



## **Alabama Trucking Industry Finds Smooth Roads with Workers' Compensation Self-Insured Group (SIG) Fund**

The Trustees and Officers of the Alabama Trucking Association (ATA) Workers' Compensation Self-Insured Fund knew the program was working well when members commented they no longer needed to be concerned over the quality of care provided to their injured workers.

"As the Fund hit its stride members quit worrying about their claims," says CEO/Administrator Kimble Coaker. "They could focus on running their companies and be confident that we were benefiting their employees."

But before that could happen member companies needed to adopt a whole new mindset about workers' compensation, according to Chairman Bruce MacDonald, President of Carrier Transicold South, a southeast regional corporation headquartered in Birmingham, Alabama.

"We had to teach members that an injury isn't treated just as an 'insurance problem' that gets passed on to someone else because that's how comp costs get driven up," MacDonald says. "The key is ownership of employee injuries before they occur with safety programs; immediately as they occur with prompt reporting, and after they occur with proper treatment and rehabilitation."

"Those are the principles that drive the program and make things better for the employees and better for the companies," MacDonald adds.

The Fund's numbers testify to the success of that approach. Coaker says: "Our Fund was developed by Trucking Industry companies to pursue affordable coverage and help their employees recover from injuries with the best possible treatment and personal care. Our success is measured by reduced workers' compensation coverage costs that have been cut in half since we started in 1993, and by the profits returned to members as dividends."

A total of \$33,534,592 in surplus has been refunded to members and another \$18,696,489 is currently held in reserve for future refunds. Fund membership is comprised of more than 360 companies representing all classifications of trucking, as well as supplier companies.

But no one could foretell such a workers' compensation success story in the early 90's as traditional workers' compensation insurance rates began to skyrocket. The Alabama Trucking Association Board of Directors began looking at other options including several self-insured workers' compensation group funds that other trade associations had formed.

Due to the significant push to find affordable coverage, the State responded to the rush to form SIGs with a moratorium on such groups until the enabling laws could be reviewed and updated to more effectively regulate them. Alabama industries shared a regulatory environment that was common to many states during that period when SIGs offered an alternative to paying exorbitant workers' compensation insurance premiums. The regulatory authorities didn't make Alabamans wait too long, passing revised rules and regulations in 1992. ATA was among a wave of more than a dozen subsequent SIG submissions and its workers' compensation fund was approved and operational on January 1, 1993.

The Fund has steadily experienced lower rates through management techniques that include a comprehensive loss prevention program which focuses on loss control and safety training in an inherently unsafe industry. Trucking industry classifications comprise three out of the top five most hazardous occupations according to OSHA, with the other two being health care facilities/nursing homes and the construction industry.

A staff of four safety experts headed by licensed safety professional Rick Hunter continually provide safety inspections and training among ATA members. "Rick can tailor educational material and meetings to fit most any needs," Coaker says. "For instance, if the company has forklift drivers or needs a defensive driving program, he can produce written safety guidelines for them and help implement a comprehensive program. He's qualified to handle most industry hazards and environmental related exposures based on his 25 plus years of handling occupational safety and health related issues."

ATA's third-party claims administrator, AVIZENT, maintains a staff of seven experienced claims adjustors that work exclusively on ATA claims, Coaker points out. "Their professionalism and efficiency is one reason our members don't have to worry about their claims," he says.

The Fund relies on light duty assignments to help injured workers recover faster and return to full duty more quickly, despite historic resistance among many industries. "There are opportunities for recovering workers to assist in and around the administrative and maintenance facilities of our members," Coaker says. "That helps them in many situations learn more about the company, and to be more valuable field representatives on behalf of the company when they get back to their normal job responsibilities."

"The benefits far outweigh any negatives about light duty," Chairman MacDonald says. "Sometimes light duty is the only way to keep from losing a good employee. That's an investment any company should want to make."

Every aspect of the Fund's operation improves through involvement by its members, MacDonald adds. "Peer reviews and peer pressure comprise one of the strongest influences on our member companies and help us focus on improving our industry to solve problems."