assuming potentially uncovered liabilities when you sign indemnity agreements in which you agree to indemnify another for their sole negligence.

Let's look at a hypothetical example. Assume that you are supplying warehouse labor to a large client that has required you to sign a broad form indemnity agreement. One of the assigned employees is injured when he is run over by a forklift operated by an employee of the client. Your employee files a Workers Compensation claim but also sues the client. Even though there was no negligence on your part, or on the part of your employee, the client seeks indemnification from you under the indemnity agreement. (This is what is known as an *Action Over* and it is why your General Liability policy can be exposed even though your employee is covered by Workers' Compensation.) Because the injury to your employee was the sole fault of the supervisor, the insurance carrier may deny the claim if you have limited Contractual Liability coverage.

So what can you do to protect yourself? First, know what your policy does and does not cover. Look at your Contractual Liability provisions in your GL policy and see if they contain terms like “caused, in whole or in part, by you or those acting on your behalf.” This language is usually located within the definition of Insured Contract and may be contained in an endorsement. If you need help interpreting the policy language, ask your broker. Second, always try to avoid signing a “sole negligence” indemnification agreement if possible. A few states have anti-indemnity statutes which make these types of agreements void as a matter of public policy. But you never want to knowingly enter into a contract relying on the belief that a provision is unenforceable.

You may not always be able to avoid overly-burdensome indemnification agreements, but at least you will have the knowledge to determine whether you are covered and to make an appropriate business decision regarding the risk.

Jonathan Henley, Arthur J. Gallagher & Co.-Houston



Ottawa, Canada

Please Help!

In 2009 TSIL is looking for opportunities to make presentations at your association meetings (TempNet, TIPSS, NAPS, MAPPS, NISA, ISA, etc.) and to your trusted advisors (Law firms, accounting firms, business consultants, etc.) that have an expertise in the staffing industry.

If you have any opportunities that develop, please contact Luan Lee or Brian Bailey at Captive Resources to discuss. TSIL needs your valued help in this area to continue the growth of the organization with quality staffing companies across the country.

TSIL Mensa Test

Mensa is an organization for those with exceptionally high IQ's. We have put together an IQ test of our own to test your TSIL knowledge. We will post the answers in the July 2009 newsletter.

1. How does my NCCI Experience Modification Factor effect my TSIL premium calculation?
2. When does the TSIL Board of Directors close out an underwriting year?
3. How many years of historic claims experience and payroll does TSIL use to calculate your policy premium?
4. Can cash collateral be replaced by a letter of credit?
5. When are self audit premiums due?
6. When is the next TSIL Financial Workshop?



Ritz-Carlton, Grand Cayman

The Seven Dynamics of Change

Robert Bacal

Whatever the kinds of change that people encounter, there are certain patterns of response that occur and re-occur. It is important that change leaders understand some of these patterns, since they are normal outcomes of the change process. Understanding them allows leaders to avoid over-reacting to the behaviors of people who, at times, seem to be reacting in mysterious, non-adaptive ways.

Ken Blanchard, well known management consultant, has described seven dynamics of change designed to help managers better address employee reactions to change. They are worth summarizing here.

People will feel awkward, ill-at-ease and self-conscious

Whenever you ask people to do things differently, you disrupt their habitual ways of doing things. This tends to make people feel awkward or uncomfortable as they struggle to eliminate the old responses and learn the new. Think back to your own experience and you will discover this theme. Whether it be learning to use a computer, the first time picking up your infant, or dealing with a new reporting relationship, recall the self-consciousness that you probably felt. People want to get it right, and fear that they will appear inadequate.

People initially focus on what they have to give up

Even for positive changes such as promotions, or those that result in more autonomy or authority, people will concentrate on what they will be losing. As a change leader you need to acknowledge the loss of the old ways, and not get frustrated at what may seem to be an irrational or tentative response to change.

People will feel alone even if everyone else is going through the same change, everyone feels (or wants to feel) that their situation is unique and special. Unfortunately, this tends to increase the sense of isolation for people undergoing change. It is important for the change leader to be proactive and gentle in showing that the employee's situation is understood. If employees see YOU as emotionally and practically supportive during the tough times your position will be enhanced and the change will be easier.

People can handle only so much change

On a personal level, people who undergo too much change within too short a time will become dysfunctional, and in some cases may become physically sick. While some changes are beyond our control, it is important not to pile change upon change upon change. While changes such as downsizing bring opportunity to do other positive things, the timing of additional changes is important. If you are contemplating introducing changes (that are under your control), it may be a good idea to bounce your ideas off employees. A good question to ask is "How would you feel if...."

People are at different levels of readiness for change

Some people thrive and change. It's exciting to them. Others don't. It's threatening to them. Understand that any change will have supporters and people who have difficulty adapting. In time many people who resist initially will come onside. Consider that those people who are more ready for the change can influence others who are less ready. Open discussion allows this influence process to occur.

People will be concerned that they don't have enough resources

People perceive that change takes time and effort, even if it has the long term effect of reducing workload. They are correct that there is a learning time for most change, and that this may affect their work. It is important for change leaders to acknowledge that this may occur, and to offer practical support if possible. In the downsizing scenario this will be even more crucial, since resources themselves are cut. Consider following the downsizing with a worksmart process, whereby job tasks are reviewed to examine whether they are still necessary.

If you take the pressure off, people will revert to their old behavior

If people perceive that you are not serious about doing things the new way, they will go back to the old way. Sometimes this will be in the open, and sometimes this will be covert. While Blanchard uses the word pressure, I prefer to think of it in terms of leadership role. The leader must remind people that there is a new course, and that the new course will remain. Coaching towards the new ways is also important.

Conclusion

It is important for leaders to anticipate and respond to employee concerns and feelings, whether they are expressed in terms of practical issues, or emotional responses. When planning for, and anticipating change, include a detailed reaction analysis. Try to identify the kinds of reactions and questions that employees will have, and prepare your responses. Remember that the success of any change rests with the ability of the leaders to address both the emotional and practical issues, in that order.

1 The seven dynamics of change in bold were taken from an article by Ken Blanchard, and published in The Inside Guide, Oct., 1992. Commentary on each of the principles was written by the Editor of The Public Sector Manager.