USI Brings National Capabilities & Local Expertise

**USI's Mid Atlantic Region**
- Over 500 insurance professionals
- Dedicated analytics, underwriting, and risk management professionals
- Regional offices located in the Mid Atlantic include: Baltimore, D.C., Metro, Newport News, Norfolk, Philadelphia, and Richmond

**National Footprint**
- Over 140 Local Offices
- Leading middle market broker with ~$1B in U.S. Revenue
- 4,200+ professionals across industry verticals
- Over 100,000 clients served across all lines of business

**USI Brings**
- National Capabilities
- Local Expertise

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**Justin Weis LUTCF, Vice President**

www.usi.biz
**BENCHMARKING**

**MENU OF RISK SERVICES**

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2. Results should be based on

1. Brokers offer claims & loss control services - **Results are Not Quantifiable**

2. Results should be based on **Financial Impact** vs. **Claims Trend**

3. Analytics **Quantify** your risks and **Drive the Underwriting Outcome**
USI’s employee benefit practice is designed to contain cost, promote regulatory compliance and deliver superior account service. We focus on seven primary employee benefit service areas.

- **Underwriting & Analytics**
  - Negotiation & management to contain plan costs
- **HR Services**
  - Administration platforms, call centers and service calendars to ease your administrative burdens
- **Population Health Management**
  - Wellness design, disease management, analysis and aligned incentives to improve health
- **Compliance/Healthcare Reform**
  - Tools, expert guidance, and policies to promote compliance with federal and state regulations
- **Care Intervention**
  - Options for members to make more efficient care decisions without sacrificing quality
- **Pharmacy**
  - Solutions to increase transparency and minimize pharmacy costs
- **Ancillary Benefits**
  - Competitive marketing and scoring drives results for other plan services

### A Comprehensive, Holistic View of Your Employee Benefits Plan

**How Safety and Wellness Can Intersect to Increase Overall Employee Wellbeing**
ASSE members **create safer work environments** by **preventing workplace fatalities, injuries and illnesses**. Safer organizations enjoy increased productivity, higher employee satisfaction and a better reputation, while recording less lost time, and lower workers' compensation and healthcare costs.

Metrics: Worker’s Comp claims (lost time, accidents/injuries, medical only)
The National Healthy Worksite Program is designed to assist employers in implementing science and practice-based prevention and wellness strategies that will lead to specific, measurable health outcomes to reduce chronic disease rates. The Program seeks to **promote good health through prevention**, **reduce chronic illness and disability**, and **improve productivity outcomes that contribute to employers’ competitiveness**.

Metrics: Health care costs, disability claims, productivity, absenteeism, presenteeism.

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**Definition:** Planning, Organizing, Leading and Controlling the activities of an organization in order to eliminate or minimize the adverse effects of unnecessary or accidental losses.

**Workers’ Comp Insurance Costs**

\[
\text{Losses Drive Costs}
\]

**Medical Plan Premium Costs**

\[
(\text{Unit Cost} \times \text{Units Consumed}) + \text{Admin} = \text{Healthcare Spend}
\]

Safety and wellness preventive efforts need to impact consumption to have an impact.
Workers’ Compensation Costs can be:

- 20 times higher for employees with multiple personal health risk factors
- 12 times higher among smokers who take 3 times longer to heal after an injury
- 5.5 times higher among employees engaging in little physical activity
- National Council on Compensation Insurance (NCCI) study: greater risk that injuries may create permanent disabilities for obese workers and generate more attorney engagement
- 2014 Liberty Mutual B2B report stated obese workers 25% more at risk for a work injury

But effective wellness programs have shown an average of 32% reduction in workers’ compensation and disability costs

**Case In Point**

**Foot Fracture** complicated by diabetes & morbid obesity, $166K instead of $40-$50K

**Back Injury** complicated by depression & fibromyalgia, $139K instead of $20K

Note: Data from multiple sources and available upon request.

**Safety Impacts Health Care Spend**

- Work-related injuries and illness are often treated (under the radar screen) by Health Insurance Providers
- Back Pain and other preventable/manageable injuries and illness lead to health care spend, sick time and presenteeism/lost productivity
- Exposures are often the same at home and work (driving, chemicals, hand and power tools, material handling, etc.)
- Work-based safety efforts and activities can provide benefits for home and daily life
- Training, communications and coaching occur regularly as a part of a sound Safety Program
“...almost two thirds of the growth in national health spending over the past 20 years can be attributed to Americans' worsening lifestyle habits and, in particular, the epidemic rise in obesity rates.”


Medical/chronic conditions impacted by obesity:
1. High blood pressure → stroke → disability
2. High cholesterol → heart attack/disease → disability
3. Diabetes → vision loss, dialysis, amputation → disability
4. Cancer → treatment → disability
5. Low back pain → restricted duty
6. Osteoarthritis → restricted duty
7. Cardiovascular disease → heart attack → disability

1http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3203355/
2Gastroenterology & Hepatology Volume 6, Issue 12 December 2010
3Freburger, J. Archives of Internal Medicine, Feb. 9, 2009; vol 169: pp 251-258
Prevalence of Risks & Conditions

Medical Condition
- Total Cholesterol 13%
- LDL Cholesterol 34%
- HDL Cholesterol 21%
- Blood Pressure 29%
- Undiagnosed diabetes 3%
- Pre-diabetes 35%
- Diabetes 12%
- Pre-stroke potential BP 5%
- Blood Glucose 35%
- Metabolic Syndrome 34%

Lifestyle Risk Factors
- Overweight or Obese 66%
- Stress 33%
- Inadequate Physical Activity 39%
- Smoking 19%

Unless you are an anomaly, these are the risks & conditions in your workforce impacting costs!

Sources: CDC, AHA, ADA

Average Annual Cost Per Employee

Average Annual Health-Related Cost Per Employee in 2010
Total = $34,918

- Health Plan $10,122
- Sick Leave $1,750
- Workers Comp $672
- Disability $1,111
- Presenteeism $23,004

61% Ticking Time Bombs?

Source: Goetzel, JODEM, (2004) data adjusted to 2010 by Mercer Employer Survey Results and by Collins Presenteeism study (2001) of Dow Chemical that was used for determining the Presenteeism cost.
Current Worksite Wellness Landscape

- Wellness is a top focus area for employers’ health care strategy
  - 37% plan to develop or enhance workplace culture, where employees are responsible for their health and understand its importance
  - 36% are looking to develop/expand healthy lifestyle programs and activities
  - 29% said they would adopt/expand use of financial incentives to encourage healthy activities, use of higher-quality providers and other behavior changes

A majority of employers are offering some type of wellness program

- 79% currently offer wellness resources and information
- 62% have a “wellness program”
- 47% provide health screening programs and coaching
- 42% offer smoking cessation programs

Wellness Offerings Vary By Employer Size

- 74% of employers offer at least one wellness program
- Employers with 200+ employees are more likely than smaller employers to offer wellness programs
- 36% of large employers’ wellness programs offer financial incentives, vs. 18% of small employers’

In 2014, 42% of employers were rewarding or penalizing employees based on smoker/tobacco-use status, while 22% were rewarding or penalizing based on other biometric outcomes

- 58% plan to incent tobacco use status and 46% plan to incent other biometric outcomes in 2015

What USI Clients Are Talking About...

- Health Risk Assessment campaigns
- Online wellness portals
- Carrier programs
- Monthly health observances
- Tobacco premium differentials
- Points-based incentive programs
- Fully outsourced, vendor administered wellness programs
- Physician visit incentives
- Weight Watchers benefits
- Wellness seminars
- Flus shots
- Wellness challenges
- Health fairs
- Onsite screenings
- Gym reimbursements
- Monthly health observances
A health-promoting environment attracts top talent, reduces medical costs and absenteeism. USI Population Health Managers evaluate data and recommend solutions that improve employee health status.

- Team of Locally Based, Nationally Networked Wellness Consultants
- Strategies to Improve Engagement
- Wellness Program Feasibility Analysis
- Program Design, Implementation, Reporting
- Targeted Communications to Improve Engagement
- Predictive Modeling & Large Claims Analysis
- Disease Management Strategies

Engaged, Healthier, Productive Employees & Lower Medical Costs

Integration Opportunities
Wellness Council of America (WELCOA)  
The WELCOA 7Cs

1. Capturing Senior Level Support
2. Creating Cohesive Teams
3. Collecting Data to Drive Efforts
4. Crafting an Operating Plan
5. Choosing Appropriate Interventions
6. Creating a Supportive Environment
7. Consistently Measuring Outcomes

Liberty Mutual, Model Safety Plan  
LP6215, 2003

Top Management Support, Organization, and Accountability
Management/Employee Administration and Control
Safety Training
Safety Motivation and Communication
Self Inspections (Hazard Surveillance/Abatement)
Incident Investigation, Review, and Analysis
Catastrophic Loss Control
Health and First Aid

Total Worker Health™

Safety is focused on health protection and reducing worker exposure to work environment risk factors  
Health promotion is focused on lifestyle factors off-the-job

Mandated  
Voluntary

TWH is a strategy integrating occupational safety and health protection with health promotion to prevent worker injury and illness and to advance health and well-being.
• Talk with management/HR about opportunities to integrate wellness messaging into safety/risk management efforts
  • Trainings
  • Policies
  • Metrics/tracking
• Reward/incent preventive physician visits
  • Can fulfill occupational physical requirements and encourage medical management = Win-Win for both sides!
• Investigate CDC’s Total Worker Health and National Healthy Worksite initiatives

http://www.cdc.gov/niosh/twh/

http://www.cdc.gov/nationalhealthyworksite/index.html
This Company’s success depends upon our most valuable resource … our employees. That’s why your safety is our first concern, and why employee development through education and training is so important. We have developed over seventy company courses and programs that support our culture of safety through building best practices and awareness. But safety doesn’t stop at the jobsite, and education isn’t all about skills. It takes a safe and healthy workforce to sustain a successful company. Therefore, the company commitment to our employees also includes protecting your health. By putting the safety and health of you and your family first, ensuring risks are lessened or eliminated, we can help improve your quality of life and also make our Company stronger.

I want to reinforce that our Wellness Program, launched last fall, is every bit as important as Driller Training, our STOP Safety Program, or any other program we offer. Our Wellness Program can save your life, or the life of a family member.

“….eighty-seven percent of employees who underwent health screening had high blood pressure and only twenty percent were aware of it before the screening.”
Our strategy for success is one of being proactive. **If we are not proactive about health and safety**, we subject ourselves to uncontrolled results, cost and potential casualties.

**We are committed to improving your general health and well being**, and curbing the rising cost of healthcare for our employees and your families. Consequently, our Wellness strategy in 2013 will focus on defining annual wellness goals, and offering additional consideration for accomplishing those goals.

The senior management team and I urge you to take the challenge of improving your health seriously.

Sincerely,
President & CEO
Summary

• Increased consumption of workers' compensation and medical insurance is driven in large part by modifiable risk factors and behaviors.

• The business models for managing safety and wellness are similar and make integration possible.

• The principle of prevention is at the heart of both safety and wellness.

• To achieve improved financial outcomes, population health management that integrates and forces coordination of safety and wellness is essential.

Thank you!

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