

## SUCCESS STORY

### Mining case study

# Striking gold in workers' compensation plan costs

## The challenge

During an acquisition, a mining company experienced a sharp increase in exposures and workers' compensation costs – putting a large financial burden on their overall insurance spend.

## The solution

A mining company made a significant acquisition that increased their workers' compensation exposure and costs. They relied on their business partner, Marsh McLennan Agency (MMA), for assistance. MMA's Mining Team began evaluating how the insurance carrier was endorsing the policy with the increased payroll exposure.

The team noticed the details omitted all prior experience of the acquired entity. After conducting research, it was determined that the operation had been self-insured prior to acquisition and therefore, no data had been historically reported to the National Council on Compensation Insurance (NCCI) to calculate the new Experience Modification Rating (EMR).

## The result

The team worked closely with the acquired entity, their insurance company, and the third-party administrator that handled claims and NCCI. MMA was able to file an NCCI ERM-6 and all appropriate paperwork with comprehensive dates to ensure a revised, accurate EMR. With MMA's help, the mining company was able to continue business as usual and saved over \$500,000 on workers' compensation costs. This was the equivalent of an additional 392 gold ounces (current 2019 value) to top line revenue. Not to mention, the EMR was reduced by 54%.

MMA took it a step further by encouraging the reporting of loss data from self-insured mining companies in Nevada. These efforts can help drive down the workers' compensation governing class code/rate for the state's mining industry. This coupled with excellent safety history and protocols creates opportunity to reduce the overall cost of mining.

**Your future is limitless.™**

## Client profile



Mining company

# \$500K

saved on workers' compensation costs – the equivalent of 392 gold ounces (current 2019 value) to top line revenue

# 54%

EMR reduction



Created opportunity to reduce Nevada's overall cost of mining

Learn how MMA can help you obtain measurable results.

[MarshMMAMidwest.com](http://MarshMMAMidwest.com)

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