



New Jersey Schools Insurance Group

6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
(609) 386-6060 • FAX (609) 386-8877
www.njsig.org

Board of Trustees Meeting of September 21, 2016 Claim Report

❖ June 1, 2016 to August 31, 2016 CLAIM ACTIVITY

Workers' Compensation

Total pending work comp cases as of May 31, 2016	2486
New work comp cases months from June to August 31, 2016	1340
Total work comp cases months from June to August 31, 2016	3826
Total <u>closed</u> work comp cases from June to August 31, 2016	(1826)
Total Pending Work Comp Cases as of August 31, 2016	2000

Property / Liability

Total new property-liability reports as of May 31, 2016	605
New property-liability cases from June to August 31, 2016	264
Total property-liability cases from June to August 31, 2016	869
Total <u>closed</u> property-liability cases from June to August 31, 2016	(282)

Total Property-Liability Cases as of August 31, 2016 587

Office Totals

Total pending cases as of May 31, 2016	3091
Total new reports from June to August 31, 2016	1604
Total cases from June to August 31, 2016	4695
Total <u>closed</u> cases from June to August 31, 2016	(2108)
Total Pending Cases as of August 31, 2016	2587



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■PENDING BY ADJUSTER TITLE

Job Title	June - August
Medical Claim Supervisor	0
Medical Claim Assistants	195
Legal Claim Examiners	177
Claim Examiners	1224
Senior Claim Representatives	775
Claim Representatives	216
Totals	2587

Work Load Standards

Medical Claim Assistants - to 125 Files

Legal Claim Examiners - to 200 files

Claim Examiners - to 200 files

Senior Claim Representatives - to 175 files

Claim Representatives - to 150 files

Recently promoted Claims Representative, Eric Franklin, is now beginning to take new assignments. Claims Assistant, Janice Buchanan now has a caseload existing of low maintenance auto pay medical claims that were formally part of the pending caseloads of our adjusters. This will positively impact the Workers' Compensation team as fewer files result in reduced average caseloads per adjuster making the adjuster pendings more manageable.

■(JUNE - AUGUST CLAIM ACTIVITY)

The total number of new reports for this period was 1604. The three month average of 535 is down almost 20 % from May 31 (667) which is not uncommon during the summer months. Overall pending was 2587, down about 18% from the prior month calculated. The overall pending total as of May 31, 2016 was 3091 down almost 25% from 5 months ago when it was 3244. Our workers' compensation incoming was down almost 19% and property and liability claims was down 3% from the month ending on May 31, 2016. The property-liability pending count contains one Hurricane Sandy claim which is in litigation.

■CLAIMS PERSONNEL

Changes took place within the Claims Department with regard to personnel including my promotion to Claims Manager on July 1, 2016. On July 25, 2016 my replacement, Paul Pepe, was hired as the Property-Liability Claims Supervisor. Claims Assistant, Eric Franklin was promoted to Claims Representative during the June to August period.

Revised: 9/7/16



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■SELECTED SELF-AUDIT RESULTS

	RATING		PERCENT
	Satisfactory	Unsatisfactory	
Reporting & Communication	176	11	94%
Direction	202	22	90%
48 Hour Contact	94	9	91%
Investigation	80	2	97%
TOTALS	552	44	93%

The preceding results reflect audits completed on 8 individuals. Individual results were 99%, 98%, 97%, 95%, 95%, 88%, 87%, and 83%. Notably twenty-four hour contact improved from 88% to 91%.

■FRAUDULENT CHECK

A review of 75 checks was done during the June, July & August period to determine if any were fraudulent. No internal or external problems were found.

■ACCOUNT VISITATIONS AND INSTALLATIONS

No claim reviews were conducted in June, July or August. I attended the CAIP Sub fund meeting on June 20, 2016 and the BACCCEIC/ERIC South sub fund meeting on June 3, 2016 with Supervisor, Ellen Shaw and Claims Examiner, Laurie Lawhon. I attended a sub fund planning meeting on August 18, 2016. Workers' Compensation Supervisor, Connie Rogers attended a meeting with the Jersey City BOE to discuss claims handling procedures on August 10, 2016. Claims Examiner, Mike Weiner attended a meeting at Cape May Technical on July 20, 2016 to discuss ongoing WC claims. I visited the Vineland Board of Education on August 31, 2016 along with Rich Pevner, Summit Risk to discuss E&O claims handling.

■EDUCATION AND TRAINING

On June 14, 2016, I attended the Munich Re Executive Claims Conference in Princeton, New Jersey. Theresa Brewer attended a Munich Re Adjuster Seminar in Madison, Wisconsin from June 22, 2016 through June 24, 2016. At least 10 members of the claims staff attended writing workshops held in the Mount Laurel, NJ training facility on June 14 - 15, 2016.

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■LITIGATION

There are no trial notifications to discuss. There is one litigated matter which will be discussed in executive session.

■MISCELLANEOUS

CLAIMS AUDIT

On July 19 - 20, 2016, our liability reinsurer Munich Re conducted a claims audit. I am pleased to report that the results were very positive and yielded no findings. McLaren, our broker/TPA representing the property reinsurers conducted a claims review on August 23 - 24, 2016 focusing on property reinsurance recoveries and the one Hurricane Sandy claim that is in litigation. Much like we did with the annual claims audit, we maintain a similar approach by being proactive in working with the auditors to be sure there was a clear understanding of our handling, the current status and the plan to resolve each claim.

■WORKERS' COMPENSATION NAVIGATOR

We recently began using the 'Workers' Compensation Navigator' data base for workers compensation claims. Attached please find a report on the results of using WC Navigator thus far. The data base provides the ability for us to more quickly identify both potentially minor and potentially more severe claims based on over 125 data points. The data base identifies claims that may close earlier or could turn out to be long term claims. By highlighting those potentially severe cases sooner than we may have before, using WC Navigator could result in cost savings and allow for more expedient claim resolutions.

Tony Ruggeri

Anthony Ruggeri
Claims Manager

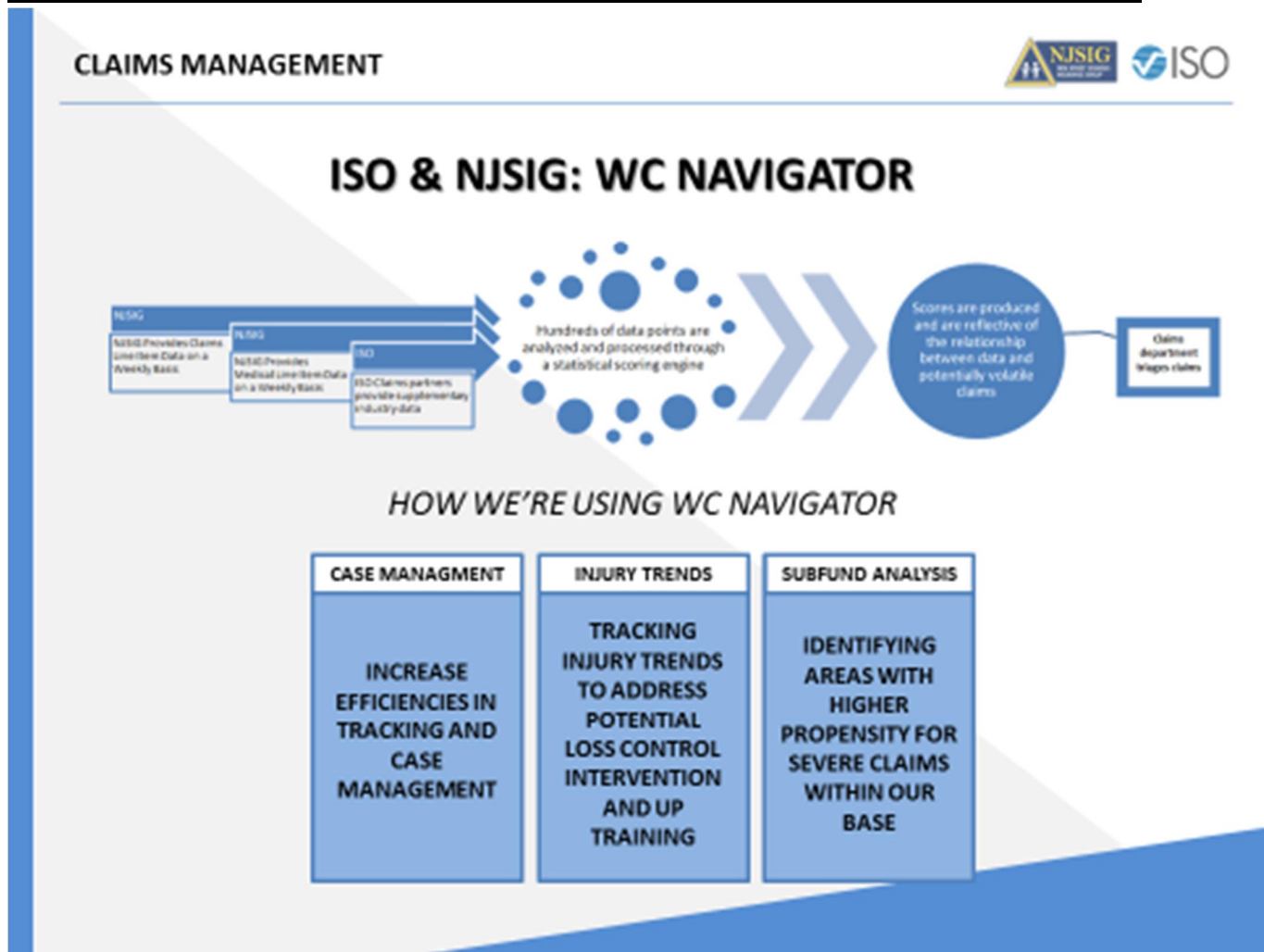


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Workers' compensation claim costs have increased because of more complex medical issues. Anticipating those costs as early as possible enables us the opportunity to control them. Considering increased litigation and medical expenses, the industry is looking for ways to get costs under control and early intervention is key. The WC Navigator provides the ability to close claims earlier thus saving money by highlighting those potentially severe cases sooner than the claims staff would have without this tool. We expect the result may very well allow for more expedient claims resolution.

Revised: 9/7/16

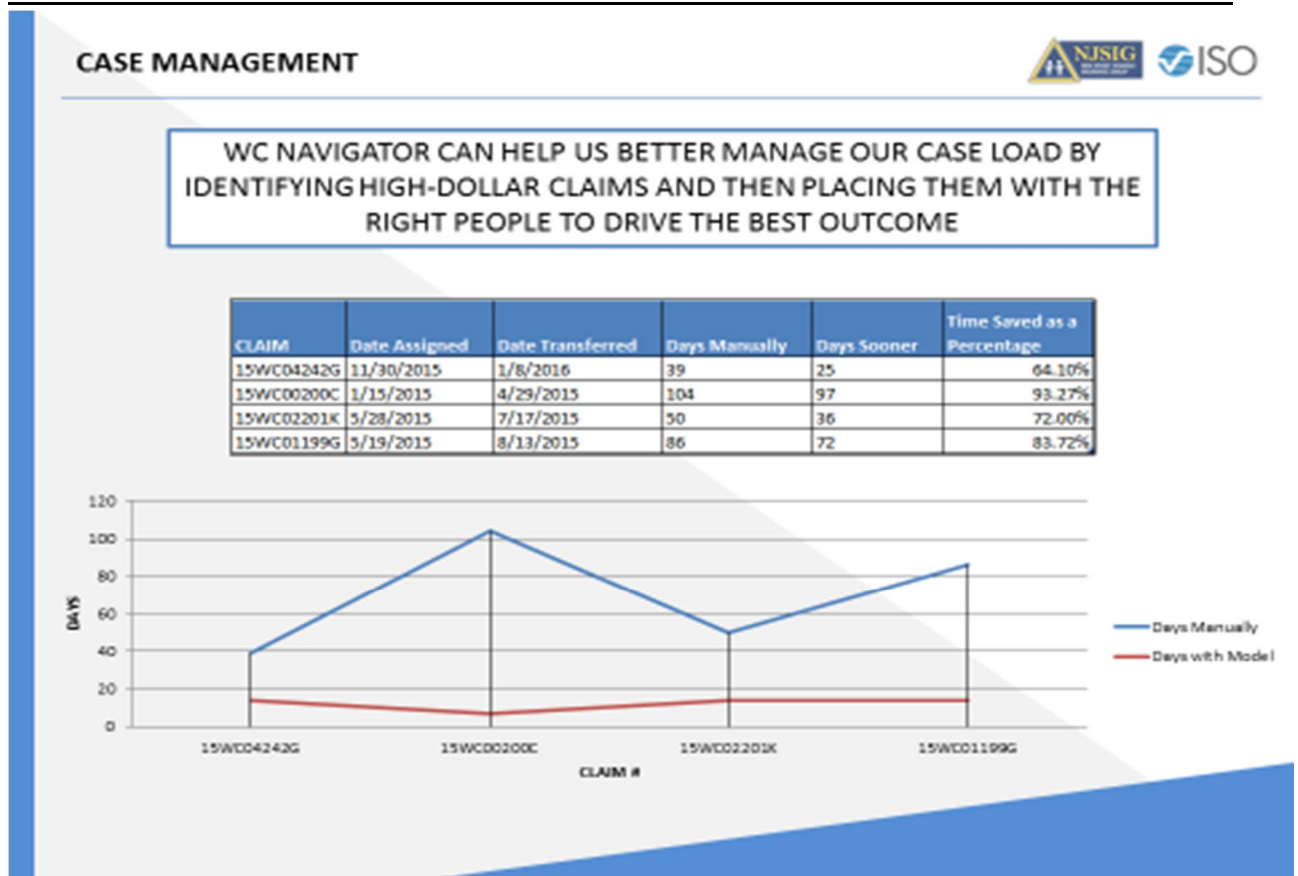


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Based on preliminary analysis, WC Navigator identifies claims for transfer at a higher rate than without using it as illustrated in the graph and chart above. Identifying potentially severe claims as soon as possible is very important. We can then "intervene" in any number of ways to control costs while ensuring that claimants receive proper treatment. The WC Navigator enables us to:

- " Assign the claim to a more experienced adjuster.
- " Increase the level of managerial review.
- " Direct the case to a nurse case manager.
- " Engage a medical professional to help make changes in treatment.
- " Use a team approach to handle the claim.

Revised: 9/7/16

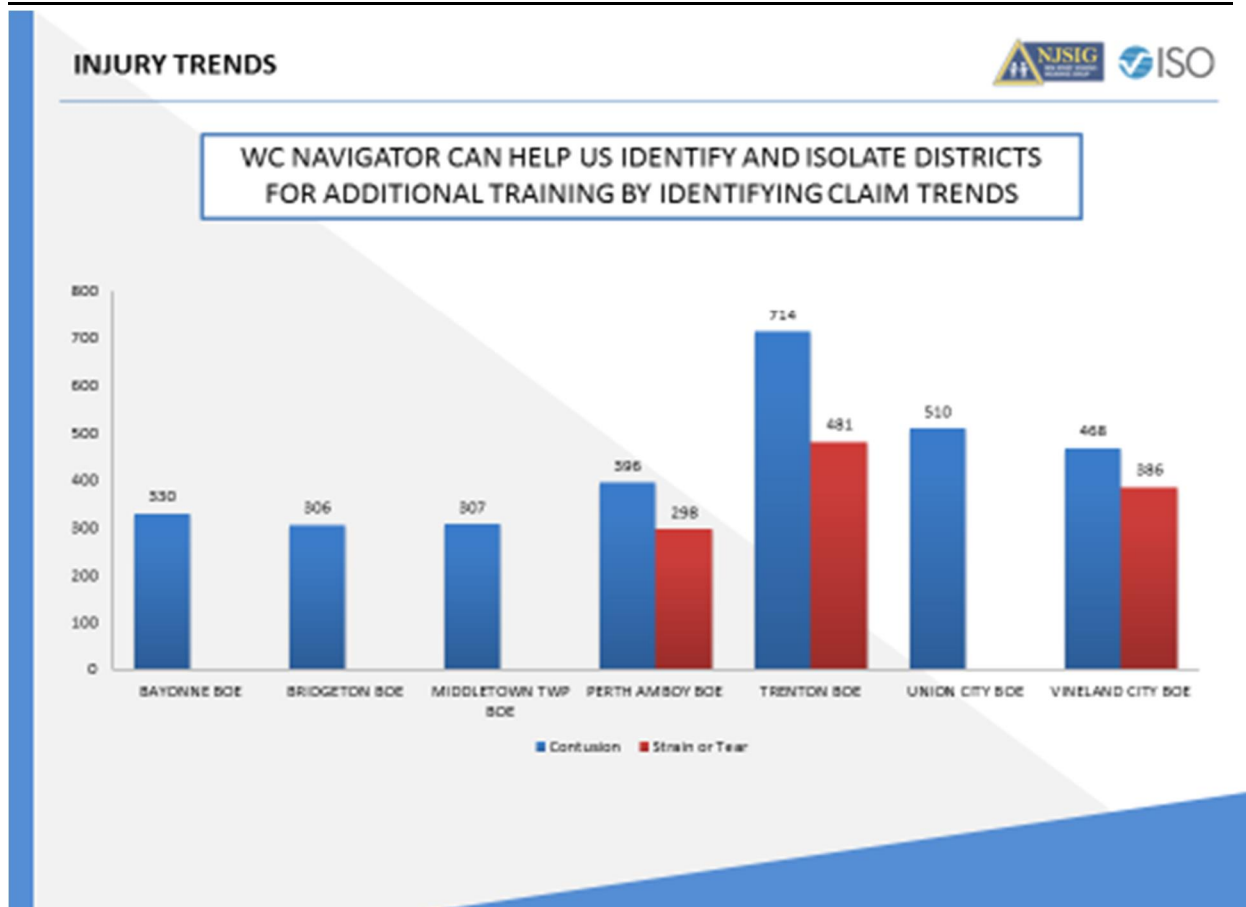


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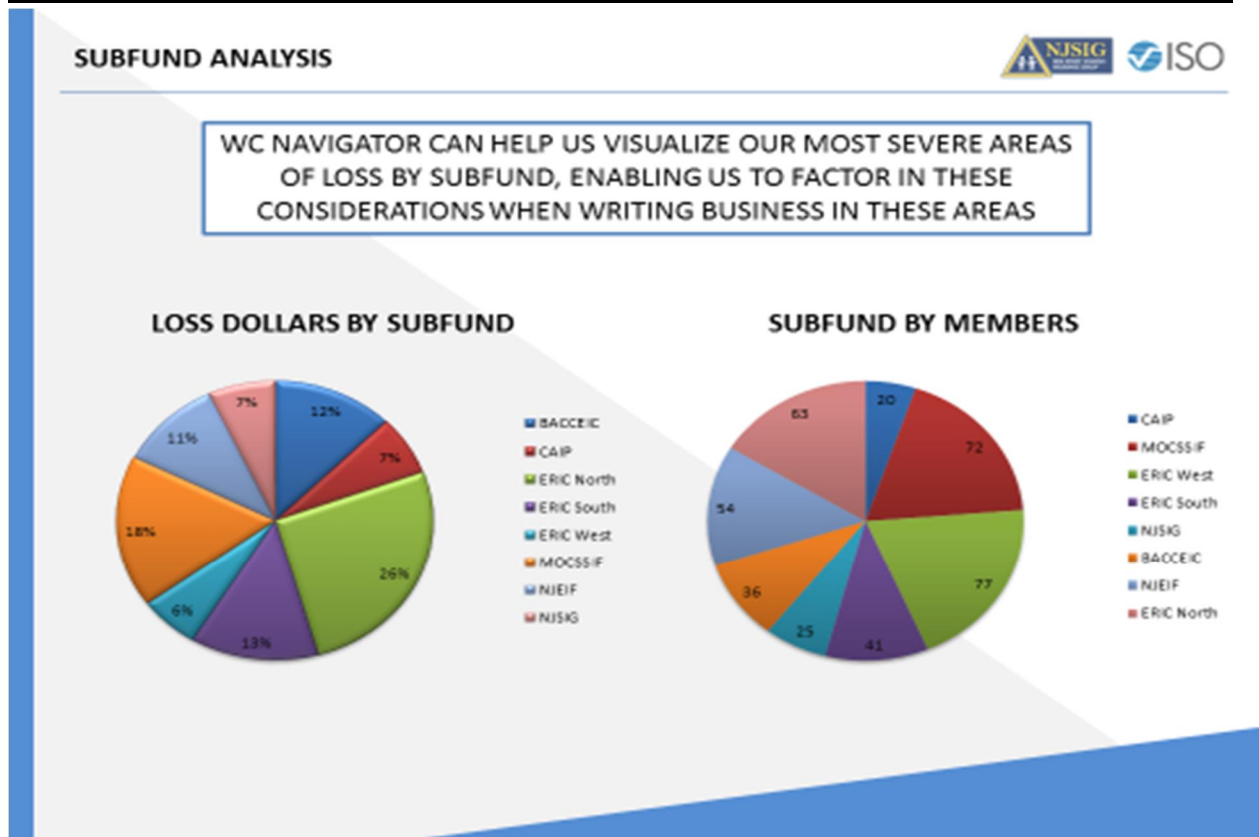
Based on preliminary analysis, we can identify districts that have recurring injury claims. With this insight, we can associate districts with propensity for certain types of injuries and initiate loss control to provide training on prevention of those injuries. The above illustrates those districts and the injury type which repeats most often with claims submitted from those districts. Our most prevalent claims come in the form of contusions and strain/tears. In this sample, the above districts have the highest propensity for this injury type. We can then pinpoint training needs for the district based on loss experience including severity and frequency.



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We can segment our losses by sub fund, thus allowing us to focus attentions on entire demographic regions. Based on the visual above, it shows how MOCSSIF, in this example, is the second largest sub fund in number of members, but from a loss perspective only constitutes for 7% of overall losses. An understanding of these trends and demographics can give us strategic advantages when considering new and renewing business in these areas.