



Broker Information 2017

Dear Valued Business Partner,

I am very pleased to present you with PERMA's 2017 Broker Packet. This packet is designed to give you an overview of the PERMA program and its accomplishments. We hope that it will help you when presenting PERMA as a solution for workers' compensation coverage and risk management services to your clients.

The benefits of PERMA membership are vast and the program has a deep roster of insurance professionals to serve our membership and their brokers. The packet also includes details on member contribution and our commission structure.

Thank you in advance for your support of PERMA. Please feel free to contact me or any of our service professionals should you have any questions.

Sincerely,

Jeff Van Dyk
Executive Director

Questions?

Claims

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Commission

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Introduction to PERMA

History The Public Employer Risk Management Association, Inc. (PERMA) is New York's largest self-insured provider of workers' compensation for public entities. It insures more than 50,000 public employees in every region outside of New York City.

Founded in 1982, PERMA has been administered by its current management company since 1989. This level of stability allows PERMA to be at the forefront of workers' compensation administration.

PERMA introduced its signature product, PERMA*Care* in 1992. Its goal: aggressive treatment and a return to work. One year after PERMA*Care* debuted, membership jumped 35 percent. PERMA then turned its attention to workplace safety, forming the Safety Advisory Committee (now Safety Council) and holding its first members conference in 1995. By 2000, membership had grown to over 200 members.

PERMA now has 525 member municipalities with more than \$55 million in contributions and more than \$153 million in assets. It has been recognized 16 consecutive years with a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

Services PERMA's prowess in claims administration has been proven time and again through the testimonials of claimants and employers, as well as independent audits. The last audit, conducted in 2015, rated PERMA claims service SUPERIOR, with an overall score of 98%.

The claims team is as committed to the fundamentals established by PERMA*Care* 25 years ago, as the risk management team is to PERMA's workplace safety core values.

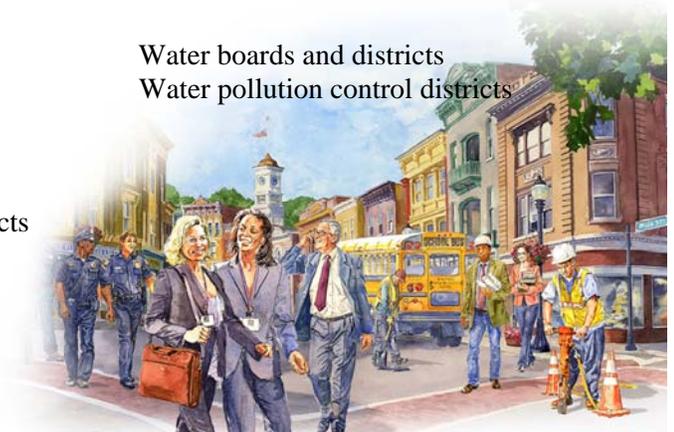
Offering online, onsite, regional, and statewide trainings, PERMA can meet whatever safety need a member has. And with the recent addition of data analytics, PERMA can tailor risk management offerings both to individual members, and on a pool-wide basis. Recent statewide programs informed by data analytics include crossing guard training development and police equipment pilots.

Eligible Members New York State municipal organizations that wish to join PERMA must have taxing authority and a unique (not shared) Federal Employer Identification Number. These stipulations exclude certain municipal types from membership, including ambulance companies, housing authorities, and community colleges. However, the vast majority of municipalities are eligible for PERMA membership. PERMA's membership currently includes:

Bridge authorities
Cities
Counties
Development authorities
Fire districts
Libraries
Park districts

Parking districts
Port districts
Sanitation districts
Schools
Towns
Urban renewal districts
Villages

Water boards and districts
Water pollution control districts





PERMA Claims Administration

PERMA has built its reputation on its steadfast care of injured workers, its communication with employers, and its holistic view of the workers' compensation industry. To maintain this reputation, PERMA's administrator hires only the most experienced and credentialed claims professionals to serve PERMA members.

The claims team consists of approximately 30 professionals, most arranged into four teams that include a:

- Claims manager
- Patient advocate – registered nurse
- Claims specialist – handles losses with heavy exposure. Ex.: police and disability retirement claims
- Senior case analyst – handles losses with potential for long-term disability
- Case analyst II – handles losses with closed periods of lost time and potential scheduled losses of use
- Case analyst I – handles medical only losses

Depending on responsibility level, case load targets are set to 115-145 lost time cases per case analyst, which is lower than the industry average. These targets allow analysts to spend more time in-depth on each claim.

PERMA's claims structure was praised when the team and its processes were audited in 2015 by the public entity consulting firm of Bickmore. By assigning claims to the case analyst best equipped for the specific loss, as well as using patient advocates on lost time claims from the beginning of the claim, PERMA reaches optimal outcomes and mitigates claims costs.

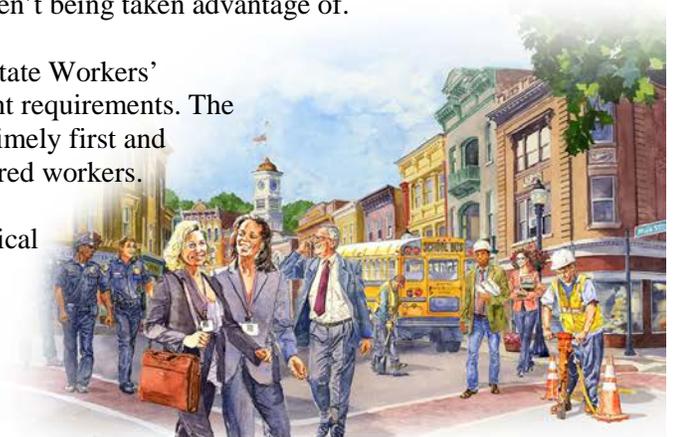
Well trained and well qualified professionals fill the ranks of the claims team, and they are very experienced as well, with an average tenure of 14 years. All claims supervisors and case analysts are licensed by New York State, and their educational backgrounds reflect the various skills required in municipal workers' compensation claims adjusting, with multiple degrees earned in criminal justice, human resources, psychology, public policy and sociology. Several team members hold valued designations, including Associate in Claims (AIC), Senior Claim Law Associate (SCLA), Workers' Compensation Claim Law Associate (WCLA), and Workers' Compensation Professional (WCP).

In addition, all of the nurses working with PERMA are certified case managers and have an average of over 20 years of experience.

But claims adjusting isn't all about the claimant, and the PERMA team is sensitive to employer needs as well. PERMA's encouragement of return-to-work and wellness programs benefits the member employers by getting employees back on the job and healthy. PERMA is also committed to fraud detection, never hesitant to employ surveillance and other methods, to ensure members aren't being taken advantage of.

PERMA has also gone beyond compliance with the New York State Workers' Compensation Board's (WCB) new timely reporting and payment requirements. The claims staff has exceeded all the WCB's performance goals for timely first and secondary reporting of injuries, and timely first payments to injured workers.

More information on the PERMA claims program, and biographical information on the team, is available upon request.





PERMA Member Contributions and Broker Commissions

PERMA bills members directly for annual contributions and audit reconciliation billings. PERMA does not utilize agency billing because members are not required to go through brokers to obtain PERMA coverage. PERMA offers members a range of payment options, including:

- Annual billing
- Quarterly billing for members whose contribution, excluding New York State Workers' Compensation Board (WCB) assessments, is \$50,000 or more
- Members whose contribution is \$100,000 or more, excluding WCB assessments, are eligible for payments of 25% down and then 10 equal payments to follow

Payments are due on the 15th of the month, and for members billed annually, there is a 2% discount on contribution, excluding assessments, for paying in full before the 15th of the month. This discount does affect broker payments, as commissions are based on the amount paid by the member, not by the amount billed.

With payments due on the 15th, commission payments are generally made the third week of the month, and the member must have made a payment by the 15th in order for commission to be paid in that month.

PERMA's commission schedule is generous:

- 5% paid on new business (all commissions exclude payments made toward WCB assessments)
- 3% paid on individual renewals with a contribution under \$250,000
- 5% paid on individual renewals with a contribution \$250,000 or more
- 5% paid on all accounts if agency book of business is \$1,000,000 or more

Effective April 1, 2017, PERMA will have moved to an automated clearing house (ACH) system for all broker transactions, and from that date forth, all broker commissions will be paid electronically. The setup is simple. All that is required is a complete electronic fund transfer (EFT) form, and updated W-9, and either a voided check or a letter from the agency's financial institution. Once the information is received, a test transaction will occur to ensure the system is operating properly.

Any questions about PERMA's ACH payment system can be direct to billing@neami.com.





PERMA Member Services

If PERMA's reputation is built on its claim service, then it is burnished by its services offered to members, including an easy-to-navigate website, risk management services, and dozens of yearly events.

Website Redesigned in 2016, *PERMA.org* provides a simple way to file first reports of injury. PERMA requests that all claims be reported in 24 hours, not only to speed treatment and benefits for injured workers, or to comply with State filing requirements, but also because PERMA data analysis has found that it costs \$200 every day a claim is delayed in filing.

PERMA.org also has multiple risk management features, with the PERMA Safety Institute (PSI) prime among them. PSI offers over 50 online safety courses, many of which fulfill OSHA/PESH training requirements. For larger municipalities, a designated administrator can be given expanded access to PSI to assign courses to staff and view reports. For anything PSI doesn't cover, there is the PERMA DVD Library. With a curated collection of over 150 titles, the library has what members need for staff meetings, toolbox talks, and safety committee education.

And *PERMA.org* keeps members and brokers up-to-date with quarterly newsletters and press releases posted on the News page, and in-depth event information is available in the Calendar.

Risk Services PERMA offers a risk management program that utilizes data analysis, in-house specialists, and partner vendors to address every aspect of risk and workplace safety.

Partner vendors tackle many specialties, including machinery, workplace violence, and process auditing, while PERMA in-house specialists provide the basics, like physical hazard audits, ergonomic training, and assistance complying with OSHA/PESH requirements. But two specialists address the particular risks in public safety and public works, and are dedicated to developing programs that protect these employees. Programs already developed include the first New York state crossing guard training and ergonomic equipment pilots.

And all of the above is guided by the work of PERMA data analytics. Reviewing data at an individual member and pool-wide level, the analytics team creates risk profiles for members, providing a path to fewer losses through targeted application of risk services. And it also allows PERMA to provide programs and services to the highest risk groups, like police and DPW.

Events PERMA puts on two annual conferences, which are free to attend for members. The spring conference coincides with the PERMA annual member meeting, and provides two packed days of education and entertainment. The fall conference has a more educational focus. The most popular sessions at each conference are reprised at four to six regional meetings spread around the state.

Pool-wide risk management trainings are held throughout the year, both at the PERMA office in Latham and around the state. 2016 trainings covered annual PESH requirements, PTSD awareness, snowplow safety, and safety coordinator training for those tasked with heading their organization's safety program.

