

SIZEMORE, INC.

CASE STUDY

Re-focusing Risk Management Improves Bottom Line

Located in Augusta, Ga., Sizemore, Inc. has been an industry leader in total contract services since 1955, serving clients through three divisions – security, staffing and janitorial services. Their geographical service area is the southeastern United States.

The company's general liability insurance provides a layer of protection where there are possible losses due to accidents, crimes and other performance issues involving its staff. Limiting these incidents and losses are important not just to the company's reputation, but also to the overall cost of insurance and the company's bottom line.

When Sizemore Senior Vice President and Director of Corporate Security Robert Cadarr took over the company's risk management responsibilities in 1996, he knew the company had an excellent reputation for providing quality services but recognized that risk management responsibilities were spread out among several senior managers. He set out to centralize these activities and improve the company's loss history, claims management and safety record.

To help in these efforts, Cadarr brought on INVISION, a full-service risk management company and third party administrator (TPA) providing claims, data and risk services to insurers, self-insureds and intermediaries throughout the world. INVISION reviewed Sizemore's overall risk management practices, including Sizemore's claims history, reporting and safety procedures, and contractual agreements.

IMPROVING PROCEDURES

INVISION evaluated the service agreements that Sizemore had with its clients and determined that Sizemore was assuming too much of the risk in relation to its clients. The professionals at INVISION helped Sizemore rewrite these agreements so the risk was more fairly distributed, thereby reducing the company's liability and potential for losses.

"Rewriting our service agreements was just one way that INVISION was very proactive in addressing our risk management practices," Cadarr said. "They showed us where to focus our attention from a risk management standpoint, where we had risk, and they taught us to be very proactive in reducing those risks."

INVISION also analyzed Sizemore's hiring and training practices, including the background screening Sizemore conducted internally on all job applicants. INVISION recommended that Sizemore expand the scope of its background screening for new applicants, such as multi-state searches, and use external resources to perform these services.

"From our vantage point, it's crucial for quality companies like Sizemore to analyze the professional standards of their employees at a very high level," said Steve Buckley, President of INVISION. "We suggested they use external resources to do more thorough background screenings as part of their hiring process and also review the level of training. This not only reduces the frequency of on-site accidents, criminal activities and performance-related claims, but improves the overall return on investment for each employee."

To improve safety, INVISION brought in a safety consultant who visited Sizemore, reviewed how the company handled safety issues and made a report about how they can do it better. Sizemore also was encouraged to visit client sites and carefully evaluate the risks. For example, INVISION recommended that Sizemore review standards related to automated external defibrillators (AED) and their placement at client sites, ensuring that they were being used with proper standards and instructions.



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COMPANY OVERVIEW

INVISION (www.invisionus.com) is a full-service risk management company and third party administrator (TPA) providing claims, data, and risk management services to insurers, self-insureds and intermediaries throughout the world.

CHALLENGE

Senior Vice President and Director of Corporate Security for Sizemore, Inc. recognized that responsibilities for risk management were spread out among several senior managers and needed to centralize these activities to improve the company's loss history, claims management and safety record.

SOLUTION

Sizemore brought on INVISION, whose professionals helped them rewrite their service agreements so that the risk was more fairly distributed, thereby reducing the company's liability and potential for losses. INVISION also analyzed Sizemore's hiring and training practices, brought in a safety consultant and implemented a more proactive approach to claims management.

BENEFITS

By taking a proactive approach to risk management and safety procedures and providing prompt claims evaluations, INVISION became a true partner to Sizemore. Sizemore not only realized direct savings from this partnership, but an improved loss history has enabled the company to move to a large deductible insurance policy with lower premiums.

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CASE STUDY (CONT.)

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HOLDING DOWN CLAIM COSTS

To improve Sizemore's claims management process, INVISION also focused on being more proactive – making same-day contacts when incidents occur, conducting exhaustive investigations, and providing prompt claims evaluations and team handling by experienced staff members.

When injuries, accidents or other incidents are reported at a client site, INVISION works quickly to investigate the incident and determine if Sizemore has any exposure. INVISION offers investigation services and works with attorneys across the country to evaluate incidents and resolve claims in the most beneficial way to Sizemore.

For example, a forklift operator backed into the support pole of a century-old building and a portion of the roof collapsed. Since the operator was provided by Sizemore, the client wanted Sizemore to pay \$100,000 for a new roof. INVISION stepped in quickly, selected a local attorney and was able to prove that the client had direct supervisors on site who were responsible. Sizemore was not liable.

"INVISION gives me a sense of security," Cadarr said. "I know that when I file the first report, there will be a qualified claims adjuster to review it and ask for anything we didn't provide. They are on the phone and are actively involved to get clarification the same day an incident occurs."

When slip and fall accidents occur, INVISION adjusters contact claimants immediately and because they respond so quickly, Sizemore is able to more easily defend itself against frivolous claims. "They have shown us a method of reporting incidents quickly so we can gather information, locate and identify witnesses and assemble the facts in a file that we hold in case a claim is made," Cadarr said.

INVISION also estimates the value of a potential claim in advance – before claims are filed – so Sizemore can accrue appropriate funds just in case it goes to claim. "This way, we are prepared financially for claims if they do occur," said Cadarr.

REDUCING THE OVERALL COST OF INSURANCE

By improving its overall risk management practices, claims management and safety procedures, Sizemore has not only realized direct savings from reduced losses, but its improved loss history has enabled the company to move to a large deductible insurance policy with lower premiums.

"INVISION is a real partner for Sizemore and by far the most proactive firm that we work with," Cadarr said. "By refocusing our risk management procedures, we have realized savings for our company and put in place practices that will serve us for the long term."



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ABOUT INVISION

INVISION is a full-service risk management company and third party administrator (TPA) providing claims, data, and risk management services to insurers, self-insureds and intermediaries throughout the world. Through the use of sophisticated Internet-based intelligence and databases, comprehensive investigations and the services of highly qualified claims and legal staff, INVISION delivers responsive service for effective 24/7 claims management. INVISION tailors services specifically to fit each client's needs and handles all forms of Property, Casualty and Workers' Compensation investigations.