

Hard-Hitting Discussions on Soft Market

By Christina Bramlet

Employees who mistake lower workers' compensation premiums with cost reductions should think again, according to Dino A. Fabrizio, the president of Lighthouse Programs, LLC. A soft workers' compensation market has many implications. But despite the challenges, opportunities exist as well. A panel of experts will assemble at the first session of the Employee Leasing: Professional Employer Organization (PEO) breakout to offer their insights. The "State of the Market" presentation will be structured as an interactive question-and-answer platform, which will take place today from 9:00 a.m. until 10:45 a.m. in Grand Ballroom 7B. Fabrizio will moderate the entire program, which consists of four informative presentations.

Paul R. Hughes, CEO of Risk

Transfer Holdings, Inc., will kick things off by moderating the state of the market session. Panelists include Daniel A. Cacchione, vice president and chief underwriting officer at SUA Insurance Company; JoAnn L. Koster, executive vice president at RMG Specialty Risk AIG; and Jennifer Tomilin, senior vice president at Zurich North America. They will offer information about factors that can distinguish a company from others in handling PEOs; discuss how softening markets have impacted organizations; project if the soft cycle is expected to continue; and share views about whether rate reductions have had significant effects on modifiers and pricing.

Also on the agenda will be states that pose challenges in terms of workers' compensation. "Michigan and South Carolina are tricky," said Fabrizio. "Michigan has had some awkward rulings for employment taxes, the result of which are PEOs

operating multiple companies within one PEO to avoid reaching caps that would trigger higher taxes."

Following that, the "Mystery Mutual" session will take place from 10:55 a.m. until 11:45 a.m. Led by Attorney Lynn E. Szymoniak, this track will alert attendees to unusual insurance products that may turn out to be bogus. It will cover methods for navigating the alternative market while detailing case histories and schemes for which to be leery.

"Beware of startup companies," warned Fabrizio. "Szymoniak will teach attendees to be mindful of certain points. Although these illegal insurance products and carriers are not terribly prevalent — there is perhaps a five percent incidence — there have been honest business men and women who have gotten caught up in it."

After lunch, attendees can tune in to the "Top 10 Most Abused Workers' Compensation Codes" and then "Legislative Update - What's Hot... What's Not," which will begin at 1:00 p.m. and 2:00 p.m., respectively.

The 10 most abused workers' compensation classifications (see related article below) will be shared from a stand-point encompassing underwriting, claims, and auditing. Panelists Pattie Howell, director of workers' compensation/risk management, Gevity HR; Ted Werckman, director of underwriting, Lighthouse Program, LLC; and Greg D'Ambrosio, ARM, AU, director of risk manage-

ment and operations, Modern Business Associates will join forces to explain the rules behind the Scopes Manual and much more.

When asked to comment about the sessions, Fabrizio explicitly mentioned the legislative update presentation, as it will address initiatives and trends on both the state and national levels. Milan P. Yager, president of National Association of Professional Employer Organizations (NAPEO) and Abram Finkelstein, president, StaffLink Outsourcing, Inc., as well as president of the Florida Association of Professional Employer Organizations (FAPEO), will delve into managed care provider and client base policy emergence.

"We'll provide an update on MCPs in Florida and the impact of rate reduction upon experience modification rates," said Finkelstein. "There are some hurdles to be faced. At this point, the biggest challenge seems to be defining when an employee becomes the employee of a PEO. We'd really like to solidify that, which dovetails with some of the issues that the insurance industry has about when a PEO is responsible for an employee and when it's not."

A full house is expected, as last year's session drew close to 150 people. "In terms of session attendance, the last two years have been wonderful," said Fabrizio. "It was standing room-only." Needless to say, attendees should plan to arrive early. ☰