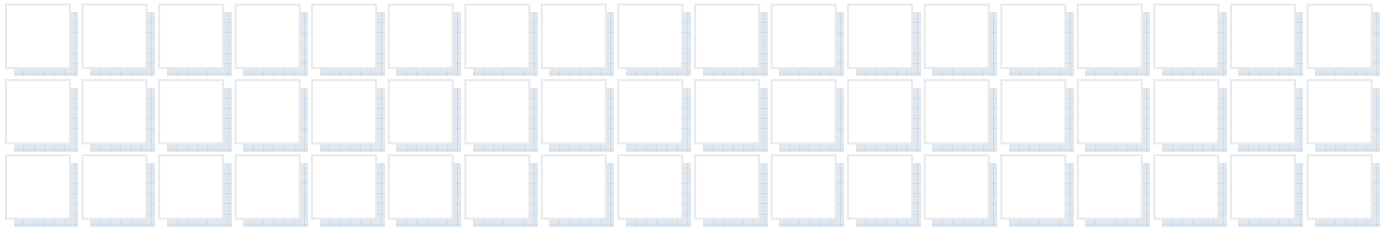


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Case in Point: Marsh Helps National Restaurant Chain Control Skyrocketing Workers Compensation Costs

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The Client and Its Challenges

Workers compensation claims costs at a national restaurant chain were out of control and the client needed a mechanism to identify the problems and implement the appropriate loss-control solutions.

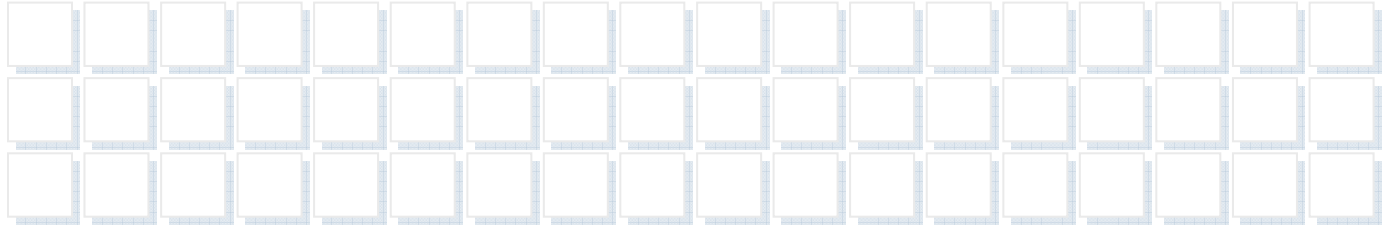
The Solution

Marsh's risk consultants audited individual restaurants, noting trends in the company's workers compensation claims process. They also conducted loss analyses for all locations identifying frequency and severity of on-site injuries. Additionally, Marsh conducted a self-survey that was completed by managers at 145 locations that revealed that four of the most prevalent causes of workers compensation losses were slip/trip/falls, cuts, burns, and injuries from material handling.

The Results

Following the identification of these trends, Marsh introduced a slip/fall prevention program as well as best practices to prevent slips, trips, falls, strains, cuts, and burns. As a direct result of implementing these workplace safety training tools, the client realized an increase in performance and workplace safety. The dollar savings on workers compensation claims costs, based upon revenue and payroll savings, was \$13 to17 million over a 9-year period.

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Case in Point:

Marsh Helps Hotel Chain Slash Workers Compensation Claims Costs by 85 Percent

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The Client and Its Challenge

A large hotel client was experiencing exorbitant workers compensation claims at one location exceeding \$2.1 million in claims costs in one policy year.

The Solution

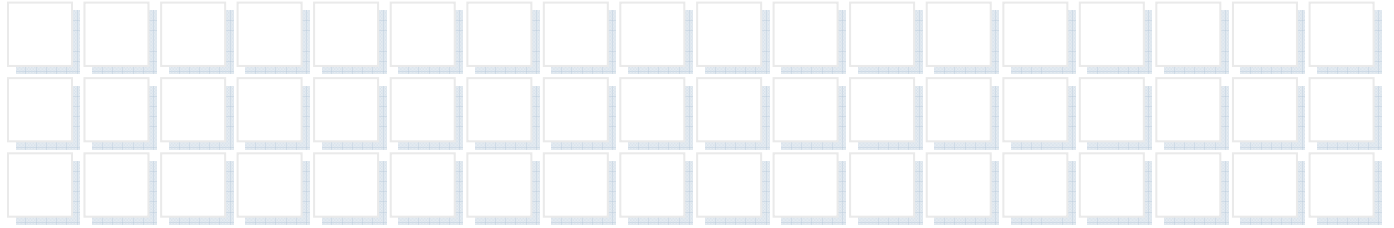
Marsh's Hospitality & Gaming Practice analyzed the losses for the hotel and spent several days reviewing and analyzing the hotel's housekeeping methods. The on-site review revealed a number of performance issues that contributed to the housekeeping staff's injuries.

Marsh implemented a new risk management program that included updated safety training packets for every hotel department along with a week of intensive, hotel-wide, safety training.

The Results

With these measures in place, Marsh was able to reduce the client's workers compensation claims costs at this location by \$1.8 million in just one year.

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Case in Point:

Marsh Helps Restaurant Chain Overcome Increasing Workers Compensation and General Liability Claims

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The Client and Its Challenges

A national restaurant chain was troubled by an escalating development of prior workers compensation and general liability losses along with a current spike in claims frequency.

The Solution

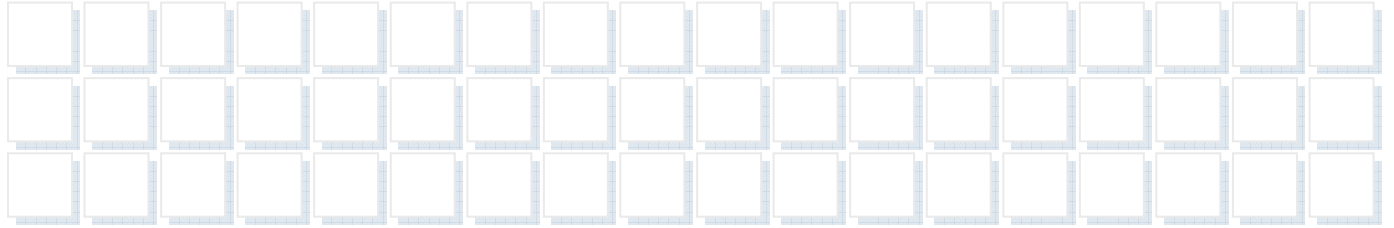
Marsh's risk consultants recommended a complete restructuring of the restaurant chain's risk management department, which included a realignment of skill sets in the management of self-insured claims, improved communications with, and between, corporate legal and operations, a reassignment of guest relations into the risk management department, redirection of 100 percent of the general liability claims reporting to risk management staff, and referral of only questionable claims with potential for payout more than \$1,000 to the third-party claims administrator.

Marsh also completed a claims closure project on the run-off programs by conducting a workers compensation gap analysis of pre- and post-loss causes, identified gaps in processes causing inefficiencies and redundancies, and realignment of the cost-allocation model to support the return-to-work program.

The Results

As a result of these risk management program improvements, Marsh helped the client realize more than \$5 million in reduced workers compensation and general liability claims costs in less than three years.

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Case in Point:

Marsh Helps Conference Center Hotel Chain Implement Risk Management Programs and Cut Insurance Costs

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The Client and Its Challenge

An international resort conference center hotel chain did not have a consistent risk management program for its managed properties. The hotel chain desired a comprehensive, self-sustaining, risk, safety, and claims management program that would enable its locations to fully implement industry-leading risk management.

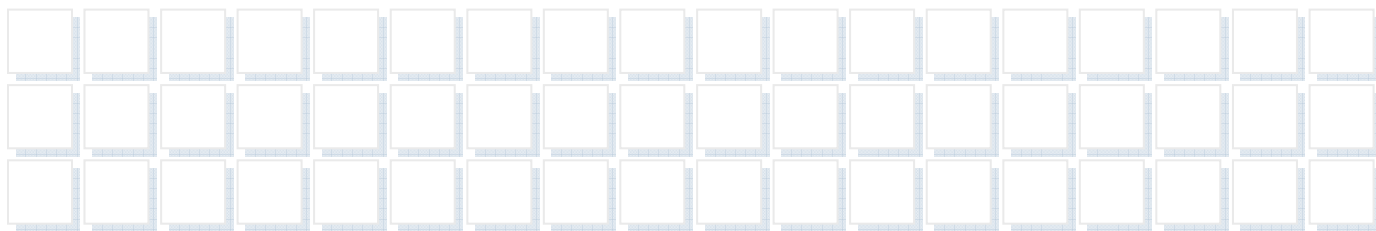
The Solution

Marsh's Hospitality & Gaming Practice installed its hospitality-specific risk management program at all of the client's locations. The program included a customized risk and claims management manual, OSHA training manual, and departmental safety training manual. Risk assessments and training were provided at every property by Marsh's Hospitality & Gaming Practice and Marsh's local risk consultants to help the client fully implement the updated risk management program.

The Results

After rolling out the new risk management program, the client's injury frequency rates dropped significantly, which resulted in a flat renewal for the workers compensation program during a time of steady increases. The client can now benefit from having implemented an industry-leading risk and safety program long into the future.

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Case in Point:

Marsh Helps Food Retailer Identify Vulnerabilities and Develop Business Continuity Plan

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The Client and Its Challenge

A fast-growing food service retailer needed to review and enhance its ability to prepare for and recover from a business interruption to its corporate headquarters. To mitigate its brand and financial risks, the client sought to develop a business continuity plan for the headquarters, which was located in a high-risk area.

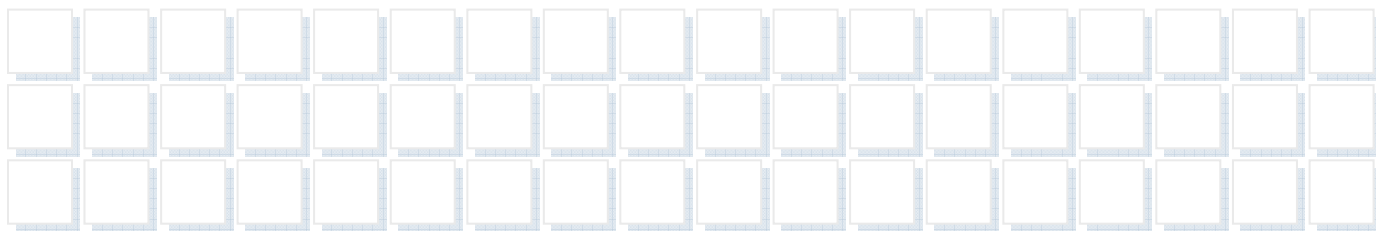
The Risk Consulting Solution

Marsh's consultants worked with the client to perform a risk vulnerability study and business impact analysis. After identifying weaknesses and gaps in the client's existing recovery capabilities, the team recommended changes related to the client's information technology (IT) backup and recovery procedures. The team also identified the need for an established backup site for critical corporate IT and support functions. In addition to providing strategy development support, Marsh's consultants assisted in plan documentation.

Results

Based on Marsh's recommendations, the client established business continuity plans and manual work-around procedures to help minimize the impact to retail store operations should the headquarters be inaccessible for a period of time. With Marsh's assistance, the client identified and set up an alternate location where its corporate IT systems and support services could be quickly reconstituted if necessary. In addition, the client established ongoing testing and maintenance procedures to ensure that the plans continue to support its rapidly growing business.

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Case in Point:

Marsh Helps National Hotel Chain Reduce OSHA Incidence Rate from 18.7 to 3.3

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The Client and Its Challenge

A national hotel chain found that its workers compensation claims were increasing in both severity and frequency. The hotel chain wanted to benchmark its experience against its peers; and, if its claims were “above average,” the hotel chain wanted recommendations on how to improve its performance.

The Solution

Marsh’s Hospitality & Gaming Practice compared the hotel chain’s OSHA incidence rate to the national average for hotels and determined that the hotel chain’s employee injury frequency was twice as high as the “average hotel.”

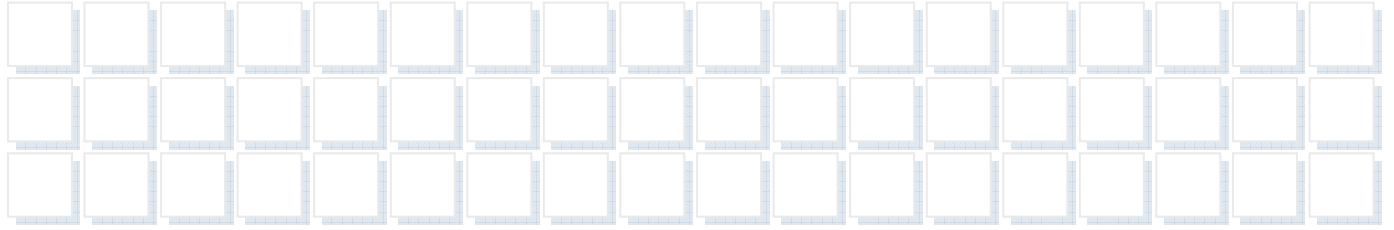
Through the implementation of supervisor-driven safety training programs provided by our practice, the client established a positive safety culture throughout the chain.

Management’s dedication to the program was critical to its success. In addition to tying the success of the program to its performance appraisals, qualified candidates—in order to be promoted to the position of general manager—first had to fulfill the role of property risk manager for one year.

The Results

As a result, the client reduced its OSHA incidence rate from 18.7 to 3.3 over an 8-year period. The client also reduced its annual workers compensation claims costs by over \$9 million in this same period, thanks to the improved safety culture and management’s commitment to the risk management program.

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Case in Point:

Marsh Helps Bar Overcome Safety and Security Concerns Involving Late-Night Crowd

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The Client and Its Challenges

A single location of a national restaurant and bar chain sought the assistance of Marsh's Hospitality & Gaming Practice due to the overwhelming number of incidents and injuries associated with late-night lounge patrons. Its concern greatly increased when the lounge of a sister location was converted to a bingo parlor by the Bureau of Alcohol, Tobacco, Firearms and Explosives due to similar complaints, of incidents and injuries.

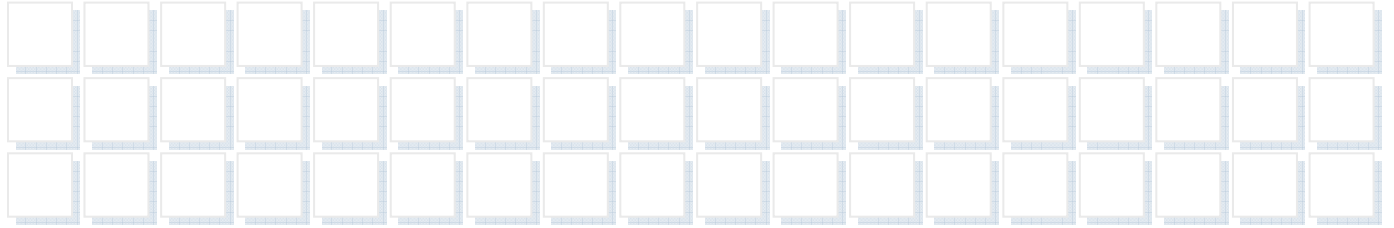
The Solution

After reviewing the risk issues, Marsh's Hospitality & Gaming Practice made several recommendations, including greater enforcement of the alcohol service training program already in place, increased security at the door, slight modifications to the dress code, and a "no tolerance" policy for patrons trying to get in without ID or when the room was beyond maximum capacity. The mix of music after midnight was also changed, and "last call" was moved up an hour.

The Results

In addition to reducing the number of incidents and injuries, the positive impact of the changes increased the lounge's popularity and profitability.

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Case in Point:

Marsh Helps National Hotel Chain Implement a Vehicle Safety Program and Procure Insurance Coverage

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The Client and Its Challenge

A fast-growing national hotel chain was having difficulty procuring auto insurance coverage due to an extensive loss history involving owned and nonowned autos.

The Solution

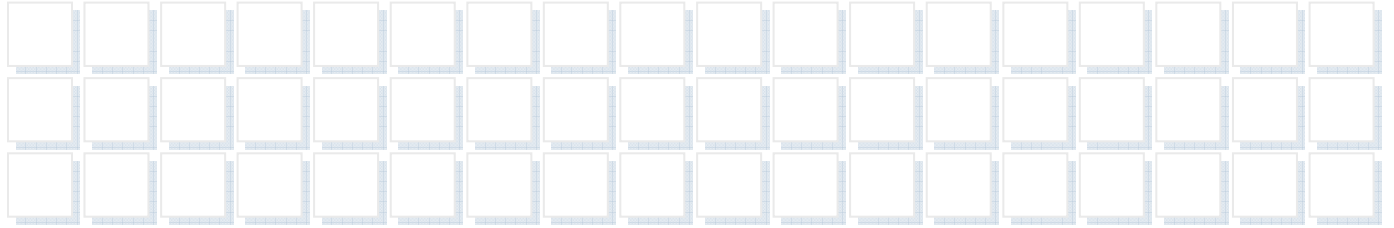
After Marsh conducted a thorough loss analysis, it was determined that the majority of claims stemmed from improperly trained drivers and insufficient valet parking policies and procedures. In addition, the hotel chain had no formal vehicle inspection process.

Marsh's Hospitality & Gaming Practice customized a vehicle safety program that covered valet policies and procedures, vehicle inspection processes, hiring and consequence of offense procedures for drivers, sample road tests, and the U.S. Department of Transportation's evidential breath testing and alcohol screening protocol.

The Results

After three years of consistently following the new program, the company procured the necessary insurance coverage and was thus able to access other previously unavailable insurance markets. This enabled the client to reduce its annual auto policy premium.

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Case in Point:

Marsh Helps National Restaurant Chain Significantly Reduce General Liability Claims

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The Client and Its Challenge

A national restaurant chain sought the assistance of Marsh's Hospitality & Gaming Practice due to the overwhelming number of "foreign object" claims it was experiencing, a number of which were the result of "glass or ceramic particles."

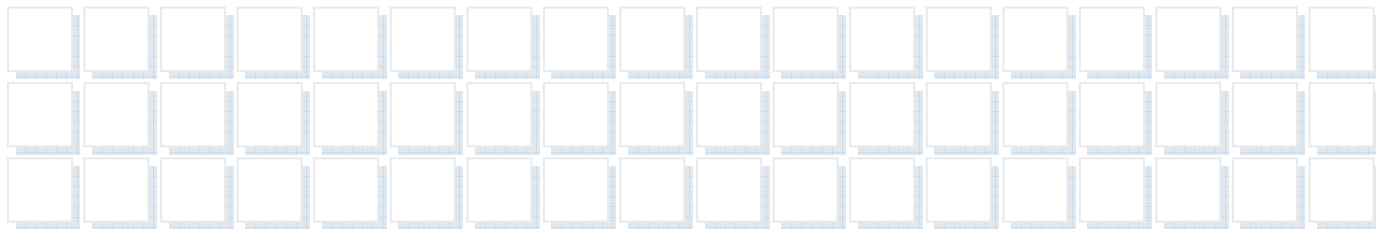
The Solution

After reviewing the "back of the house" at several store locations, a plan was put into place to further distance the glassware and serviceware from the food, with specific emphasis on eliminating all practices of storing these items above the storage or food preparation areas.

The Results

In addition to reducing the number of foreign object claims, the implementation of these measures also reduced the number of workers compensation claims—related to repetitive motion of the upper extremities—that were filed due to overhead and/or extended reaching.

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Case in Point: Marsh Helps Rapidly Expanding Restaurant Chain Control Workers Compensation Costs

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The Client and Its Challenge

A rapidly expanding national restaurant chain wanted to identify ways in which it could control skyrocketing workers compensation costs.

The Solution

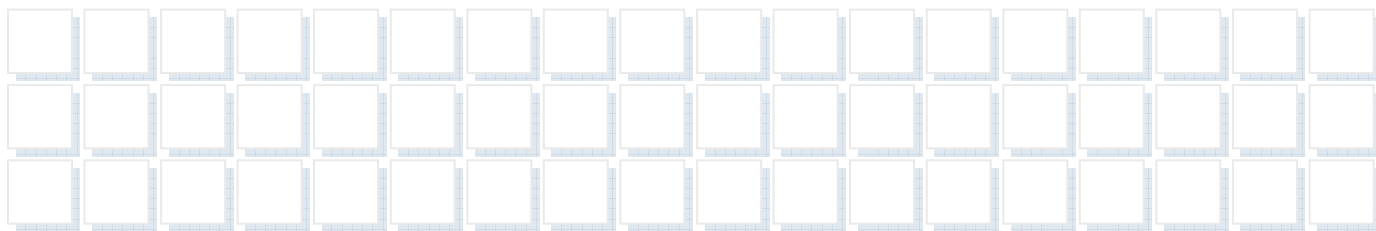
Utilizing benchmarking tools, Marsh's risk consultants audited individual restaurants, noticing trends in the company's workers compensation claims and processes. Using the gathered data, Marsh conducted loss analyses for all locations that identified the frequency and severity of on-site injuries.

With an overall goal of lowering workers compensation costs, Marsh's risk consultants developed several programs to help store managers prevent injuries and positively influence safety, including a series of on-site discussions and safety training sessions for restaurant managers, along with the development of a driver safety program for the restaurants' catering operations.

The Results

As a result of improved workplace safety training tools, increased manager awareness of workplace safety issues, and support from the company's corporate headquarters, the restaurant chain saved \$9 to 11 million over an 8-year period.

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Case in Point: Marsh Helps National Restaurant Chain Implement Alcohol Awareness Training

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The Client and Its Challenges

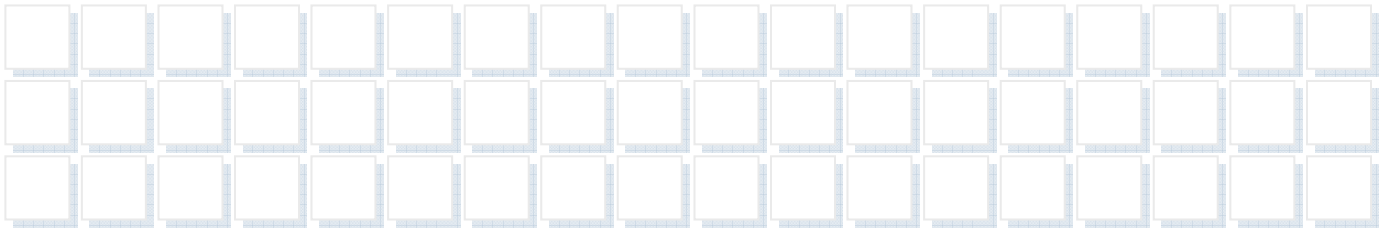
Over an 18-month period, a nationwide restaurant chain suffered three very expensive liquor liability claims, one of which involved a fatality. The chain was struggling to maintain required alcohol-service training standards due to the fast pace of the operation and extremely high turnover.

The Solution

The client implemented an alcohol-management program designed by Marsh's Hospitality & Gaming Practice. This program included liquor-liability minimum expectations that established minimum alcohol-service standards. The program also required all newly hired alcohol beverage servers to complete a certified liquor-liability training class within 45 days of their hire date.

The Results

The client has been "alcohol-incident free" since it implemented this program at all of its locations.



Case in Point: **Employee Management Program Lowers Workers' Comp Costs**

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The Client and Its Challenge

This hospitality client had tried to implement a return-to-work program, but with limited success. The relationship between employees and managers was contentious. Local physicians and union representatives had little incentive to help the client bring injured employees back to work. As a result, workers' compensation claims and associated costs increased dramatically. The client was forced to move off of a guaranteed cost program, into a retrospective rated plan that would potentially cost the company significantly more.

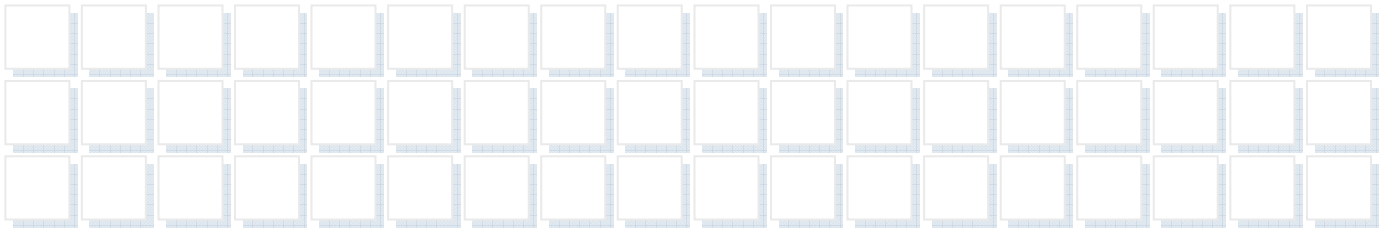
The Risk Consulting Approach

After reviewing the client's workers' compensation data and interviewing key stakeholders, Marsh consultants determined that an Employee Management Program (EMP) could be used to lower workers' compensation costs and return employees to work as soon as they are medically able.

EMP is a structured process that places operational management in charge of returning employees back to their full-time, regular assignments after a workers' compensation injury. To accomplish this, supervisors create the transitional duty work assignments that accommodate restrictions until their employees are ready for regular work. EMP teaches managers to align their actions with the workers' compensation system, union representation (when appropriate), treating physicians, and employees. Direct and regular communications with the injured employee is a critical success factor.

The client-Marsh team began the project by securing senior executive support for this initiative and then communicating the benefits to all employees and supervisors. The team then reviewed the client's current policies and procedures, and, where necessary, developed new processes and redefined team member roles. This was followed by extensive training to provide all supervisors with the tools they

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needed to work more closely with their employees, clinic administrators, and claims examiners to return employees to work as soon as they are medically able. All of these measures led to a cultural change, which positively impacted the work environment.

Results

The EMP has helped to create a more cooperative environment between managers and employees. Executive feedback on the EMP program has been extremely positive. More importantly, the client is seeing solid results. Since the implementation of the program, workers' compensation incurred costs are one-third that of the previous two years.

For more information, please call Marsh at 866-9AtRisk (866-928-7475) or contact us via e-mail (At.Risk@marsh.com).