



## Michael A. Ortoll, ARM ( Presenter Bio )

---

- Michael is a seasoned insurance professional with 35+ years of experience.
- He began his insurance career with Liberty Mutual as a claims adjuster in 1984. Michael later became one of their annual top producers in the middle market then in national accounts arena throughout the US; with expertise in tough casualty industries, including PEO.
- After leaving Liberty Mutual in 1992, Michael became a principal at Davis Baldwin(DB) in Tampa, FL. He was one of the nation's top commercial insurance producers and served on several large insurance firm's broker advisory boards. In 2000, Davis Baldwin sold to Wachovia Ins. Michael was their leading sales producer nationally.
- In 2003, Michael sold his stock in a major PEO (Advantec-HR) he co-founded along with fellow principals of DB.
- In 2005 Michael started iLeader, which specialized in providing insurance and co-employment solutions to various Fast Growing Private Equity Portfolio Companies.
- Michael's firm, iLeader, was acquired by Wells Fargo Ins in 12/09. Michael was one of their top commercial producers nationally. He concluded his employment in August 2012.
- In late 2012, Mike launched a new company, named iPEO Solutions, a national PEO brokerage for Mid-Sized and Large firms.
- In 2015, Michael created an Insurance JV with former colleagues at BKS Partners, the 3rd fastest growing agency in the US and one of the top twenty insurance agencies in the US.
- His areas of expertise include; Risk Management Services ( including claims, loss control & analytics ). Solutions for : PEOs, Private Equity portfolio firms, Temp Staffing, HC (Medical Provider Stop Loss & Senior Housing), Transportation, Construction ,defense firms & large franchisee chains.
- Michael's experience, technical knowledge and industry relationships make him one of the insurance industry's leading dealmakers and highly thought after speakers.
- Michael is a Florida State University graduate and a Miami native with strong ties to the Cuban/Hispanic community.



# Table of Contents

---

## MEETING GOALS

- Why is it good to presently enter the PEO industry ?
- What are the controls in place to keep us safe & profitable ?

## PEO

- NAPEO credibility & controls for Industry  
What is a PEO & what it is not?
- PEO Industry Overview
- PEOs: Good for Businesses and Their Employees
- Insurance Distribution, Disruption & InsurTech ( by VJ Dowling )
- Market Opportunity Due to Shrinking Capacity
- Carrier & MGA Overview
- What is Needed – Submission Requirement Data & Top PEO Attributes
- NAIC & NCCI –PEO WC regs & policy admin (challenges & solutions)
- Credibility of NAPEO & other Industry Certifications and Listing of Largest PEOs

## BKS/iPEO & Vendor Partners

- Company Overview
- Our Team
- Risk Mitigation Services
- Claims Oversight and Analytics
- Technology Platform- ClientSpace –PrismHR -Pulse
- MGA Program Model & Compensation
- Benefits of an MGA to the Carrier
- Benefits of an MGA to the Agency
- Resources
- Thank You & Next Steps



## Why is it good to currently enter the PEO Industry

---

- PEO provide entry into Small Medium Business private market which is made up of over 30 million firms ( over 25% are minority business owners) with over 60 million employees in US ( per US Small Business Admin)
- PEOs are the fastest growing aggregators to small firms in the areas of Workers Comp (WC) & Employee Benefits (EB), moreover unlike traditional agents/brokers they also deliver stickier solutions in the compliance ,Human Resource (HR) and payroll admin areas
- An example of such is ChoiceHR a hospitality PEO client of ours bought by a Fourth a PE restaurant tech firm which has seen so much success they now bought Hot Schedules with Marlin Partners to increase co employment including insurance especially WC
- There has been a reduction of 25% of Workers Comp for PEOs due to AmTrust (change in control) and due to several other key markets/programs up to 50% of the industry will have to find a new WC vendor partner
- Over the last twenty years ADP & Paychex ( the two largest payroll & HR providers in US) are now selling both Workers Comp (pay-as-you-go ) and EB at faster rates than their other services & more importantly than traditional insurance agents/brokers

## What are the controls to keep us safe & profitable?

---

- PEOs can get off non performing business faster per their Client Service Agreement (CSA) as they're not bound to state insurance requirements as are carriers
- Over half of PEO industry is owned by large public cos or private equity firms and are growing faster than other service businesses due to need for outsourcing by SMB
- PEOs provide more risk management, EB & HR /EPLI services to their employees achieving better wellness & less WC frequency
- NAPEO ( their association ) provides credibility, education and certifications to improve their knowledge in all areas
- We are the only broker who uses PrismHR the industry's top tech platform ( Client Space via Pulse) which provides accountability and oversight of every client company within the PEO
- Our use of actuarial modeling and analytics for each individual client allows PEO to better manage RM of each SMB in safety training, RTW, claims consulting etc.
- We are the industry's only team which has owned/operated a billion dollar plus PEO, built several world class insurance agencies & owns the nation's leading PEO brokerage
- Our PEO team all have experience and expertise in the industry working at PEOs , client companies & carriers whom did bis with co employers.



- **Regulatory Database** –provides detailed info on broad range of laws & regulations affecting PEOs in all 50 states
- **PEO Professional Best Practices** – financial performance, operational process/controls, ethical conduct
- **Grassroots Advocacy**– State , Federal & PAC
- **Local Leadership Councils** –FAPEO
- **PEO Insider & PEO University** – monthly magazine & CE Program
- **Periodic Events** – Risk Management Workshop, CFO Seminar, CEO Forum, PEO Capitol Summit ( Meeting at White House & Congress/Senate lunch ) and annual conference
- **ESAC & IRS PEO Certification**- ESAC accreditation is the Gold Standard for PEO best practices and financial reliability. Only about five percent of PEOs have earned this distinction. Accreditation provides business owners, PEOs and PEO state/federal regulators with time-tested verification and financial assurance of all key areas of PEO reliability for both IRS-certified and non-certified entities.
- **Certification Institute**- Accreditation for PEO Workers Comp /Risk Management -The PEO WC risk management certification program provides:
  - *Independent professional verification that a PEO's risk management program is meeting proven insurance industry risk management best practices to reduce work-related accidents and health exposures and control WC insurance losses;*
  - *PEO client business owners with assurance that their service provider has the capability to deliver important risk management results; and*
  - *WC insurance companies with assurance that a PEO is implementing industry best practices in a consistent and effective manner.*
  - *The program was developed through the cooperative efforts of WC insurance companies and PEO industry risk managers and insurance brokers with the support of the National Association of Professional Employer Organizations (NAPEO) and the Employer Services Assurance Corporation (ESAC).*



## WHAT IS A PEO & WHAT IT IS NOT ?

A professional employer organization (PEO) is an outsourcing firm which provides services to small and medium sized businesses (SMBs). Typically, the PEO offering may include;

- Human Resource (HR) consulting ,Employers Practice Liability Insurance (EPLI) .regulatory compliance , workforce management technology , employee training and development
- Workers Comp/Risk Management including safety, RTW, claims admin & analytics
- Payroll processing and employer payroll tax filing,
- Employee Benefits including retirement vehicles (401k)

The PEO enters into a contractual **co-employment agreement** with its clientele. Through co-employment, the PEO becomes the employer of record for tax purposes through filing payroll taxes under its own tax identification numbers.

By taking care of employer responsibilities , PEOs help businesses improve productivity, increase profitability and focus on their core mission.

Through the PEO , the employees of small business gain access to big business employee benefits which they typically might not receive as employees of a small company.

On the other hand, an Administrative Service Organization (ASO) is similar in that it is also an option to outsource your administrative HR tasks, process payroll, administer benefits, and help with regulatory compliance.

The key difference is that, unlike a PEO, an Administrative Services Organization( ASO ) or Human Resources Organization ( HRO ) does not fall under a Co-employment agreement.



## 3 WAYS YOUR SMALL BUSINESS BENEFITS FROM USING A PEO



### GROW 7 TO 9% FASTER

Since December 2004, employment at small businesses using PEOs has grown more than 7 percent faster than at small businesses overall, according to the Intuit Small Business Employment Index.

### HAVE 10 TO 14% LOWER EMPLOYEE TURNOVER

The average overall employee turnover rate in the United States is approximately 42 percent per year, based on 2012 data. It is 28 to 32 percent for companies that used PEOs for at least four quarters.



### BE 50% LESS LIKELY TO GO OUT OF BUSINESS

Businesses that use PEOs are approximately 50 percent less likely to fail (permanently go "out of business") from one year to the next when compared to similar companies in the population as a whole. The overall business failure rate among private businesses in the United States as a whole is approximately 8 percent per year, based on 2012 data. It is approximately 4 per cent per year for those companies that used PEOs for at least four quarters.

Source: Professional Employer Organizations: Keeping Turnover Low and Survival High | McBassi & Company | 2014

Professional Employer Organizations: Fueling Small Business Growth | McBassi & Company | 2013



Professional Employer Organizations (PEOs) provide human resources services to their small business clients—paying wages and taxes and providing compliance assistance with myriad state and federal laws and regulations. In addition, PEOs often provide workers with access to 401(k) plans, health, dental, and life insurance, dependent care, and other benefits not typically provided by small businesses. Between 2 and 3 million people are covered by PEO arrangements.



[www.napeo.org/findapeo](http://www.napeo.org/findapeo)



## INDUSTRY OVERVIEW PER NAPEO



- ❖ 900 PEOs
- ❖ \$185 billion in revenue (payroll plus fees)
- ❖ 15% market share for firms 10-99 employees
- ❖ 175,000 clients with 3.7M employees for an average of 21 lives each
- ❖ Growing at 8.3 % annually since 2007
- ❖ Market potential is enormous with 80M+ individuals employed by firms with less than 500
- ❖ Employees earning on average \$25,000 in annual salary
- ❖ Consolidation by private equity buyers and public PEOs will continue providing greater creditability for industry and more capital for technology and human resources value add.
- ❖ The balance of the large PEOs will continue to grow as demand rises due greater regulatory/compliance requirements
- ❖ Small Business Efficiency Act (SBEA) further legitimizing co-employment and increased market pain in critical areas such as Workers' Comp (WC), Employee Benefits Administration, Human Resources compliance and improved technology
- ❖ Industry is fragmented and consolidation will continue ( top 10% of PEOs make of 90% of Industry )

### Key Statistics



**14 TIMES HIGHER**



PEO WSE growth rate, relative to growth rate in employment in US economy overall



# PEOs: Good for Businesses and Their Employees

## Business Owners' Experience with PEOs

- 98 percent of business owners who are PEO clients would recommend a PEO to a small business colleague.
- 70 percent report that their revenues have increased since becoming a PEO client; and
- 66 percent report that their profitability has increased since becoming a PEO client.

## Advantages of Using a PEO for Small and Mid-Sized Businesses

- Annual median revenue growth for PEO users was twice that of comparable non-PEO firms;
- Expected annual median revenue growth for PEO clients is 40 percent greater than that of comparable non-PEO firms;
- PEO client firms were 16 percent more likely to report an increase in profitability; and
- PEO users are significantly less concerned than non-PEO users about their ability to handle key business challenges:
  - Hiring employees
  - Increasing revenues
  - Raising capital/funding

## Advantages of a PEO for Employees

Compared to employees working in businesses that are not PEO clients, employees working in businesses that are PEO clients are significantly more likely to report that their employer:

- Demonstrates a commitment to them as employees (average response was +8 percentage points higher);
- Has good hiring practices (+8);
- Has good HR policies and practices (+5);
- Does a good job of designing employees' jobs (+4); and
- Provides employees with good training and development opportunities (+4).

## Professional Employer Organizations in the US Market Size 2003–2025

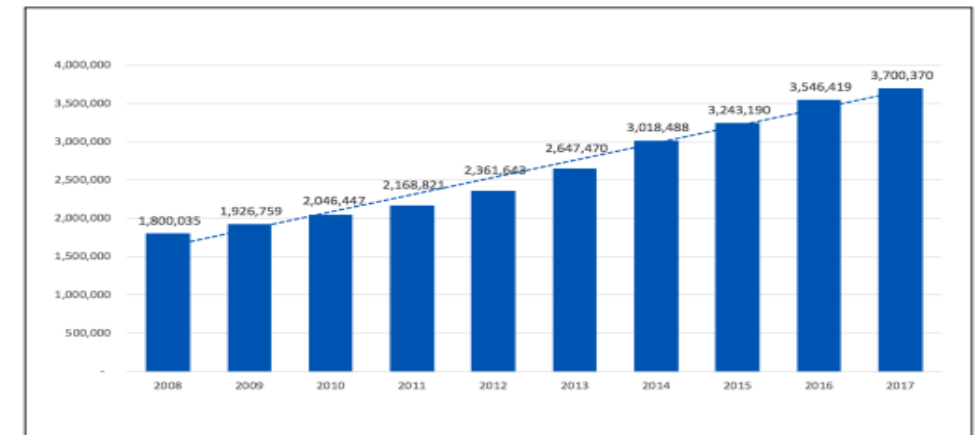
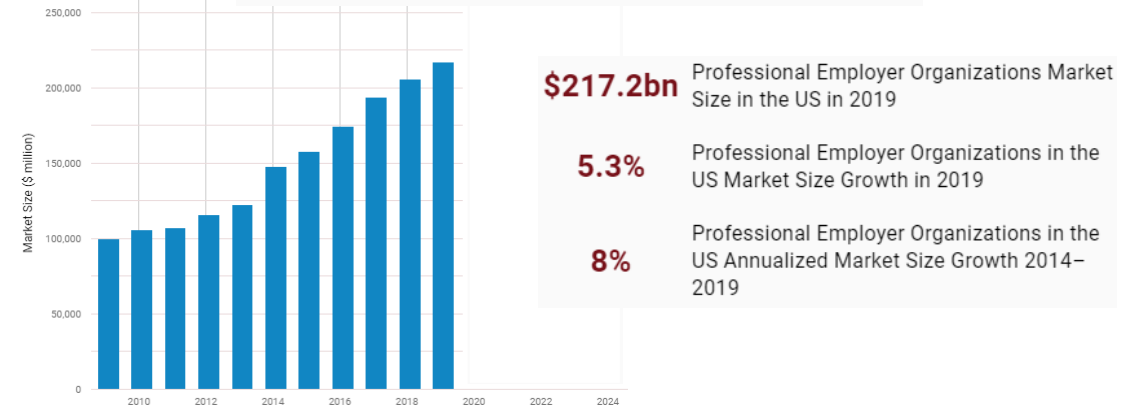


Figure 1: Estimated number of WSEs covered by PEOs from year to year, 2008 to 2017.

## Insurance Distribution, Disruption and InsurTech ( VJ Dowling )

---

- Large insurance carriers such as Berkshire Hathaway, Chubb & others are making serious InsurTech investments & having success with direct B2B business sales
- More insurance channels are being created to potentially disrupt traditional insurance distribution with improved technology; PEOs ,ASO/HRO ( including savvy start ups) as well as tech companies ; Overstock, Amazon & Google- creating better education & client experience, cutting underwriting and claims handling costs to deliver a more viable solution
- Per VJ Dowling at 2017 MMC Global Forum - low interest rates which drive down investment returns, the benign loss environment, and great competition has fueled long term rate decrease especially in WC . In my 35 years there has been more change in the last five years than prior 30 and the insurance industry is at an inflection point. Today new capital and tech advancements allows non traditional distribution to enter and compete against carriers with leaner loss & expense ratios. Today SMB would rather buy all their insurance from one company. Moreover, the insurance industry lags others in terms of online experience. Accenture's 2017 report shared nearly half of all Gen Ys would buy their WC & other business insurance on line from a tech firm rather than traditional insurance company and agent/broker. In summary, it's a race to cut out middlemen whom don't add value to be able to save money and go direct to client.

## MARKET OPPORTUNITY DUE TO SHRINKING CAPACITY

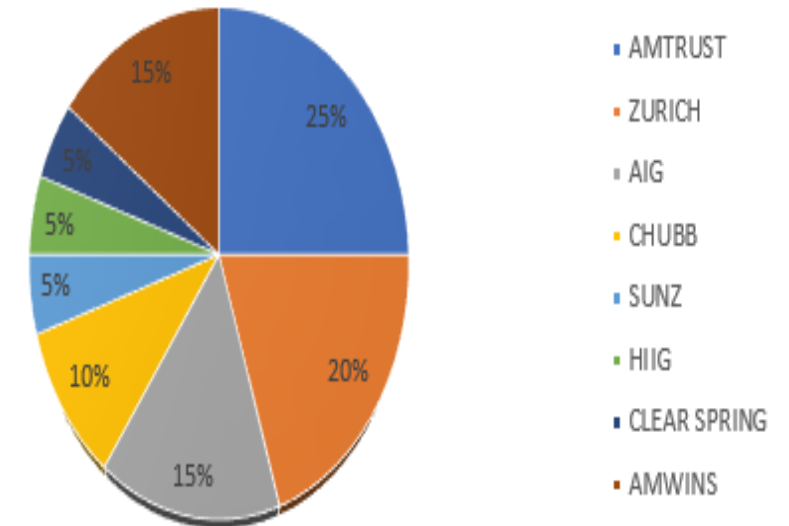
---

*AmTrust has decided to stop writing PEOs on a Master program. They will continue to offer WC insurance to PEOs, but using client policies or multiple coordinated policies. Reasonings behind this change include:*

- Stone Point Capital working with management team on restructuring to help with profitability.
- Continued soft pricing – 30% reduction in past 10 years / AmTrust - Florida business has seen 40% reductions since the recession.
- Performance of Master PEO policies are 5-10 points higher than remainder of WC book.
- Co-employment legislation impacting master policies.

*In addition, SUNZ, AEU & AmWINS programs are having challenges which means over 50% of market will be disrupted.*

TOP CARRIERS SERVING THE PEO INDUSTRY



## CARRIER & MGU LANDSCAPE

---

**AIG, Chubb and Zurich**. These offer large deductibles ranging from \$750,000 to \$1,000,000. The top 25 PEOs can be found with these carriers and make up approximately half the industry worksite lives.

**AmTrust** with \$150,000,000 in PEO premiums and roughly 100 clients. Open access to many brokers, WC in all states, competitive rates, new claims strategy showing improvement in claims management, but technology is lacking efficiency for PEOs, slow underwriting approval process and only guaranteed cost (first dollar) w/ no loss sensitive options. Amtrust will begin to non-renew Master policies in July of 2019.

**Clear Spring Property and Casualty** is a subsidiary of Delaware Life Insurance Company and its parent company, Group1001. The PEO book is believed to be \$50,000,000. This is a newer market and very competitive. The WC paper is nonrated currently. They can write in 49 states and DC. CCMSI provides their underwriting, claims management, data warehousing and reporting services. They offer an online portal through FastComp software.

**RTIA**—offers program via Service American Ins Co ( SAIC ) . They also partner with ProSight in the PEO/staffing area. They are owned

## CARRIER & MGU LANDSCAPE- continued

---

**HIIG** newer to the PEO space with \$50,000,000 in PEO premiums. Will write in most states except CA & NY.

Willing to consider more difficult classes of business with a list of firm excluded classes. Offering guaranteed cost and small deductibles. Only writing through limited brokers and must keep PEO book level with non PEO WC.

**SUNZ** insurance company is believed to be \$100,000,000 in premiums excluding their staffing book. Write in all states, mostly deductible programs and are trying to offer guaranteed cost program, but this does not seem to be a fit or working for them. Fronted by Accident Fund, which is now their second market following problems . Good management team, but financially there are concerns for their longevity and are currently for sale.

**Amwins** offers MGU program on State National paper with reinsurance from Chubb. The following relates only to PEO/staffing book. Believed to be \$150,000,000 in premiums, writing in all states. Guaranteed cost, small and large deductible options with low aggregates. The program is growing and there are concerns regarding longevity, since Markel now owns State National and after review fronting and reinsurance pricing should see changes in the future. Good amount of the book had been poor performers within the AmTrust book and were Non-renewed over the past couple years.



## The Attributes of a Healthy PEO

---

- **Leadership** - Management/Ownership -track record & backgrounds.
- **Strategy** - Growth plans & exit.
- **Value Proposition** - Understand what their niche and strengths are.
- **Talent** - Expertise in each key area Risk Management, Benefits, HR/Compliance & Payroll.
- **Sales & Distribution** - Internal & or External , Training , Metrics.
- **Operations / Technology** - Process for each core area & Platform Capabilities.
- **Financial Strength** - Balance sheet , P&L and Cash flow.
- **Vendor Quality** - Insurance , Technology, Banking , Financing/Capital, Accounting.

## Our PEO Submission Requirements

---

- Completed Acord app for PEO
- Five Years of premium & historical payroll exposure for PEO
- Current PEO Emod worksheet
- Current Emod for each MCP client
- Five years of currently valued loss runs for the PEO
- Loss Summary for submitted book of business
- Copy of all their safety , DFWP, RTW and all other risk mitigation plans & WC expertise
- Audited financials for last three complete years for PEO
- Completed Underwriting Review Spreadsheet ( incl; client name, physical address, , FEIN ,payroll by class code by state, number of employees by location, best hazard class, website , losses by year along with annual payroll premium for 3-5 years, detailed description of all losses over \$ 25k, yrs. in business , Acord app )
- Sample Client Service Agreement (CSA)
- Copy of all their Employee Benefit (EB) Plans , including census and participation standards
- Ownership, management & operating team bios and track records incl. background checks of each
- Supporting info for PEO incl; website address , marketing brochures , underwriting guidelines, pricing strategy for (WC ,payroll /HR ,SUTA , EPLI ), sales training program , distribution ( internal and external ) , and target markets ( class & states )
- Copy of EPLY policy , their strategy w/HR support & sharing of deductible as well as retention levels by client
- Is the PEO licensed in all states it conducts business in?
- Info on current WC program

## NCCI & NAIC –PEO WC regulations & Policy Admin Challenges & Solutions

---

- Master Policy Data Reporting Challenges per NCCI
- Tracking of former or new client companies
- Commingling of PEO experience with multiple client companies' data
- Manual reporting of client-level data for purposes of experience rating only
- Production and distribution of experience ratings for former client companies
- Reporting of individual employer records for each client company on the policy
- Misreporting of names and addresses
- Untimely reporting of client-level data for former clients and open claims

[https://www.ncci.com/Articles/Pages/II\\_PEO\\_EmployeeLeasingGuidetoStateSpecificRequirements.aspx](https://www.ncci.com/Articles/Pages/II_PEO_EmployeeLeasingGuidetoStateSpecificRequirements.aspx)

The NAIC model act has become the driving force to provide guidelines for regulation of WC Insurance plans with PEO arrangement so they comply with state laws , deductible size, rates& statistical reporting, filing requirements, etc.

# BRP AT A GLANCE

550+ COLLEAGUES  
(& GROWING!)



INDUSTRY LEADING  
RETENTION & GROWTH



\*Reagan Consulting

## ADVISORY SERVICES

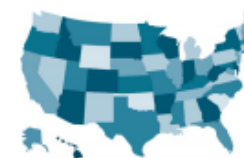


## RANKINGS

- Top 25 Benefits Brokers by Growth
- *Business Insurance* #3 Fastest Growing Brokers
- *Insurance Journal* Top 100 Independent P/C Agencies
- IIABA Best Practices Agency



100,000+  
CLIENTS  
IN 50 STATES  
& WORLDWIDE



# PEO RISK MANAGEMENT TEAM



## **Amy Ingram, Commercial Risk Management Managing Director**

Amy Ingram is Managing Director of the Commercial Risk Management Group at Baldwin Krystyn Sherman Partners. Joining the firm in 2016, Amy leads the Commercial Risk Management Group including Sales, Account Management, Risk Mitigation, Marketing and Analysis and is a member of the BKS Leadership Team. Amy has more than 20 years of experience in the insurance industry. Most recently, Amy served as Senior Vice President, North America Commercial Insurance, managing the Clean Technology industry segment for the Chubb insurance company. There she was responsible for the strategic development and execution of commercial clean tech business strategy on a global scale

## **Mike Ortoll, JV Partner**

Michael Ortoll is a seasoned insurance professional with over 30 years of experience. In 1984, he began his insurance career with Liberty Mutual as a claims adjuster. He later became one of their top property and casualty producers of middle market and national accounts, including overseeing Helmsman Claims, loss consulting, and risk management information system sales. In December of 2005, Michael started iLeader Solutions, which specialized in providing insurance and co-employment solutions to various industries, such as PEO/Staffing, healthcare, transportation, retail, hospitality, construction and private equity. He later sold iLeader to Wells Fargo Insurance Services, bringing a vast amount of resources and expertise to his clients. Michael left Wells Fargo Insurance Services in 2012 and founded iPEO Solutions, a national PEO retail brokerage. Mostly recently, BKS-Partners and iPEO Solutions joined to form a boutique insurance and risk management practice focused on several industry verticals, including professional employer organizations ("PEO"), senior living, staffing, and private equity as well as businesses with complex risk issues.



## **Mary Johnson, Director of Risk Management**

Mary joined BKS-Partners in 2015 as a Director of Risk Management. She was most recently the Underwriting Manager of CNA Insurance in Richmond, Virginia. Mary began her career with Selective Insurance Company in 1988 and held various roles, including VP of Sales & Underwriting for a local PEO, Selective HR Solutions in Sarasota, FL. Mary has a MBA from Loyola University, Baltimore, Maryland and earned her bachelor's from Virginia Commonwealth University, where she was a collegiate field hockey player. Mary is involved with the Susan G Komen 3 Day For a Cure Walk and served as the Chair of the 2014 Fall Event for The Ellen Shaw de Paredes Breast Cancer Foundation in Richmond, Virginia.



## **Kim Arvanitis, Senior Account Manager**

Kim Arvanitis is a Senior Account Manager in the Commercial Risk Management Group at BKS-Partners. Kim began her career in insurance, back in the mid-80's, with Aetna Life and Casualty, in the commercial claims department. Her experience includes working with startup companies as well as international clients. Prior to joining BKS, she worked with a global broker – leading client service teams. Kim is a fourth generation Tampa native, where she resides with her husband of 29 years and one daughter.



## **Randi Watson, Associate Account Manager**

Randi joined BKS-Partners as an Account Analyst part-time remotely in 2017. This year she returned to Tampa and joined the Tampa office as a full-time Account Analyst. Randi started her insurance career in reinsurance realm and made her way through a carrier, a HMO, and her latest being 25 years with The Gallagher Cos. as the VP of Operations and Asst. Administrator for nine WC Self-Insurance Funds. Randi stepped out of the insurance world for several years, but we were able to draw her back in. Randi is an 18 year Breast Cancer survivor and along with Mary, supports the local Susan G. Komen organization along with spending much time with her granddaughters.



## **Matt Kashdin, Marketing Director**

Matt joined BKS in 2011 as a commercial risk and accounting analyst. He serves as Commercial Risk Management Marketing Director, where he is responsible for procuring new business quotations, developing business relationships with our directly-appointed and excess carriers, and constantly searching for niche markets to provide competitive and thorough coverages for our clients. Matt graduated from Florida State University with a degree in Finance and Risk Management & Insurance.

## **Camille Zutes, Marketing Manager**

Camille joined the BKS team in January, 2011 after graduating from Florida State University's Risk Management & Insurance Program. She also holds degrees from Florida State University in Marketing and Multinational Business Operations. As an account manager, Camille provides extraordinary client service and colleague support through expertise, diligence and attention to detail. She is a dedicated professional with a talent for problem solving, organizational planning and managing multiple projects. She also performs corporate training and workflow development within the corporation. Her numerous specialties include a variety of professional sectors including the marine industry, financial institutions, and country clubs.



## **Patrick Kerby, Director of Risk Mitigation**

Patrick specializes in providing profit enhancing strategies and solutions to organizations by working with senior leaders, mid-level managers and customer-facing professionals to identify root causes of profit and revenue drains and develop solutions tailored to the organization and its culture. Patrick has over 15 years of loss control/prevention experience with small, mid-size and Fortune 500 corporations. Prior to joining BKS in 2012, he worked as the risk services director, loss prevention director and risk/finance manager for organizations in the automotive and pharmaceutical industries. He has a BSBA in Marketing from Rockhurst College and Master of Arts in Marketing from Webster University.



## **Tim Liberty, Senior Claims Consultant**

Tim Liberty joined the BKS-Partners commercial risk management team as a claims consultant in 2015. Previously, he worked for three years as a senior claims specialist with Liberty Mutual Insurance. Prior to that, he served four years in the Marine Corps as an Infantry Squad Leader and did tours in Bahrain and Iraq. He obtained a Bachelor's Degree in Political Science from Northeastern Illinois University and a Masters in Critical Incident Management from St. Leo University. Tim has all lines adjuster licenses for FL, GA, SC, and NC. He volunteers as a mentor through Take Stock in Children and enjoys golf and spending time with his wife.



## **Kelly Toppa, Claims Consultant**

Kelly joined the BKS-Partners commercial risk management team as a claims consultant in 2017. Previously, she worked for five and a half years as a senior claims specialist with Liberty Mutual Insurance. Kelly obtained her Bachelor's Degree in Marketing at Florida State University. She has all lines adjuster licenses in FL, GA, SC, NC, and TX. Kelly enjoys traveling, FSU football, and spending time with her husband and their Golden Retriever, Brady.



## **Jon Oorlog, Senior Risk Mitigation Analyst**

Jon joined BKS-Partners in 2015 as a Risk Mitigation Analyst. He graduated from Wake Forest University with a degree in Mathematical Business in 2015 and was a member of the Wake Forest Club Baseball team. Jon is from St. Petersburg and an avid Tampa Bay sports fan. Jon's passion for data and mathematical background allows him to design and develop actionable analytics for clients that identify risk mitigation opportunities.



## **Jeffry Brust, Senior Risk Mitigation Analyst**

Jeffry joined BKS in June of 2016 as a commercial risk analyst. Jeffry had previous experience in catastrophe risk analysis with Centauri Insurance for a year and a half. Jeffry graduated with a Bachelor of Science degree from Robert Morris University majoring in actuarial science and has passed three actuarial exams. Originally from Pittsburgh, he enjoys spending time with friends and family, following hockey and going to the beach.







## CLIENT ADVOCACY

- Representation at mediations
- Ongoing communication with adjusters & claims management
- Claims reviews facilitation
- Updates on legal changes



## CLAIMS ANALYTICS & RISK PERFORMANCE

- Loss Forecasting
- Deductible Retention Analysis
- Experience Modification Rate (EMR) Analytics
- Loss Reserve Analysis
- Actuarial Analysis
- Occupation
- Payroll Class Codes
- Demographics/Location
- Clients/Sub Clients
- LAG Time Claim Reporting
- Claim Causes
- Claim Types (Med Only, Indemnity)



## DATA SCIENCE SERVICES

- Loss Ratios
- Experience Mod Verification / Forecasting
- Benchmarking (NCCI / Industry)
- Loss Forecasting
- SIR & Deductible Analyses
- Collateral Analysis
- Budgeting & Premium Allocation



## PRE-INJURY CLAIMS MANAGEMENT

- Claims Reporting Process / Procedure
- Preferred Provider Network Design & Setup
- Modified Duty Creation & Implementation
- Accident Investigation Protocols
- Proactive Communication Tactics For Managers



## POST-INJURY CLAIMS STANDARDS & PROTOCOLS

- Post-Claim Employee Communication
- Preferred Provider Network Design & Setup
- Modified Duty Creation & Implementation
- Accident Investigation Protocol



# iPEO Solutions

- iPEO is the nation's leading co employment brokerage and our insurance joint venture with BKS / BRP Partners (the country's third fastest growing insurance retailer and top twenty insurance agent with \$ 150 MM in revenue ) allows us to provide a holistic approach to helping SMB grow faster & more profitably.
- iPEO helps you determine the best fit for your company via a single source solution unlike most insurance agents whom push insurance products or PEO brokers whom sell PEO only.
- Most of our clients are fast growing firms which want us to work with their team to determine if outsourcing will help them better meet their strategic goals.
- Over 20,000 lives in mostly PE portfolios in senior living , hospitality , services, retail , construction and transportation.

# Technology Platform – PrismHR

PrismHR software is specifically designed to help Professional Employer Organizations (PEOs) and Administrative Services Organizations (ASOs) reduce risk, be more efficient, expand business, and be more profitable. Over 250 of the leading outsourcing firms use PrismHR. BKS /iPEO is the only broker which uses Pulse HR ( Powered by ClientSpace technology) to oversee all business which comes into the PEO to better manage & control risk via workflow management . SET UP A DEMO

The screenshot displays the PrismHR interface for the BKS PEO. The top navigation bar includes Home, Workspaces, Sub-Clients, Cases, Tasks, WC Policies, COs, Contacts, Bus Intelligence, Admin Workspace, and Organizations. The main content area is divided into several sections:

- Workspace Search:** Shows 'BKS PEO'.
- BKS PEO (BKS):** Status: Client, (709) 456-1234, Primary Renewal Date: 01/01/2018. Buttons for Certificate Management and Market/Executive Summary are visible.
- BKS Contacts:** Lists Advisor: Mary Johnson, Claims: Tim Liberty, Underwriter 1: Tyler Huerkamp, Underwriter 2: Jo Cooy, and Client Manager: Trevor Williams.
- Client Contacts:** Lists Primary: Mike Ortoll and Owner: Lowry Baldwin.
- Submissions:** A table with columns for Client #, Company, Status, NAICS, EE Count, and Gross Payroll. The table shows 1-94 of 94 items.
- Payrolls:** A section for payroll management with search and filter options.

The screenshot displays the PrismHR interface for the BKS Pricing Console. The top navigation bar is identical to the previous screenshot. The main content area is divided into several sections:

- Company Information:** Fields for Legal Name (Graphic Design Institute), FEIN, BKS Contract Type (Baldwin, Krystyn, Sherman Partners), and Pay Frequency.
- Description of Operations:** A text area for describing operations.
- Pricing Batch:** Fields for Batch (RFP | Activated | 01/01/17), WC Multiplier Method (Use PEO Billing Multiplier), Client's Current E-mod, and PEO Billing Multiplier (1.0000).
- States and Codes:** A table with columns for Class Code, Status, Gross Payroll, FT/PT, Policy, Man Rate, Multiplier, and Eff Rate. The table shows 1-3 of 3 items.
- Pricing Breakdown:** A section for pricing breakdown with a dropdown for Georgia and an Overall summary.

# Technology Platform – PrismHR



> 88,000

PrismHR powers more than 88,000 organizations



> 2.2 Million

Delivers payroll, benefits, and HR to over 2.2 million WSEs



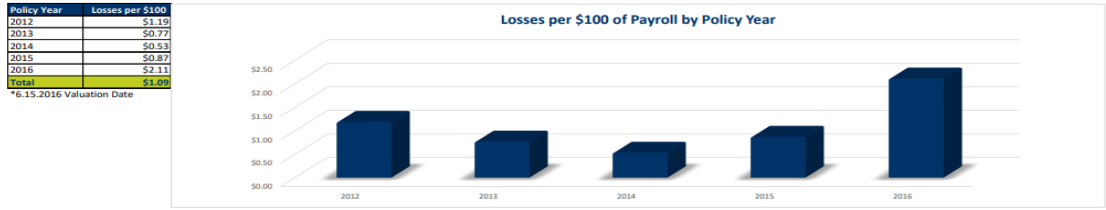
> \$57 Billion

Processes more than \$57 Billion in annual payroll



# BKS iPEO SAMPLE CLAIM ANALYTICS

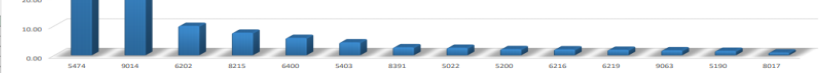
ABC PEO DASHBOARD AND KPI'S																
Policy Year	Carrier	# of Claims	Indemnity	Medical Only	Report Only	Total Paid	Total Reserves	Total Incurred	Ultimate Incurred Losses	Calc Premium	Payroll	Claims per \$1M Payroll	Losses per \$100 Payroll	Incurred Loss Ratio	Ultimate Loss Ratio	Book Rate (per 100)
3.5.2012	Carrier1	2	2	0	0	\$68,543	\$0	\$68,543	\$68,543	\$276,152	\$5,766,944	0.35	\$1.19	25%	25%	4.79
3.21.2013	Carrier1	20	9	10	1	\$159,857	\$0	\$159,857	\$159,857	\$817,177	\$20,775,225	0.96	\$0.77	20%	20%	3.93
3.21.2014	Carrier1	18	10	6	2	\$168,848	\$8,795	\$177,633	\$177,633	\$197,173	\$1,213,236	0.54	\$0.53	15%	16%	3.64
3.21.2015	Carrier1	27	13	14	0	\$198,825	\$98,146	\$296,971	\$369,720	\$1,245,824	\$34,095,965	0.79	\$0.87	24%	30%	3.65
3.21.2016	Carrier1	4	3	1	0	\$21,007	\$90,678	\$111,685	N/A	\$155,670	\$5,294,256	0.76	\$2.11	72%	N/A	2.94



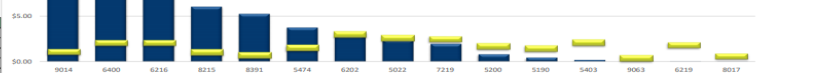
ABC PEO PAYROLL, PREMIUM, INCURRED LOSSES AND INCURRED LOSS RATIO - CURRENT CLIENTS																									
Client Name	2013 Audited Payroll	2013 Carrier Premium	2013 Incurred Losses	2013 Incurred Loss Ratio	2014 Audited Payroll	2014 Carrier Premium	2014 Incurred Losses	2014 Incurred Loss Ratio	2015 Audited Payroll	2015 Carrier Premium	2015 Incurred Losses	2015 Incurred Loss Ratio	2016 Payroll	2016 Carrier Premium	2016 Incurred Losses	2016 Incurred Loss Ratio	Total Payroll	Total Carrier Premium	Total Incurred Losses	Total Incurred Loss Ratio					
Road Paving Co.	\$110,878	\$617	\$0	0%	\$574,190	\$3,199	\$0	0%	\$675,246	\$4,399	\$10,238	233%	\$91,549	\$454	\$0	0%	\$1,451,863	\$8,670	\$10,238	118%					
Supply Company	\$264,000	\$4,793	\$1,103	23%	\$1,322,857	\$20,647	\$46,631	226%	\$1,349,731	\$17,346	\$0	0%	\$240,899	\$2,508	\$0	0%	\$3,177,487	\$45,293	\$47,734	105%					
Fencing Inc.	\$36,594	\$3,319	\$0	0%	\$166,834	\$11,680	\$0	0%	\$155,735	\$12,152	\$25,271	208%	\$19,124	\$1,058	\$0	0%	\$378,286	\$28,210	\$25,271	90%					
M. Fences	\$123,933	\$9,820	\$0	0%	\$246,415	\$17,435	\$0	0%	\$324,313	\$24,374	\$0	0%	\$61,689	\$3,235	\$45,046	1392%	\$756,350	\$54,863	\$45,046	82%					
Construction Inc.	\$203,002	\$1,120	\$168	15%	\$152,214	\$1,392	\$0	0%	\$210,995	\$3,690	\$5,786	157%	\$33,003	\$1,306	\$0	0%	\$599,214	\$7,507	\$5,954	79%					
Brothers Co.	\$336,763	\$11,927	\$0	0%	\$1,157,655	\$65,842	\$37,557	57%	\$1,757,698	\$113,401	\$54,000	48%	\$422,923	\$21,890	\$16,090	74%	\$3,675,039	\$213,060	\$107,647	51%					
Electrical Services	\$417,514	\$16,100	\$0	0%	\$953,531	\$46,074	\$3,230	7%	\$965,110	\$47,468	\$0	0%	\$126,945	\$4,296	\$50,549	1177%	\$2,463,100	\$113,938	\$53,779	47%					
Associates Inc.	\$546,634	\$13,124	\$2,943	22%	\$612,939	\$17,372	\$21,565	124%	\$364,407	\$23,292	\$429	2%	\$19,051	\$35	\$0	0%	\$1,543,031	\$53,823	\$24,937	46%					
B. Partners	\$2,125,730	\$132,648	\$29,834	22%	\$1,850,750	\$109,316	\$0	0%	\$1,038,404	\$47,890	\$92,198	193%	\$110,323	\$3,617	\$0	0%	\$5,125,297	\$291,470	\$122,032	42%					
Hank and his Kids	\$640,324	\$50,825	\$0	0%	\$810,031	\$52,721	\$43,065	82%	\$360,915	\$25,230	\$0	0%	\$19,492	\$644	\$0	0%	\$1,830,763	\$129,421	\$43,065	33%					
Agriculture Specialist	\$547,385	\$12,189	\$0	0%	\$472,178	\$11,119	\$2,510	23%	\$231,295	\$8,083	\$7,942	98%	\$30,355	\$811	\$0	0%	\$1,281,213	\$32,202	\$10,452	32%					
Funding	\$253,853	\$13,524	\$2,446	18%	\$287,162	\$13,140	\$0	0%	\$371,527	\$21,983	\$13,980	64%	\$75,233	\$2,070	\$0	0%	\$987,775	\$50,717	\$16,426	32%					
M. Masonry	\$128,728	\$3,589	\$0	0%	\$708,228	\$39,014	\$0	0%	\$923,315	\$59,239	\$9,493	16%	\$64,432	\$2,239	\$0	0%	\$1,823,294	\$104,080	\$9,493	9%					
Oil Services	\$892,031	\$36,623	\$7,212	20%	\$889,773	\$42,746	\$2,021	5%	\$393,645	\$22,792	\$0	0%	\$60,155	\$2,631	\$0	0%	\$2,235,604	\$104,793	\$9,233	9%					
Working Corp.	\$306,799	\$1,250	\$0	0%	\$374,345	\$1,565	\$0	0%	\$565,702	\$2,157	\$213	10%	\$0	\$0	\$0	0%	\$1,246,846	\$4,972	\$773	4%					
The Community Center	\$312,109	\$3,021	\$0	0%	\$856,750	\$8,686	\$0	0%	\$931,643	\$10,826	\$773	7%	\$135,164	\$1,244	\$0	0%	\$2,235,667	\$23,777	\$773	3%					
Steel Company	-	-	-	-	-	-	\$930	-	-	\$1,174,235	\$55,840	\$0	0%	\$299,166	\$11,848	\$0	0%	\$1,473,401	\$67,688	\$930	1%				
Tri Company	\$464,905	\$21,204	\$0	0%	\$808,201	\$37,935	\$0	0%	\$1,085,929	\$50,033	\$1,161	2%	\$229,504	\$8,565	\$0	0%	\$2,588,539	\$117,736	\$1,161	1%					
Auto Repair Shop	\$643,417	\$23,772	\$0	0%	\$855,705	\$27,577	\$0	0%	\$924,092	\$31,634	\$610	2%	\$181,264	\$4,456	\$0	0%	\$2,604,477	\$87,439	\$610	1%					
Equipment LLC	\$98,685	\$3,124	\$0	0%	\$30,269	\$18,115	\$0	0%	\$572,995	\$32,463	\$309	1%	\$106,779	\$3,980	\$0	0%	\$1,108,728	\$57,681	\$309	1%					
Secondary LLC	\$520,157	\$19,724	\$0	0%	\$1,838,409	\$23,031	\$0	0%	\$3,472,795	\$34,555	\$392	1%	\$686,416	\$7,817	\$0	0%	\$6,526,777	\$95,127	\$392	0%					
<b>Total</b>	<b>\$12,397,542</b>	<b>\$524,062</b>	<b>\$43,706</b>	<b>8%</b>	<b>\$22,606,712</b>	<b>\$775,874</b>	<b>\$157,509</b>	<b>20%</b>	<b>\$28,561,270</b>	<b>\$1,043,789</b>	<b>\$222,792</b>	<b>21%</b>	<b>\$5,825,968</b>	<b>\$148,643</b>	<b>\$111,685</b>	<b>75%</b>	<b>\$68,553,531</b>	<b>\$2,430,370</b>	<b>\$535,095</b>	<b>22%</b>					

\*6.15.2016 Valuation Date  
 \*\* All termed clients removed from exhibit  
 \*\*\* Only clients with incurred losses shown

ABC PEO CLASS CODE BENCHMARKING			
2015 Policy Year	No. of Claims	Payroll	Claims per \$1M
5474	1	\$16,872	63.00
9014	1	\$59,639	33.54
6202	1	\$100,578	9.94
8215	1	\$133,005	7.63
6400	1	\$170,374	5.87
5403	1	\$228,965	4.37
8391	3	\$3,112,354	2.70
9022	3	\$1,995,524	2.51
5200	4	\$1,938,363	2.06
6216	5	\$1,008,948	1.96
6219	1	\$547,450	1.83
9063	1	\$599,740	1.67
5190	2	\$1,357,350	1.47
8017	1	\$1,087,027	0.92
7219	1	\$1,175,101	0.85
8049	27	\$14,095,965	0.76

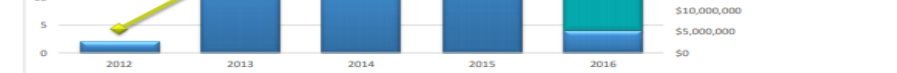


2015 Policy Year	Payroll	Losses per \$100	ELR
9014	\$59,639	\$24.00	\$1.04
6400	\$170,374	\$4.48	\$2.04
6216	\$1,008,948	\$9.14	\$2.03
8215	\$133,005	\$6.46	\$1.02
8391	\$3,112,352	\$5.28	\$0.70
5474	\$16,872	\$4.79	\$1.50
6202	\$100,578	\$4.59	\$2.08
9022	\$1,995,524	\$2.40	\$2.38
7219	\$1,175,101	\$4.98	\$2.45
5200	\$1,938,363	\$6.48	\$1.69
5190	\$1,357,350	\$6.46	\$1.44
5403	\$228,965	\$6.21	\$2.07
9063	\$599,740	\$6.11	\$0.86
6219	\$547,450	\$6.06	\$1.80
8017	\$1,087,027	\$6.04	\$0.99
8049	\$14,095,965	\$4.47	\$0.87



Policy Year	No. of Claims
2012	2
2013	20
2014	18
2015	27
2016 (Annualized)	24
<b>Total</b>	<b>91</b>

\*6.15.2016 Valuation Date  
 \*\* Annualized Value calculated using current year's performance



Policy Year	Tot. Incurred
2012	\$68,543
2013	\$159,857
2014	\$177,633
2015	\$296,971
2016 (Annualized)	\$670,110
<b>Total</b>	<b>\$1,373,114</b>

\*6.15.2016 Valuation Date  
 \*\* Annualized Value calculated using current year's performance  
 \*\*\* Annualized value does not include development





**CERTIFICATE ADMIN**

**POLICY ADMINISTRATION**

**UNDERWRITING SUPPORT**

**CLAIMS ADMIN**

**AGENCY SUPPORT**

**OTHER FUNCTIONS**

**Policy Issuance**

**Policy Endorsement**

**New Business**

**Renewals**

- Cert System Master Setup
- Client Adds
- Client Terms
- Client Reinstate
- New Policy
- Renewal
- Policy Changes
- Issue Certs – Standard, Waivers, Special Wording

- System Updates
- Issue Quote
- Issue Binder
- Confirm Requirement
- Verify/Validate
- New Policy Issuance
- Renew Policy Issuance
- Policy Checking

- System Updates
- Client Adds
- Client Terms
- Client Reinstate
- Confirm Requirement
- Other Policy Changes
- Endorsement Issuance
- Endorsement Checking

- Assess Exposure
- Pull E-Mods
- Scrub Losses
- Search Web
- Calculate Premium
- Generate Quote
- Package Proposal

- Annualize Payroll
- Assess Exposure
- Pull E-Mods
- Scrub Losses
- Search Web
- Calculate Premium
- Generate Quote
- Package Renewal

- Get First Loss Notification
- Update System Info
- Track Progress
- Settlement
- Payment
- Accounting

- Manage Info
- Make System Updates
- Agent Registration
- Book & Manage Commissions
- Billing & Invoicing
- Client Review

- Finance & Accounting
- Reporting
- Data Warehousing & Analytics
- Payroll Audits
- Premium Audits

## PEO & Insurance Industry Resources

---

- A.M. Best Company
- American Insurance Association
- Business Insurance
- CPCU Society
- Independent Insurance Agents of America
- Insurance Information Institute
- Insurance Risk Management Institute
- National Association of Insurance Commissioners
- National Association of Professional Employer Organizations
- National Council of Compensation Insurance
- National Conference of Insurance Guaranty Funds
- National Underwriter
- [www.ipeosolutions.com](http://www.ipeosolutions.com)
- Reinsurance Association of America
- Society of Certified Insurance Counselors
- [www.americanpayroll.org](http://www.americanpayroll.org)
- [www.ebri.org](http://www.ebri.org)
- [www.shrm.org](http://www.shrm.org)
- [www.workerscompensation.com](http://www.workerscompensation.com)