



# SELF INSURANCE GROUP

## WORKERS' COMPENSATION SUPPLEMENT TO THE OSS HANDBOOK

### WELCOME!

This supplement to the OSS Handbook covers useful information for Fresno County Self Insurance Group. For help using the FCSIG website, [www.fcsigweb.org](http://www.fcsigweb.org), use the same directions outlined in the OSS Handbook (pages 4-7) for navigating the OSS website.

### CONTENTS

General Information	-----	2
Establishing a Safe Working Environment	-----	4
Preventative Measures to Avoid Claims	-----	4
Workers' Compensation Process	-----	5
Report of Injuries by Site	-----	5
Injury Follow-Up	-----	5

## GENERAL INFORMATION

### FCSIG Joint Powers Authority (JPA) Organization

The FCSIG Joint Powers Authority (JPA) organization was formed by a group of Central Valley educators in 1982, to reduce the costs of workers' compensation insurance.



### Philosophy

The JPA was designed by its board to provide workers' compensation insurance coverage at the lowest cost. There are no buildings owned by the JPA and no staff employed. Broker, risk management and claims administrator services are contracted out. If necessary, other experts may be retained on a short-term basis to provide assistance. This, along with great experience factors, has kept the rates extremely low.

By providing basic services, the JPA has not encumbered the districts with a great number of requirements, which are part of many larger organizations. The preference has been to have fewer guidelines and requirements, while encouraging membership-wide compliance with those policies.

Unique circumstances are going to exist in each district and it is the philosophy of

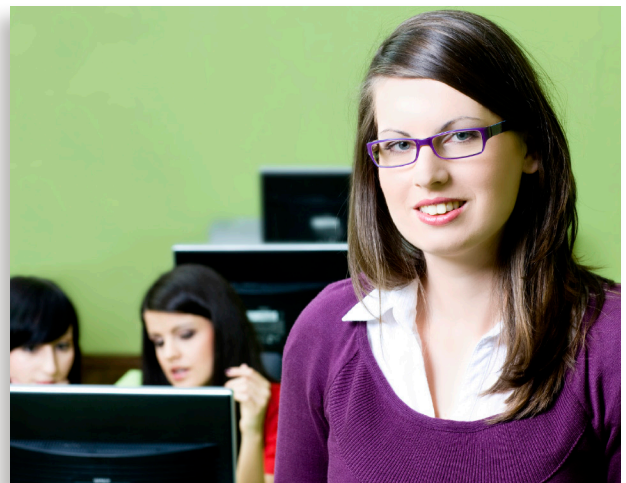
the JPA board to do everything possible to accommodate those needs. The board has wrestled with some difficult issues but ways have been found to accommodate each district's concerns.

### Accreditation

As with educational institutions, accreditation by a recognized accrediting organization has been one way of ensuring standards are established and met. The JPA has received Accreditation with Excellence status by the California Association of Joint Powers Authorities (CAJPA) and the accreditation is reviewed on a regular basis. Only thirty-five out of the hundreds of JPAs in California have received this level of accreditation.

### FCSIG Rate Comparison

Ten (10) California School Workers' Compensation Joint Powers Authorities (JPA) were contacted to solicit information for rate comparison purposes. Through the process it was determined that there are many factors that come into play in determining a final base rate for any JPA. The two major factors are the Confidence Level, usually expressed as a percentage, and the Self Insured Retention (SIR). The



## GENERAL INFORMATION



Confidence Level reflects the probability that the rate will be adequate to address all claims for a determined number of years out of ten years. Example: 70% Confidence Level should be adequate to address all claims seven out of ten years. The SIR is the level of risk assumed by the JPA. The surveyed JPAs have Confidence Levels that ranged from 50% to 99%, and SIRs that ranged from \$350,000 to \$1,000,000 per occurrence. Higher confidence levels and lower SIRs tend to drive rates higher. FCSIG currently funds at a 75% Confidence Level and a \$500,000 SIR resulting in the lowest actuarially determined rate among those contacted.

### Financial Condition

The FCSIG board of directors requires the completion of an independent financial audit annually. FCSIG has contracted with Borchardt, Corona, and Faeth Accountancy Corporation to perform the audits. The latest audit shows net assets (cash) to be in excess of \$8 Million. Because of this large surplus, FCSIG is able to return rebates to the members resulting in a significant reduction to the net cost to the members.

### Insurance Information

California state law requires all employers to provide workers' compensation for employees. This coverage is for employees who are either injured at work, or contract a serious disease in connection with their employment. Coverage is available through commercial insurance options or through self-insurance. FCSIG was formed to insure employees through self insurance for substantially less than the least expensive available commercial insurance company. Through proper funding and good claims experience, FCSIG has been able to keep rates very competitive.

Rates for member contributions to FCSIG are established annually by the actuarial firm of Milliman, Inc. Upon completion of a detailed actuarial study, the base rate is adopted by the board and presented in the form of a rate per \$100 of payroll. Rates for individual members are calculated by the actuary applying either a credit or surcharge to the base rate depending on the member's claim activity.

### Third Party Administrator (TPA) Information

The FCSIG board contracts with a firm that administers the workers' compensation claims. This firm has been a leading provider of claims administration and investigation services. The TPA team acts as an in-house claims department and negotiates and monitors expenses to ensure that service providers supply the most cost effective results.

The TPA keeps the JPA informed regarding the status of claims and endeavors to promptly bring to a close those cases that require aggressive negotiation.

## A SAFE WORKING ENVIRONMENT

### Establishing a Safe Working Environment for Staff and Students

The most important step that can be taken to provide a safe environment and keep premiums low is to establish a “culture of safety.” District leadership can accomplish this by being aware of safety, purposefully discussing safety issues with the staff, modeling safety, and providing the tools necessary for the staff to consider safety in their decision making.

## PREVENTATIVE MEASURES

### Preventive Measures to Avoid Claims

1. Ensure new staff members receive the required safety in-service. The section of the OSS Handbook entitled *Utilizing and Accessing the Training Matrix* will be helpful to bring new hires into compliance with state requirements.
2. Utilization of the online training courses in the OSS Handbook section *Utilizing and Accessing the Online Training Courses Available Through the Web Site* will simplify compliance issues.
3. Establish a system for in-house facility inspections. (See *Facility Safety Audits* in the OSS Handbook.)
4. Ensure that the high priority items identified in the facility safety audits are addressed as soon as possible.

## WORKERS COMPENSATION PROCESS

1. Employees are allowed to predesignate a personal physician. This is accomplished utilizing the *Predesignation of Personal Physician Form*.
2. If an employee is injured, an *Employee's Report of Injury or Illness* must be completed. There may be occasions when an injury such as a muscle injury, is noticed at a later date and the form should be completed as soon as the injury is recognized.
3. The on-duty supervisor then completes the *Supervisors Report of Injury or Illness*.
4. If the injury requires medical attention and the employee has not completed a predesignation form then the injured employee is sent to a practitioner on the Medical Provider Network (MPN) list.
5. A *DWC-1 Workers' Compensation Claim Form* must be provided to the injured employee within one working day of notice or knowledge of an occupational injury or illness. A fine may be imposed by the state if this timeline is not met.
6. *Form 5020 – Employer's Report of Occupational Injury or Illness* must be submitted within five days.
7. FCSIG employs an Early Intervention Nurse, and it is this person's responsibility to coordinate medical aspects of the case.

## REPORTS OF INJURIES BY SITE

Districts are sent a quarterly report that lists injuries by site. This report should be distributed to the work sites in a timely manner so the supervisors can take appropriate action.

## INJURY FOLLOW-UP

Corrective action should be taken for every injury or illness reported to a supervisor on the *Employee's Report of Injury or Illness Form*. An explanation from the supervisor regarding how the employee can avoid the accident in the future is necessary in all cases. Along with that preventative explanation, an on-line safety training course should be assigned to the employee. The on-line training program has many different safety course titles but if there is no course available that addresses the exact circumstances, then the course entitled *Safety Essentials – Existing Employees* may be utilized as a safety refresher. Proof of completion of the course is available at the end of each course.

## FCSIG INFORMATION MANUAL

The entire *FCSIG Information Manual* is available on the website under the date of February 3, 2010. This is a helpful document for detailed information.