



SPECIAL POINTS OF INTEREST:

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November 2007 Board Meeting in Barcelona

The next Board Meeting for Temporary Services Insurance Ltd. will take place in Barcelona, Spain at the Hotel Arts from November 9-13. A special New Member Orientation and Financial Review Session is scheduled on Saturday, November 10. 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 Sunday, November 11, followed by a cocktail reception and Welcome Dinner. On Monday, November 12, the Committee Meetings (Finance, Underwriting, Risk Control, Membership Development) will be held, followed by the Board of Directors Meeting and President's Dinner. Members not attending the Post-Trip

in Madrid (November 13-16) will depart on Wednesday, November 13. The room rate is \$362 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.

April 2007 Board Meeting News

On April 21-25, 2007, a TSIL Board of Directors Meeting was held on Grand Cayman Island. The following important issues were discussed and agreed upon.

1. The Finance Committee recommends the closure of the 2002 (TSIL and T2) and 2003 underwriting years at the Spring 2008 Board Meeting.
2. The Finance Committee approves the closure of the 2001 underwriting year.
3. The Underwriting Committee approves the Group Transportation Policy as presented for all new submissions and 2008 renewal applications.
4. The Underwriting Committee accepts the Additional Growth Amendments to the Merger & Acquisition Policy as presented.
5. The Underwriting Committee approves obtaining credit reports on corporations intending to join the TSIL program.
6. The Risk Control Committee approves the establishment of an Advisory Committee to work with RCS in implementing new program enhancements. In addition, it approves a market research process regarding loss control services available to TSIL.
7. The Risk Control Committee authorizes the Executive Committee in conjunction with Captive Resources to develop a TPA RFP (Request for Proposal) for the January, 2008 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 workshops per year. The agendas change based on input from Gallagher Bassett and Risk Control Services (RCS).

August 14-16, 2007

Itasca, IL

Gallagher Bassett Training Center

This workshop will include GB claim & ad-hoc reports and online report system training.

March 18-20, 2008

Savannah, GA

Hilton Savannah DeSoto

August 12-14, 2008

Itasca, IL

Gallagher Bassett Training Center

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

*Very few burdens
are heavy if
everyone lifts.*

-Sy Wise

Welcome New Members

The following companies have been accepted into TSIL since the last newsletter in January was produced. 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 or Brian Bailey (847)879-2369 if you are aware of a quality temporary

staffing company.

Alar (AJG, TX/Laurus Strategies)

People Staffing (LyonsOdell)

Titan Staffing (LyonsOdell)

AL Staffing, Inc. (AJG, TX)

Future TSIL Board Meeting Dates and Locations

April 12-16, 2008

Isla Navidad, Mexico

November 8-12, 2008

Marriott Resort

St. Kitts

April 18-22, 2009

Fairmont

Acapulco, Mexico

November 14-18, 2009

Four Seasons Resort

Great Exuma, Emerald Bay

April 17-21, 2010

Ritz Carlton

Grand Cayman



Barcelona, Spain

Risx-Facs Enhancements

The following features are available from the Gallagher Bassett Claim system. Please be sure you are using this tool to suit your needs. Please call Michele Maxwell (847-879-2394) with questions.

1. Personalized reports based on your specific requirements.
2. You can set up electronic follow up reminders.
3. You can attach documents to electronic files (examples - police reports, photos, first report of injury).
4. Managed Care reports can be printed off or be automatically sent via email whenever you schedule them.
5. All reports can be viewed online, or printed in Excel and PDF format.

Merger & Acquisition Policy Amendments

The TSIL Board approved the following policy items for mergers, acquisitions or significant new business at the April Board Meeting.

In all cases noted from 1-5 below, the Broker or Member must:

- Notify CRI and RCS at least 30 days prior to commencement of any desired coverage effective date.
 - Provide new Office Locations.
 - Provide projected payroll amounts by NCCI WC code and provide 5 year historical loss data and 5 year historical payroll for items, 1, 2 & 4. A new loss pick must be recalculated for these situations.
 - For item 5, provide a Certificate of Insurance as evidence of WC Coverage for the other staffing company involved in the Secondary Supplier agreement. If evidence of coverage is not furnished, you must provide projected payrolls by NCCI code and 5 year historical loss data and 5 year historical payroll. If a certificate is not furnished, a new loss pick must be recalculated.
 - Provide RCS audits with a minimum score of 77% for items 1, 2 and 4.
 - Failure to provide notification of any of the items noted in 1-5 below could result in Cancellation or Non-Renewal.
1. Acquisition or merger by a Member of a **new company** that will result in additional payroll in excess of the existing member's payroll 25% or more.
 2. Acquisition or merger by a Member of a **new company** that is significantly different in its scope or nature than the current Member's business.
 3. Entering into an agreement with a customer that will increase existing payroll more than 25% over existing payroll levels.
 4. Entering into a secondary supplier agreement that will increase existing payroll more than 25% over existing payroll levels.
 5. Merging or combining with the current Member's payroll other business that commonly owned or affiliated with the Member will increase payroll more than 25% over existing levels.

Gallagher Bassett and Fireman's Fund Claim Reviews

As a TSIL member, you are entitled to one claim review a quarter to assist in reviewing your exposures and reserves. Remember, your financial deadlines are June 30th and December 31st. Therefore, your losses valued as of those dates are reflected in your financial statements.

The process is simple! For Gallagher Bassett, please complete a Claim Review Request Form and forward to Michele Maxwell and Amy Stanley no later than 35 days prior to your preferred date. For Fireman's Fund, please give Michelle Maxwell a call or send her an email with your request for a file review no later than 30 days prior to your preferred date along with a list of claims you would like to discuss. Michele Maxwell is at 847-879-2394 and mmaxwell@captiveresources.com. CRI will make every effort to coordinate the Gallagher Bassett and Fireman's Fund reviews so that they can be completed as consecutively as possible.

TSIL 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 Mtg.
3. Three referrals will earn 2 airline tickets to a TSIL Board Mtg.

Please remember that CRI has hardcopies of the 2005 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 2005 Annual Reports, please contact a member of the CRI TSIL Team.

*When conscience governs
vision, discipline and
passion, leadership
endures and changes the
world for good.*



Overview of Incident Only Reporting

Where permitted by jurisdiction, members may wish to pay their own minor medical or first aid claims in an effort to manage costs. This program is subject to the following guidelines:

1. Prohibited where disallowed by jurisdiction.
2. Expected total cost of the claim must not exceed \$750.
3. **ALL** incident only claims must be reported within 48 hours via fax or online.
4. The following types of claims do not qualify as "Incident Only". Any claim:
 - * With lost time of more than one day
 - * Involving back, head or neck injuries
 - * Involving a hernia
 - * Involving repetitive motion
 - * With injuries that may result in permanency, partial disability, scarring or disfigurement
 - * Alleging stress or other psychiatric injuries
 - * Involving strain to major joints (notably knees and wrists)

Answers to the January 2007, TSIL Times Mensa Test

1. What year did TSIL start? **1993**
2. How many companies were in TSIL the initial year? **18**
3. What was the initial written premium when TSIL started (rounded in millions)? **\$14 million**
4. How many companies are in TSIL now? **114 active companies**
5. What is the current written premium as of 12/1/06 for TSIL (rounded in millions)? **\$58 million**
6. What is the initial acceptable RCS audit score a potential new member must receive in order to obtain approval? **77%**
7. How many new members joined TSIL in 2006? **15 new members joined in 2006**
8. What injury produces the highest % of claims for members in TSIL? **Material Handling**
9. What part of the body is most frequently injured for members of TSIL? **Back injuries are the most frequent in TSIL**
10. What is the value of reducing your losses by \$1.00? **\$3.55**
11. What % of workplace injuries are thought to be caused by “unsafe acts” of people? **88%**
12. What % of claims occur in the first 30 days for TSIL members? **55%**
13. What are the four components of IBNR (Incurred But Not Reported) Claims? **Incurred but not reported, reported but not yet reserved, reserve increases (i.e. development), and 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? **28%**



TSIL members enjoying an evening in Grand Cayman

Salespeople Excuses

According to the June 2007 issue of SI Review, when it comes to salespeople, staffing companies should be very cautious about hiring “serial failures” who have not lasted more than 6-18 months at a prior sales position within the industry. The most popular excuses that salespeople give about their previous employer (s) are:

1. They failed to pay earned commissions in a timely fashion.
2. They were experiencing financial difficulty and might not meet payroll.
3. They did not adequately support sales with good service and fulfillment.
4. They engaged in unethical or discriminatory sales practices.
5. They abused or harassed their sales representatives.

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 find valuable, please advise your CRI Team.



St. Kitts

The Office is Funny-- Employment Practices Liability Isn't

By Kevin M. Quinley CPCU, ARM AIC, AIM, ARc

Dunder-Mifflin Paper Company needs a risk manager!

The fictitious corporation is portrayed in NBC's hit comedy, *The Office*. Office Manager Michael Scott – played by actor Steve Carell (a/k/a *The Forty Year Old Virgin*) -- is a clueless jerk of a boss who engages in many human relations no-no's. He asks employees to disclose diseases to shave benefit costs, "outs" a gay employee who wants to keep his sexual orientation confidential and tolerates multiple office romances. In the real world, such behavior would garner more lawsuits than comedic kudos. There is nothing funny about employment practice liability today.

In the hierarchy of risks and uncertainties that today's risk manager juggles, few rival worries pertaining to employment practice liability. A recent full-page color ad for the law firm of Fisher & Phillips depicts a young woman as a semi-transparent wraith walking the aisles of an office. The picture's caption: "You fired her a year ago. Now she's come back to haunt you." Pin up the wrong calendar on your wall, tell an off-color joke or forward a risqué cartoon via email to your office chums and you may be buying yourself a hefty lawsuit these days.

Fulbright & Jaworski conducted its third annual Litigation Trends Survey in 2006. It polled clients to identify the top sources of litigation-related worries. Topping the list at 48% was angst over labor and employment lawsuits. Contracts, regulatory issues, intellectual property and class actions rounded out spots two through five.

Business Week (11/13/06, "Harassers in High Places," p. 44) reports that although EEOC charges of sexual harassment have dropped over the last ten years, the average jury award and claim settlement has risen. Frequency is moderating; loss severity is increasing.

The burgeoning field of employment liability is also reflected elsewhere. In a Fall 2006 issue of *For the Defense*, a monthly magazine of defense attorneys, the focus was employment law and topics representing a liability mine-field for employers these days: workplace privacy, accommodating disable employees, civil rights of illegal aliens, managing employee blog posts, benefits for employees returning home after overseas military stints, Title VII retaliation claims and the rights of transgender employees. No wonder that your Human Resources Director seems to be living on anti-acids!

Getting sued or facing claims from botched employer/employee relationships is a risk that can be managed, however. Five key steps in an employment practices loss control program are:

- meticulous regulatory compliance with all labor laws and standards
- periodic training with regard to diversity, sexual harassment and workplace conduct
- clear standards in employment contracts and personnel manuals setting forth the types of behavior that are and are not tolerable
- recurring supervisory and management training on sound employment practices
- easily accessible grievance procedures to provide employees with a mechanism to air concerns and complaints

None of these initiatives all are "one and done" propositions. They must be part of an ongoing program to promote sound employment practices. Adopting these steps or others represents no guarantee, but may go far toward preventing missteps in employment practices or rendering more defensible any employment practice claims which arise.

Sound risk management of employment practice risks involves a blend and balance of these risk management strategies. *The Office* may illustrate worst practices in employment risk management. Your office, by contrast, can treat employment practices as no laughing matter by implementing a blended risk management approach!

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