



Special Trades Contracting and Construction Trust of New York State Exemplifies SIG Approach

With steady membership of more than 900 businesses and a \$2.4 million profit during the last reporting year, the Special Trades Contracting and Construction Trust of New York State has raised the standing of self-insured group (SIG) workers' compensation plans among regulators and the business community.

Judgment by the New York Workers' Compensation Board (WCB) that the trust is "fully funded" is significant to the Special Trades Trust as well as to the entire self-insurance trust industry, said Christopher R. Mason, chief operating officer of the trust's administrator, New York Compensation Managers, Inc. of Syracuse, New York

Mason reported that the number of SIGs meeting regulatory funding standards continues to increase and that group self-insurance will continue to remain a viable, low-cost competitive option for New York State employers over the long term. He noted that funding questions by the WCB often center on differing accounting principles rather than any danger of default. The WCB applies its regulatory accounting standards rather than Generally Accepted Accounting Principles (GAAP) that SIGs apply.

The Special Trades Trust is a \$32 million workers' compensation program for the construction industry established in 1995. Over the most recent four reporting years, the trust has experienced:

- Reduction of total claims by nearly 38 percent.
- Reduction of total claim dollars by more than \$1 million.
- A steadily decreasing experience mod, credited to enhanced proactive safety and loss prevention services and outstanding underwriting.
- A decrease by \$2.5 million of trust contributions over the most recent two-year period, credited to business efficiencies and improved member performance.
- Membership grew from 1,068 to 1,116.
- Reduction by \$2 million from peak excess insurance due to claims reductions and improved financial positions.

Special Trades Trust reported to members that premium savings are due to “The efficiency and expertise of our claims professionals, nurse case managers, safety and loss control experts, and the power of our proprietary Xclaim Software...that saves you money and helps get your injured workers back to work...fast.”

The Special Trades Trust takes a proactive approach that includes aggressive, accurate and effective claims management: “When an accident occurs it’s the goal of NYCM’s claims management team to expedite the recovery process, efficiency and effectively manage the claim to closure and minimize your financial exposure.”

The administrator maintains on-staff nurse case managers with the goal of achieving successful medical outcomes at the least possible cost, with minimal lost time and at the highest level of satisfaction. A critical component is safety and loss control education that promotes an injury and accident-free workplace.

In an ordinarily hazardous industry, this self-insured group workers’ compensation program appears to meet the goals of managing the risks of its members while also serving as a very positive example of the SIG approach. More information is available at www.workerscomp.com.

#