



CAPTIVE QUARTERLY

from **ALTERNATIVE RISK RESOURCES**

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Quarterly Risk Tip Getting Supervisors to Buy Into Safety

In 2004, 3.7 million American workers suffered disabling injuries in the workplace, the National Safety Council reported recently.

For members of group captives, loss control is serious business. Members share a culture of safety; the better their company's loss performance, the lower their insurance costs as part of the captive.

Getting company supervisors to buy into safety initiatives goes a long way in the battle to improving loss performance. In order to get that buy-in, however, supervisors must be able to view upper management as an ally—not as a gatekeeper who is looking to catch them when they make a mistake. Changing supervisors' perceptions means management must make changes in the way it operates, including:

- Stop setting yourself apart. Become more inclusive in safety discussions and decision-making
- Act as a safety resource for supervisors
- Understand that every supervisor is different and adjust your interactions accordingly
- Recognize the pressures under which supervisors are operating
- Make sure you support and recognize supervisors for their safety efforts and responsibilities

As supervisors view your support for them growing, you will find them looking at safety less as another burden and more as means of achieving successful day-to-day operations.

- source: National Safety Council

Insurance Execs Predict 2009 to be Another Challenging Year

Sub-prime issues expected to affect performance

Executives in the insurance industry expect the sub-prime credit crisis to have a significant negative impact on 2009 performance, according to a survey conducted by KPMG, the audit, tax and advisory firm, at its 20th annual Insurance Industry Conference held recently in New York. Only 14 percent of the 375 senior executives surveyed at the conference felt the problem would be finished by the end of this year. A solid 72 percent expect it will take more than a year for a substantial economic recovery.

Respondents identified credit risk and pricing risk (the risk associated with adequately pricing insurance products) as the areas where they expect to see the most significant challenges over the next three to five years. "The next few years will be very challenging for many insurers in terms of turning the page on credit issues and strengthening balance sheets," said Scott Marcello, partner, Insurance Industry Leader at KPMG LLP.

As to how executives see their own company performance in the upcoming year, 22 percent expect their company to exceed expectations, while 39 percent feel their companies will perform below or significantly below expectations. Contrast this with views expressed in 2007 that showed 53 percent expected to exceed expectations the next year and only 9 percent expected their company to fall short.

The survey also revealed that executives anticipate increased consolidation in the insurance industry, with 68 percent of respondents indicating they expect to see an increase in mergers and acquisitions (M&A) compared to the past 12 months. Nineteen percent indicated they expect to see M&A increasing significantly.

- source: KPMG LLP, www.kpmg.com

Upcoming Captive Information Seminar

Join us on **October 28 in the Minneapolis area** for a two-hour informational seminar to learn about, compare, and discuss the various captive programs offered by Alternative Risk Resources. These seminars also provide a chance for you to talk directly to top executives of companies that are currently utilizing captive insurance.

To register for a seminar, go to our website, www.altriskresources.com and click on the link for **Upcoming Info Sessions**. Or call us at: **262.754.9100**.

Industry Info

Food Processing News

Three Wellness Sub-Trends

Fads come and go so quickly, it can be hard to tell whether something is here for the long haul. Will a fad become a trend, continuing to grow over the years? Or will it disappear, just a blip on the radar screen? Being able to anticipate trends—and act accordingly—can make all the difference to a company's success. Within the growing trend of wellness, several sub-trends are popping up, among them:

1. Organic foods.

U.S. organic food sales totaled nearly \$17 billion in 2006, up 22 percent over the previous year, according to the Organic Trade Association's 2007 Manufacturer's Survey. The organic food industry has seen 16 to 21 percent gains every year since 1997 and sales have nearly tripled. During this same time period, total U.S. food sales have grown only 2 to 4 percent a year.

2. Portion control.

Calorie controlled mini-portions hit the market in 2004 when Nabisco introduced 100-calorie packs of cookies and crackers. The trend took off in the industry and, in the space of two years, sales passed the quarter-billion dollar mark.

3. Probiotics.

Long associated with yogurt, probiotics (live bacteria cultures) are now moving more mainstream into cheese, bars, breakfast foods, and chocolate. The trend is driven by an increased recognition of the relationship between the gut's health, obesity management, and cancer prevention. Last year, Dannon introduced its Activa yogurt product featuring probiotic bacteria. Analysts call Activa's U.S. introduction one of the most successful launches in recent food-industry history. Activa sales are expected to reach \$300 million this year—a 30 percent increase over last year.

- source: FoodProcessing.com

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Recommended Workshops & Conferences

- **Office Ergonomics: Beyond Ergonomics Guidelines**

Sponsored by the Wisconsin Safety Council

October 21, 2008

Regency Suites
Green Bay, WI

www.wischamberfoundation.org/wcs/display.cfm?id=610

- **Wisconsin Worker's Compensation Forum**

October 23, 2008

Country Springs Hotel,
Pewaukee, WI

www.wiwcforum.org

- **4th Annual Best Practices in Economics Conference/Expo**

Sponsored by the WMC, Wisconsin's business voice, and the Wisconsin Safety Council

October 27, 2008

The Crowne Plaza, Madison, WI

www.wischamberfoundation.org/wcs/pdf/ErgoExpoBrochure08.pdf

- **Risk Control Workshop**

Designed for owners, top managers, supervisors and anyone helping to build a company culture that promotes loss prevention, safety and claims control.

November 19-20, 2008

Hilton Atlanta Airport, Atlanta, GA

For more information contact:
www.altriskresources.com or call us at: **262.754.9100**.



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