



110 William Street  
New York, NY 10038  
P: 800-5-LOVELL  
P: 212-709-8600  
F: 212-269-6210  
[www.lovellsafety.com](http://www.lovellsafety.com)

Dear Employer:

Are you interested in reducing your Workers' Compensation Insurance costs to the lowest possible level while maximizing your company's cash flow savings? Lovell's Safety Groups allow you to do just that, while providing extensive additional services not available under any other plan.

For more than 80 years, Lovell Safety Management Co., LLC has been an industry leader recognized for devising innovative techniques to assist employers in meeting mandated compensation coverage. We are a full-service company, managing 13 industry-wide Safety Groups whose memberships total more than 3000 companies.

As Group Manager, Lovell Safety Management Co. is committed to managing its members' costs. An up-front discount of up to 25% is currently available to Safety Group enrollees. Plus, all members receive cash dividends at the end of the policy year, calculated on the amount remaining after losses, reserves and administrative costs. The lower the losses, the greater the dividend issued to each member.

Our experience, expertise, level of service and industry vision continue to benefit our many loyal customers. We invite you to learn more about the advantages of becoming part of the Lovell Safety Group family by reviewing the contents of this package. Then, if you decide you'd like to compare your current costs with the packages we offer, just complete the enclosed Rating Board or State Insurance Fund Authorization Letter and return it to us. There's no obligation and no complications — only the opportunity to decrease your costs and increase your bottom line.

We at Lovell Safety Management Co., LLC look forward to serving you.

Sincerely,

A handwritten signature in blue ink that reads "Martin R. Vulpis". The signature is fluid and cursive, with a prominent initial "M" and "V".

Martin R. Vulpis  
Executive Vice President

Enclosures



## **SERVICES PROVIDED TO ALL LOVELL SAFETY GROUP MEMBERS**

### **CLAIMS SERVICES**

The Lovell Safety Management Claims Department offers the following services and furnishes the following items:

- Lovell website access for claims procedures and information
- Instruct company personnel on the filing of Workers' Compensation claims
- Supply copies of C-2F forms (Employer's Report of Incident). Lovell will receive completed forms and enter the claims onto the carrier's electronic reporting system.
- Research employees' pre-existing medical conditions
- Investigate questionable claims, or empower carrier to do so
- Negotiate with carrier to reduce inappropriate reserves and retire inactive cases, in order to achieve the highest experience rating credit
- Furnish copies of carrier loss reports as needed and conduct face-to-face reviews of open claims when requested
- Review carrier's reserves of major lost-time cases prior to submission to the New York Compensation Insurance Rating Board
- Assign claims field staff to answer claims questions and train personnel who are responsible for filing the claims
- Make recommendations on the payment of small medical claims, i.e. 1st aid claims and provide guidance on effective procedures

### **EARLY INTERVENTION PROGRAM**

Lovell Safety Management administers a unique program called Early Intervention, which guarantees critical communication among employer, employee and doctor occurs within 24 hours of every lost time reported claim. Upon receipt of an employer's C-2F form, Lovell immediately responds in the following manner:

- A Lovell Nurse Case Manager calls to interview the employer for the purposes of:
  - 1) assembling details on the circumstances of the injury event
  - 2) evaluating work and pay status to determine the level of benefits
  - 3) investigating the feasibility of modified duty assignments
- The Nurse Case Manager establishes contact with the injured worker in order to discuss treatment options and resumption of work activities. This reassures the injured worker that the employer is taking appropriate steps and makes the worker aware that his/her disability is being carefully scrutinized and monitored.
- The Nurse Case Manager obtains details on the diagnosis and recovery prognosis from the treatment provider and relays this information to the employer.
- An adequate treatment plan is authorized and return-to-work plans are formulated.

## **EARLY INTERVENTION PROGRAM**, continued

- A Lovell Safety Management Examiner is assigned to the claim, and coordinates with the State Insurance Fund and the injured worker to ensure that appropriate medical authorizations and benefit payments have been enacted.
- The Examiner ensures the scheduling of medical examinations and the assignment of field investigations.
- When questionable claims arise, the Lovell staff prepares for any necessary hearings, settlement negotiations and challenges to excessive treatment by medical providers.

## **UNDERWRITING SERVICES**

The Lovell Safety Management Underwriting Department provides support to group members on numerous issues, including classification, the handling of billing problems and adjustments to experience ratings. The following is a list of activities performed for all group members:

- Oversee carrier's audits
- Furnish explanation of carrier's billing and payment options available
- Review all deposit premium bills to verify proper manual rates, classification and estimated payrolls
- Analyze company's experience rating data, as published by the New York Compensation Insurance Rating Board and the National Council on Compensation Insurance, Inc., to ensure accuracy
- Notify group member of any Rating Board changes in manual rate, along with new codes
- Issue Certificates of Insurance immediately (with copies faxed upon request)
- Assist clients in filing their New York Construction Classification Premium Adjustment Application with the New York Compensation Insurance Rating Board

## **SAFETY AND HEALTH CONSULTATION SERVICES**

The Lovell Safety Management Safety Department is committed to developing, and assisting its group members in the implementation of effective safety programs that prevent injuries and minimize costs. Each Safety Group member receives:

- Assistance in developing an effective Safety and Health Program
- On-site visits to assess safety and health program effectiveness
- A report of our findings, with applicable recommendations.
- Turnkey written safety and health policies
- Training for company personnel in the identification of safety and health hazards and many other relevant safety and health issues, including our online training programs
- Copies of *Safety Alert*, Lovell's publication for updates and changes in safety policies and standards
- Oversight on compliance with OSHA/PESH regulations, including the OSHA 10-hour training programs
- Free attendance at Safety and Health seminars conducted throughout the state
- ICR 59 compliance consultations



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## **BENEFITS OF PARTICIPATING IN A LOVELL SAFETY MANAGEMENT GROUP**

- When you enroll in a Workers' Compensation Safety Group managed by Lovell Safety Management Co., LLC, you receive a discount of up to 25% off your Adjusted Manual Rate Premium (see enclosed Safety Group Cost Quotations).
- At each year-end, you receive a dividend check based on the premium dollars remaining after losses, reserves and administrative costs have been deducted. This way, you share in the profits.
- The Group's fixed costs are the lowest in the insurance market, including self-insurance.
- Your liability is limited to your own Discounted Group Premium. You are also protected by excess insurance, limiting the expense of any single incident, no matter how many employees are injured.
- The Lovell staff of safety experts is rated one of the largest, most experienced and most knowledgeable in New York State.
- Lovell's innovative Early Intervention Program and case management techniques save you dollars by facilitating the best medical care for injured employees, resulting in early return to work. Additionally, these programs reduce employee abuse and promote system reform.
- We have a demonstrated ability to reduce required reserves, maintain low, fixed management costs and secure assessment deferrals for selected Groups, resulting in your company's power to control Workers' Compensation costs.
- Our Service Teams are trained to use a "hands-on" approach. They regularly visit each client to review case activity and loss reports. They conduct workplace safety inspections and improve safety conditions through training, restructuring of work activities, if necessary, turnkey written programs, and ongoing education with our periodic publication Safety Alert.
- When problems occur, your Lovell Service Team works, on site, to solve them, interacting with home office personnel to guarantee successful resolutions and complete client satisfaction.



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## ILLUSTRATION OF WORKERS' COMPENSATION COST IN A SAFETY GROUP

Estimated SIF Manual Rate Premium Including Differential	\$ 50,000
Assumed Experience Rating 100%	- \$ —
SIF Standard Premium	\$ 50,000
State Insurance Fund Safety Group # _____	
1) SIF Base Premium	\$ 50,000
2) Expense Constant	+ \$ 250
3) Total SIF Base Premium	\$ 50,250
4) 25% Advance Discount of (1)	- \$ 12,500
5) Discounted Group Premium	\$ 37,750
6) Terrorism Premium	+ \$ 59
7) Disaster and Catastrophe Premium	\$ 11
8) Total Terrorism Premium (Terrorism + Disaster)	+ \$ 70
9) Total Terrorism Premium	\$ 37,820
10) NYS Policy Assessment Charges 12.2% of (9-2)	+ \$ 4,584
11) Total Discounted Group Premium W / Assessment	\$ 42,404
Assumed Dividend 25% of (5)	- \$ 9,438
Net Group Premium Including Assessment Charge	= \$ 32,966
Lovell Safety Management Fee 10% of (3)	+ \$ 5,000
<b>Total Net Cost</b>	<b>= \$ 37,966</b>



## **LOVELL SAFETY GROUPS VS SELF-INSURED TRUSTS: Why Pledge Your Assets When You Can Protect Them?**

**Are you thinking about securing your Workers' Comp coverage through a self-insured trust? This may sound like a good idea at first, but what you don't know can literally send you into Chapter Seven.**

You know your market and your industry. Would you place your company's future in the hands of someone with no knowledge or experience in your industry? That's exactly what you're doing when you choose to self-insure. Except you're the one with no knowledge of the market – the insurance market, that is.

### **When you elect to self-insure, you're gambling with strangers and the stakes are very high.**

- Joint and several liability means there is no limitation on your liability.
- You assume the liability of members who declare bankruptcy or fail to pay their losses.
- Reinsurance will cover catastrophic claims but will not protect you from claims below the stoploss.
- Multiple-year contracts prohibit any changes until the expiration of your commitment term.
- Expect to be assessed additional fees for claims and/or continuing expenses.
- Self-insured trusts are not legally required to maintain any surplus to protect members.

### **Compare these risks with the benefits offered by Lovell Safety Groups:**

- Year-end cash dividends and advanced discounts.
- Financial stability through conservative group management.
- Liability limited to your own discounted premium.
- Protection against the cost of any one incident regardless of the number of employees injured.
- Guaranteed fixed costs that are consistently the lowest in the insurance market.
- Comprehensive service package with a proactive early-return-to-work program.

Since 1936 Lovell Safety Management has been protecting the assets—finances and personnel—of company's just like yours. If you work in any of the industries listed below, contact the insurance professionals at Lovell for your free, no-obligation quote.

Building Metal Trades • Cleaners • Construction • Electrical Manufacturers • Hospitals • Launderers and Cleaners • Municipalities • Painters and Decorators • Paper Products Manufacturers • Printers • Retail Lumber • Roofers and Sheet Metal Workers • Truckers, Movers and Warehouse People



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