

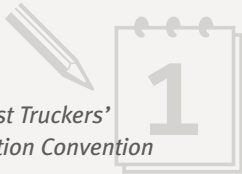
ccmsi matters

VOLUME ONE ■ ISSUE ONE ■ WINTER 2003/2004

Client Spotlight:

Keeping Harrah's Happy.
CCMSI teams with major casino
to create a winning pair.
Details inside!

Mark Your Calendar!



- *Mid-West Truckers' Association Convention*
February 5-7
- *Missouri Chamber Day*
February 18
- *New Hampshire Motor Transport Association Conference*
February 22-25
- *Missouri Association of Insurance Agents, Small Agents Convention*
March 18-19
- *Illinois Movers' & Warehousemen's Association*
March 22-24
- *RIMS Convention, San Diego, CA*
April 18-22
- *Iowa Long-Term Care Convention*
April 28
- *Missouri Association of Insurance Agents, Young Agents Retreat*
June 4-6
- *Missouri Division of Workers' Compensation Seminar*
June 9-10
- *Kentucky Big "I" Conference*
June 17-19



THE MEANING OF THE MATTER.

WELCOME TO THE FIRST EDITION OF CCMSI MATTERS, A SEMIANNUAL PUBLICATION CREATED EXCLUSIVELY FOR THE BENEFIT OF CCMSI CUSTOMERS. FROM SELF-INSURANCE SUCCESS STORIES TO PRACTICAL INFORMATION YOU CAN USE TO IMPROVE RISK MANAGEMENT PROCESSES WITHIN YOUR COMPANY OR ASSOCIATION, OUR NEWEST PUBLICATION EXISTS EXCLUSIVELY TO SERVE YOU WITH INFORMATION THAT BENEFITS YOUR BUSINESS.

In fact, our new publication is called CCMSI Matters because we're determined to focus on what "matters" most to your employees' well-being and your company's bottom line. After all, that's the only reason we exist. Since 1978, we've become one of the fastest-growing risk management companies in the country for two simple reasons—because we see the world from your perspective, and we work from that vantage point to deliver customized, cost-effective solutions that give your company an edge.

But there's another meaning behind our newsletter name. Through this semiannual publication, we're committed to covering a wide range of "matters." Pending legislation. Changing regulations. Specific developments that affect benefits within your industry. If it's in the news or on the horizon, we'll cover it here, arming you with the practical information you need to make informed decisions. ■



Is Self-Insurance Right for You?

By Angela M. Blakeney, Senior Account Executive, CCMSI

SELF-INSURANCE FOR WORKERS' COMPENSATION IS AN IMPORTANT COMPONENT OF THE INSURANCE INDUSTRY. TODAY, 45 PERCENT OF THE INSURANCE MARKET PLACE IS CURRENTLY SELF-INSURED (UP FROM 30 PERCENT JUST THREE YEARS AGO). NOW MORE THAN EVER, AGENTS WANT TO KNOW MORE ABOUT SELF-INSURANCE, AND WHETHER OR NOT IT'S A VIABLE OPTION FOR THEIR CLIENTS.

Self-insurance is a means for their client to gain control of the costs associated with workers' compensation. Understanding self-insurance will allow companies to determine if self-insurance is the most effective alternative for their situation.

Self-insurance is a protected assumption of risk that enables the employer to have control and stabilize costs over time. In simple terms, self-insured employers pay the cost of each worker's compensation claim as they are incurred instead of paying a fixed insurance premium to a carrier. Most of these companies purchase excess insurance to cover losses that exceed a specified amount. In most cases, the level of losses a company retains is based upon the amount of the losses the company could pay without affecting its financial stability.

There are many advantages gained through a self-insurance plan. The first one is the overall financial savings. Companies with favorable loss experience will immediately reap the benefits of these savings, which—along with any investment income—will go

directly to the company's bottom line. Because of the structure of a self-insured program, companies also have a very strong incentive to control their losses. This commitment not only leads to overall loss reductions but also a reduction in turnover rates and improvements in employee morale.

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Cash flow is another huge advantage. Most traditional insurance companies require premium payments up front, enabling them to benefit from the investment income generated. Companies that are self-insured may be required to provide a minimum pre-funding balance and then fund the account as the claims are paid, which could be over several years.

Last, but not least, self-insurance may also help companies reduce certain insurance expenses, such as premium taxes, rating bureau fees and the overhead costs of commercial companies.

Although there are many great benefits, self-insurance isn't for everyone. Like everything else, there are also disadvantages. Because a company is paying for the majority of the losses out of their pocket, uncontrolled losses can result in increased costs for the insured. This can make it challenging for a company to budget properly.

There are also increased administrative costs associated with self-insurance. Some companies choose to add additional staff members to administer the program, and ongoing financial statements are required by the state at regular intervals. Self-insurance is a long-term commitment, and the responsibilities will continue until all of the claims are paid.

With all of this said, self-insurance has proven to be a valuable tool in the area of risk management and many companies have saved a considerable amount by managing these programs effectively. ■

KEEPING HARRAH'S HAPPY!

Harrah's Entertainment Inc. is more than a casino. With 26 properties in 13 states, it's a gambling empire—uniting Rio, Players, Harveys, Horseshoe and other famous brands under one glittering canopy.



Founded 60 years ago, Harrah's has gradually evolved into a gambling powerhouse, largely through a flurry of acquisitions in the 1990s. But along with that expansion came the daunting task of consolidating risk management procedures across the board.

When CCMSI first became involved with Harrah's they had no less than five third-party administrators (TPA) and established business units that were used to a very autonomous business structure. John Matthews, Corporate Director, Risk Management Division at Harrah's, remembers the headaches that came from an inefficient claims management system.

"The problem you have with that is the time lag between the end of the month, when—say you want to run a report—until you actually get that data converted and into that database." According to Matthews, the entire process required a minimum of 30 days. This and other critical management factors inspired Harrah's to shop for one risk management partner who could effectively consolidate and streamline their risk management operations. In 2000, Harrah's assigned that task to CCMSI, based on two key factors according to Matthews. "We saw with CCMSI, not only the quality we needed, but also the flexibility we needed to get things done."

The information gap that once plagued the corporate director of one of the country's largest organizations has now been replaced by instant access to the latest numbers via the Internet. And Matthews is thrilled with the results. "I know what happened through today," he continues, expressing his appreciation for the added relevance online reporting has brought to daily operations. "The electronic submission of claims is much more efficient... When you run a report, it's going to be much more up-to-date and, therefore, [have a] much higher level of integrity."

Matthews cites claims management quality and credibility as the key factors that have solidified Harrah's relationship with CCMSI from the start. Over the past four years, Harrah's has undergone radical expansion, including a workforce that has nearly doubled from approximately 25,000 to 48,000. But through it all, one man has been able to relax, knowing that the system is in place to meet his changing needs. "It just makes our lives so much easier," Matthews explains, referring to all of the key people involved in Harrah's complex claims management issues, from internal staffers to the company's external auditing partner. "Everybody's happy. And if they're happy, I'm ecstatic." ■

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*—John Matthews, Corporate Director,
Risk Management Division at Harrah's*



CCMSI LAUNCHES NEW WEBSITE.

www.ccmsi.com

SEPTEMBER 17TH MARKED THE OFFICIAL LAUNCH OF THE NEW CCMSI WEBSITE—restyled, retooled and redesigned to deliver what matters most to you. Need to access the latest generation of claims analysis software? Just click the iCE logo directly from the homepage. Want to learn how we tailor our services to meet your specific industry needs? Just look for your business in our convenient pulldown menu. Whether you need the address of your nearest CCMSI office or the scoop on our full range of risk management services, www.ccmsi.com is the one-stop shop with everything you need to give your company the edge.

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