

More than insurance

NBIS improves the risk profile of its policy holders. **Tim Hillegonds** reports.

The message that NBIS has been spreading since it became the exclusively endorsed provider of insurance and risk management to the Specialized Carriers and Rigging Association (SC&RA) in 1996 has remained largely the same over the last two decades: provide superior insurance and risk management solutions to the heavy construction market. It's a simple message for a complex industry, but it's this simplicity, perhaps, that makes it so effective.

"NBIS is a risk management company with an insurance product," said NBIS President Bill Tepe, touching on the company's differentiator. "Our primary objective is to improve the risk profile of our policyholders while providing the finest insurance coverage available. We are looking to provide our clients with options to manage their risk – not simply a one-size-fits-all product."

NBIS has always viewed itself as a risk management company and not simply an insurance company – a distinction that helped steer the organization to record premium levels in 2016. However, the company's growth also comes as a result of a few other distinct factors: NBIS's continued investment in new risk management tools, the development of new and innovative insurance programs, and a growing team of experts focused exclusively on the heavy construction industry. In recent years, the investments that NBIS has been making in their organization have often been in technology – specifically, in online training technology. The changing safety, regulatory and technology landscapes have given them opportunities to both educate and provide coverage.

"In 2015," said Tepe, "we rolled out our

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BILL TEPE, president, NBIS

online driver training program, which is customized for drivers in the three industry disciplines we insure: Mobile Crane Drivers, Concrete Pump Drivers and Tractor Trailer drivers of oversize, overweight and over-dimensional loads."

Filling in a few more of the details, Tepe said that toward the end of 2016, NBIS began providing policyholders with additional online health and safety tools. "The world continues to change," he added. "And we endeavor to provide risk management tools that change with it."

This new offering of online tools that Tepe is referring to includes courses such as: Crane Safety in Construction, which covers, in part, the recent changes to operator certification and equipment inspection requirements, as well as Rigging Safety, which teaches recent changes in OSHA crane safety regulations, "qualified/competent" riggers and signalers, and personal protective equipment. Add in Slips, Trips and Falls in Construction, a course that shows employees situations on construction sites that can lead to these types of accidents, and Driving Defensively, which provides information employees need to drive cars, vans and small trucks defensively, both on and off the job, and the sum total is a robust offering of courses meant to educate, enable, and empower.

Why your insurer matters

Bill Tepe coined a phrase: "The company that insures you doesn't matter until all of the sudden it does." Part of what he's getting at is that insurance is largely just a commodity until a claim occurs – then it very much matters which insurance company is insuring you. If your insurer

doesn't know the ins and outs of your particular business and industry, how can they possibly know how to put together a solid defense on your behalf? It's a simple question, one might argue, but it's an extremely important one.

The claims experts at NBIS have managed a sizeable number of claims – of all types – for their insureds. And they've often found themselves in situations where they need to practice what they preach; that is, to do everything they can to mount the right type of claims defense when they feel their policyholder isn't at fault.

To put this in context, an NBIS claim that occurred in Florida not long ago is a good place to begin. The claimant, who was working for the company that bare rented the NBIS insured's crane (the lessee), sustained a serious laceration to his hand and a partial amputation of a finger when he failed to let the airplane landing gear unit that was being lifted completely open before commencing work.

The airplane landing gear was suspended from the crane at the time, which was locked and not moving, and as the man began to work on the unit, the landing gear suddenly opened, pinching his hand and finger in the suspension struts. (Think of an expandable, accordion-like dog gate.) The claimant's attorney made a \$1M demand from NBIS in 2016, which was promptly rejected. Then, NBIS aggressively pursued indemnity and defense for its insured based on the favorable terms and condition of the rental agreements. NBIS was able to successfully close its claim for the insured (with no payment against the policy) upon acceptance of the tender by the opposing insurance carrier.

Tepe is also getting to the heart of something else with his catchphrase, something that seems equally important: an insurance company that truly knows an industry knows how to react to the needs of that industry. So recently, in response to a market need they had identified, NBIS rolled out a new self-insured retention (SIR) program. This SIR program enables an insured to immediately see the financial effects of larger losses, since they are responsible for the first dollar of loss up to their selected retention amount.



THE AUTHOR

Tim Hillegonds spent 10 years in the heavy construction insurance industry before founding Thrive Content Solutions,

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ART KIRKNER,
vice president,
claims, NBIS

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NBIS Claims Vice President Art Kirkner explained the benefits of SIR programs as multifaceted.

“An SIR enables the insured to manage loss frequency efficiently by reporting only those claims that are likely to exceed their policy SIR level,” he said. “[With these types of policies] the insured engages NBIS Claims to handle and pay any loss and expense amount directly to the third-party using the insured’s own funds. Upon renewal, these lower level losses are not part of the insurance company’s loss run.”

Kirkner said that this early awareness of claim activity results in the timely engagement of risk management services to ensure safer and more efficient accident prevention procedures and training are in effect. The idea is a true collaborative process that focuses on prevention and mitigation, and seeks claims outcomes that benefit everyone involved.

Claims within SIRs

NBIS has seen an increasing number of large clients elect a self-insured retention (SIR) approach as a way to manage their premium dollars more effectively. It’s worth noting, however, that the way claims are handled within SIRs is wholly different than within traditional policies. With SIRs, NBIS and the SIR policyholder effectively enter into a claim services agreement whereby NBIS provides claims services to handle the claims that fall within the self-insured retention amount.

Similarly, NBIS also provides a large deductible option that has comparable premium price benefits to the customer. Unlike large self-insured retentions, though, where the policyholder pays the first dollar of loss and expense up to the self-insured retention limit (SIR policyholders don’t actually need to report claims that fall within their SIR unless they

want to) those customers who elect a large deductible need to report all losses that occur. In these situations, insureds who have a deductible must also satisfy any outstanding deductible obligation at the time of their renewal.

When a customer elects a large self-insured retention solution, or chooses a large deductible option, there are often financial benefits that manifest in the form of lower premium costs. And both SIR and large deductible approaches often help reduce incurred loss dollar as well.

If history speaks at all to the future, we can reasonably surmise that NBIS will continue to evolve with the growing, changing market it serves. Whether through advances in risk management tools and technology or a good-old-fashioned hard work ethic, NBIS promises to fight for their policyholders in every way they can. ■