BRYSON FINANCIAL

Risk Strategy for Private Equity Firms

CASE STUDY

Solar Company Faced High Worker's Comp Rates & Large Ex-Mod Increase

Bryson Financial Established a Strategic PEO Relationship to Solve a Worsening Situation

Client:

- Residential solar sales and installation
- 145 EE - $6,000,000 annual payroll - $700,000 annual work comp premiums
- Southern and Northern California

Scenario: The client was dealing with high workers' compensation rates due to industry (roofing) and a large experience modification rate increase.

Discovery: Insured was recently placed into a loss sensitive program that locked in their high experience mod and base rates for multiple years. Future EMR forecasts showed a declining EMR and the soft CA work comp marketplace showed lower future base rates. Claims history was found to be good although their EMR reflected otherwise and the client's loss controls were above average. With that said, the standard carrier marketplace was limited due to the insured's industry risk potential.

Goal: Alongside limited standard carrier marketing, Bryson would look to the PEO marketplace for additional options. Potential flat to 20% savings were expected in year one with additional savings coming in year two.

Outcome: Bryson collected and presented detailed claims and operational data (including additional OSHA loss controls outsourced by Bryson) to both the standard carrier and PEO marketplace. One standard carrier option and two PEO options were brought to the table.

Savings through standard carrier equaled 25% with a 15% down payment. PEO savings ranged from 34% (guaranteed cost) to 40% (per claim deductible). The guaranteed cost PEO option was selected. This option included a first year only down payment (equal to 5%) and provided additional savings through the included payroll services. The work comp program is written on AIG paper.