

Convenience Store Chain Cuts Loss Ratio to Less than One Percent! Brabham Oil sees great results from simple safety practices in a single year

In March 2007, Brabham Oil took a hard look at their balance sheet. Their 28 South Carolina E-Z Shop convenience stores were all running at full speed thanks to nearly 400 employees. The E-Z Shops were clean, well managed, and offered up coffee, sandwiches and services worth driving for. However, workplace injuries were rising, and management wanted a cure.

The problem

Brabham's store employees were experiencing the strains, slips and falls common to the retail industry—but at a high rate of nearly 38 percent of their total claims. This was especially concerning because the prior year, Brabham's E-Z Shop stores had racked up 18 claims at a price tag of more than \$50,000 in medical and indemnity (lost wages) costs alone. The company's workers' comp rates were clearly on the rise, and HR Manager Teresa Hannibal needed answers. "We had just switched to our new workers' comp company—through Summit—when I was tapped to ramp up our safety programs and results. Our insurance agent, Logan Doty with BB&T Boyle Vaughn, told me that Summit had incredible safety programs that could be customized for our needs."

The solution

Summit Loss Control Consultant Barry Loudermilk met with Teresa, and the two immediately went to work. Barry researched the claims history for the E-Z Shop stores and then visited them himself. One look showed him that

slips and falls were on the rise because employees were not wearing nonslip safety shoes. Barry immediately created a series of safety meetings for managers; he explained the value of true nonslip work shoes and the hazards of not using them. Barry even brought in several pairs to give away as door prizes at the meetings.



About the Company

Brabham Oil Company, Inc., headquartered in Bamberg, S.C., is a family-owned and -operated company founded in 1929 by Clarence Brabham. Over the years, the company has developed their E-Z Shop convenience store chain into one of the largest and most recognized in the state. In fact, many include SUBWAY, Domino's Pizza and/or TCBY co-branded franchises. The company even has its own private-label gasoline, Horizon, that is marketed through its stores.

Teresa Hannibal, HR manager for Brabham Oil Company, stands in front of one of the company's E-Z Shop convenience stores. She was charged with targeting ways to improve safety and reduce on-the-job injuries at their 28 South Carolina locations.

"It was great," Barry states. "Like many folks, Brabham employees thought that tennis shoes are slip resistant, but they're really not. The engineering of a safety work shoe is different from athletic shoes because they have different purposes. Put the wrong shoes on slippery floors, and the problem becomes huge. I explained these safety items, and presented several shoe styles and price options to encourage participation. In addition, we looked at what happens to store entrances when it rains and how important it

is to keep those areas dry at all times. Safety starts with simply realizing potential hazards, and then encouraging people to notice and act on prevention."

Next, Summit Back2Work Coordinator Chip Green helped Teresa set up a return-to-work program, which included management training workshops to explain the procedures and benefits of Back2Work. Chip also helped identify examples of possible light duty tasks in the stores. Brabham employees who get injured are now able to come to work in a modified capacity until they are completely healed. In the long

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Safety Is Our Business



Rick Hodges
Summit President and CEO

Despite the lack of consensus from national economists about the status of our economy, the overall tone is one of hope. I am excited because Summit is weathering the storm by holding true to our core principles of integrity and stability.

As our business has matured, so has our opportunity to have an even greater impact on the world around us—and we started with our own company. In 2006, we began to search out significant ergonomic improvements for our workforce. In 2007, we began to focus on becoming a Start!Fit-Friendly company through the American Heart Association because we believe that healthier employees are happier employees. In 2008, we took our first steps

toward making our company “greener” and being more proactive with recycling—and we’re always trying to find ways to reduce and reuse office supplies. Our employees proudly continue to support community groups, such as the American Heart Association and the American Cancer Society.

This commitment to make our world better extends to our customers. The truth is that we are a company of folks just like you. We are determined to be the best we can be, and we aim to provide the workers’ compensation services that we would demand for ourselves. Thank you for taking the time to read this latest issue of COMPpress. If we can help you address your workers’ comp challenges, I hope you will contact us. We welcome the opportunity to contribute to your business’s success. ■

WebCAP

WebCAP is Summit’s online calculator that lets you calculate and pay your premium more accurately throughout the year—and helps you avoid costly surprises. If you’re using WebCAP here are some things you need to know.

1099s and how to report

Most businesses will use outside labor at one time or another. These folks are not actually on your full- or part-time payroll and, therefore, require their own 1099 tax form. For businesses that use such 1099 people, reporting these wages can be confusing, but doing it correctly can help avoid year-end surprises.

If you are not providing workers’ compensation insurance for your 1099 people, make sure they are truly independent contractors—otherwise you are liable for their comp and will be billed for it at year-end. (Note: In the construction industry, uninsured subcontractors must be reported on your WebCAP directly below the payroll entry area.)

How to identify independent contractors

Bona fide independent contractors commonly:

- Have their own occupational license (depending on the municipalities requirements)
- Purchase general liability insurance

- Work for businesses in addition to your own
- Make a profit or loss on the job they do for you
- Issue checks in their company name rather than the individual’s name
- Are paid by the job, as opposed by the hour or piece
- Have the right to control the means and method by which the work is done

In some cases you may be responsible for providing workers’ compensation insurance coverage for the employees of uninsured independent contractors, especially those that are subcontractors. A review of your state work comp laws would reveal the necessary requirement.

Give us a call if you’re not sure

Summit is available if you have a question. Give us a call at (863) 665-6060 or 1-800-282-7648. You can check online, too. Simply log in to our Online Business Center, click on *Training Center*, then *WebCAP FAQs*. ■

Correction

In our July article “Report the Claim—and Save Right from the Start!” (page 2), we mentioned a workers’ comp blog by Tom Lynch. Please note, the correct address for this site is www.workerscompinsider.com. As always, web addresses and links are subject to change at the discretion of the persons or organizations that manage or own the sites.

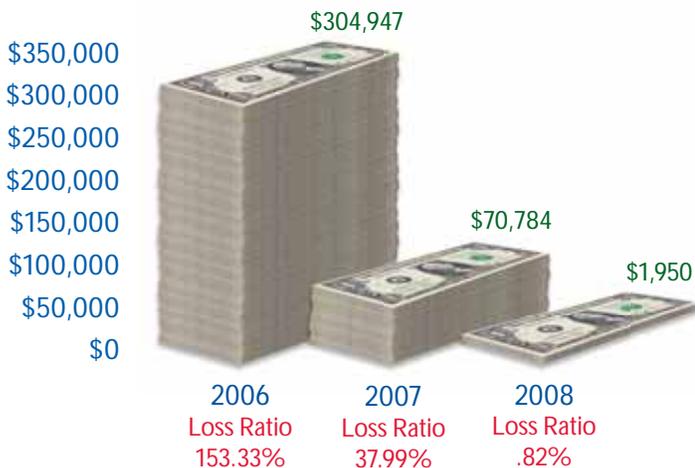
Brabham Oil (continued)

run, it's a double bonus—Brabham Oil's medical and indemnity costs should drop because injured workers can get back to work quickly, and morale gets a boost because employees know that their company cares.

Results

Summit helped Brabham develop safety programs and procedures that have dramatically reduced workplace injuries and raised safety awareness. A year into the Summit/Brabham Oil partnership, workplace injuries are down 55 percent, and the cost of lost wages dropped a whopping 99 percent! In fact, last year Brabham had just seven claims at a total cost of only \$80 in lost wages (down from \$23,700 the prior year). Moreover, a dramatically lower loss ratio should, in time, contribute to a lower mod—and lower workers' compensation premiums.

Brabham Oil 3-Year Incurred Loss Results



Safety management requires a partnership

In the retail industry, slip-and-fall accidents are the most common cause of workplace injuries. A Summit loss control consultant recognized and recommended several simple steps to help create a culture of safety throughout Brabham's organization—and the company and its employees made it happen. Thanks to an ongoing series of safety meetings and classes, Brabham Oil staff better understand safety procedures, such as rainwater removal, fire hazards, safety mats and fall prevention. And the company has a solid return-to-work program in place.

Teresa Hannibal is succinct in her explanation, "This is a partnership that works. Our agent sent me to Summit, and

they stepped up to the plate with logical and simple safety strategies that are making a difference for Brabham. We are committed to safety excellence, and Summit is committed to us."



Teresa Hannibal and Summit Loss Control Consultant Barry Loudermilk check out the safety matting in front of an E-Z Shop convenience store.

Agent Logan Doty agrees, "I place clients with Summit because they actually look at each insured company to see what is needed, and then they provide it. Summit makes workers' comp feel like a benefit instead of a cost." ■

Safety Shoes Come in All Shapes

As important as feet are, some people still think safety shoes are too ugly, too heavy, too uncomfortable or too expensive to wear. In reality, though, today's safety shoes match most other shoes for comfort, appearance and even price!

Athletic shoes are not slip resistant

Although tennis shoes look like they should be slip resistant, they're really not. And this means that they're not ideal for many working environments. Modern technology has allowed for the creation of shoes with outsoles of rubber compounds that grip even the smallest roughness of a floor surface. Special tread patterns channel liquid away from the bottom of the shoe sole—and the result is tremendous traction, even on greasy floors and surfaces. Best of all, the price is comparable to most everyday athletic shoes.

Safety shoe safety

Like all protective equipment, safety shoes must be worn to be effective. The good news is that there are shoes for every type of job—made with features such as flexible steel insoles, metal instep guards or steel toes—that combat the crippling yet common injuries of smashed toes and feet, and nail wounds.

Check the condition of safety shoes periodically. Worn soles are easily punctured by sharp objects. Run-down heels can cause you to lose your balance or turn your ankle. Long shoe laces can obviously create a tripping hazard. ■

Safety Training for You

Throughout the year, Summit offers 10-hour OSHA training classes that are available to all of our policyholders at no charge. This fall, we're offering a general safety course and a class specific to the construction industry. Check out the dates and locations below to find a seminar in your area. For more information or to register online, visit summitholdings.com and click on **Employer Resources**; then **Safety Training**. Or call us at (225) 926-3264 or 1-800-421-2944 and ask for Tanya Watson.

Construction Training	
Lexington, Kentucky	September 14–15
Greenville, South Carolina	October 13–14
General Industry Training	
Birmingham, Alabama	September 22–23
Baton Rouge, Louisiana	October 19–20

New OSHA General Industry class added to the roster for Florida!

We've just added another OSHA 10-hour General Industry training class for insured businesses in and around Fort Lauderdale, Florida. Visit our website for details and registration information.

October 27–28, 2009
Fort Lauderdale Marriott North
6650 North Andrews Avenue
Fort Lauderdale, Florida 33309
(954) 771-0440

For driving directions, please visit the hotel's website at www.marriott.com

Safety webinars—at your fingertips

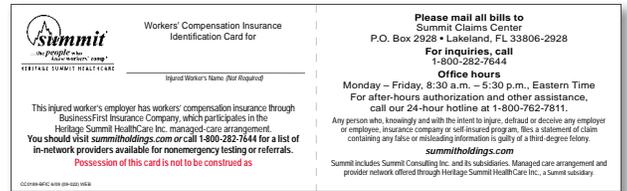
Can't make it to one of our OSHA training classes? Check out our various safety webinars that are available through the end of this year by visiting our website and clicking on **Employer Resources**; then **Safety Training**. And keep checking back, because we're adding classes to our 2010 webinar schedule.



Attention Florida, Kentucky and Louisiana employers

When your injured employees arrive at a physician's office, they should present a workers' compensation ID card (see sample), which you can find in your Claims Kit. (Some Louisiana policyholders may have also received cards in a special mailing this past June.) These cards provide physicians with important information, including a number to call for precertification and authorization of medical care.

If you need more workers' comp ID cards, or if you just can't find your supply, call the Claims Center in your region (see back page for phone numbers), and we'll be happy to send you more. You can also download an ID card from our website at summitholdings.com. Simply click on **Report an Injury**, then click on the **print a card now** link. You can also find them in our **Forms** section under **Claims**. ■



Mayo Clinic Joins Our Provider Network

Mayo Clinic in Jacksonville, Florida, has joined Heritage Summit HealthCare Inc., our proprietary provider network. Mayo Clinic is the first and largest integrated, not-for-profit group practice in the world.

We are honored to enter into this agreement, as it is Mayo's first with a workers' compensation-only provider network. Mayo has created a dedicated workers' compensation treatment unit, and gives your injured workers immediate access to an extensive range of medical specialists if they're needed.

You can search for any provider in the network at summitholdings.com. Or call us at 1-800-282-7644 and ask to speak with a network representative. If you have any questions about Mayo Clinic or the services they provide, call us or visit their website at mayoclinic.org. ■

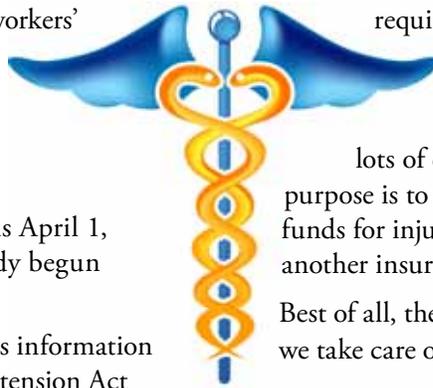
Mandatory Medicare Reporting—We Have You Covered!

If you received a letter from the Center for Medicare and Medicaid Services about reporting workers' comp claims data for injured workers on Medicare, you can relax. Summit takes care of it for you.

FYI

The deadline to begin reporting the data is April 1, 2010, but we're ready now and have already begun testing our electronic data system.

The statutory amendment that requires this information is The Medicare, Medicaid and SCHIP Extension Act



of 2007. It details mandatory claim reporting requirements—generally referred to as Section 111 requirements from the 2007 Act—for injured claimants who are also Medicare beneficiaries. There are lots of dates, penalties and details, but the real purpose is to help minimize the outflow of Medicare funds for injuries that are rightfully covered by another insurer.

Best of all, the only thing you need to remember is that we take care of it for you. ■

What Can Summit Do for You?

Summit offers a variety of programs aimed at keeping your workers' compensation costs low. Here's a sampling of some of the tools and services we have available to make the most of your workers' compensation dollars.

- **Online Business Center**, where you can—
 - Check claims activity
 - Print and download loss runs
 - Print certificates of insurance (COIs) or waivers
 - Find a doctor in our workers' comp network
- **Back2Work**, Summit's return-to-work program
- **Open for Business**. Create and save your own detailed plan for disaster recovery online—it's free!
- **Easy claims reporting**. We offer three easy ways to report a claim 24 hours a day, seven days a week—
 - Call our hotline at 1-800-762-7811
 - Visit us at summitholdings.com and click on **Report an Injury**
 - Fax your report to (863) 667-1871
- **Specialized provider network**,* consisting of more than 16,000 doctors and specialists experienced in occupational medicine and workers' compensation
- **Tailored loss-control services**, including—
 - Safety consultations
 - Drug-free workplace assistance
 - Safety education, training materials, classes and webinars
- **For more information**. For tips on workers' comp and frequently asked questions, visit our website at summitholdings.com.

* Proprietary network in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In Arkansas, Summit uses a contracted network that offers our clients the same benefits as our proprietary arrangement.

How to Reach Us

Customer Service

1-800-282-7648

Injury Reporting Hotline

24 hours a day, 7 days a week

1-800-762-7811

Florida/Corporate Office

1-800-282-7648 • (863) 665-6060

Southeast Region

Georgia, Kentucky, North Carolina,
South Carolina, Tennessee

1-800-971-2667 • (678) 450-5825

Southwest Region

Arkansas, Alabama,
Louisiana, Mississippi

1-800-421-2944 • (225) 926-3264

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