

# National General Insurance

## Loss Control Presentation Outline

### Management Statement

National General Insurance via Integon National Insurance Company is committed to providing a loss control program that helps prevent accidents that may lead to property damage and/or bodily injury to the general public and our insureds. Our program is intended to help you take the necessary steps to minimize your exposure to losses on your commercial auto policy issued in the state of Texas. We will maintain this program and provide information and services to all active policyholders in the state of Texas.

### General Requirements

- 1) Loss Control Management
  - a. National General's Loss Control Team is located in Winston-Salem, NC. The Commercial Auto Underwriting Manager is considered the Loss Control Manager for the state of Texas. This person reports to the Vice President of Specialty Products and partners with the state Product Manager, Claims, Marketing and Legal to develop and distribute the appropriate loss control information and services to National General's Texas policyholders in accordance with Texas Insurance Code (TIC) and Texas Administrative Code (TAC).
- 2) Procedures
  - a. The policyholder is notified of loss control information and services through a notice in the initial policy package and at each renewal. There is no charge to the policyholder for this information or service.
  - b. Texas policyholders may access general loss control information which is available at <http://www.nationalgeneral.com/claims-center/loss-control.asp> . If a policyholder requests to be contacted, he/she may call National General's 1-877-468-3466, ext 0. The customer will reach our Policy Services group. All loss control questions will be referred to the Underwriting Manager. General information requests will be completed within 10 business days and on-site visits will be completed within 20 business days.
  - c. A copy of all loss control information/services provided to the policyholder is maintained.
- 3) Loss Control Review
  - a. Risks – we look at the type of operation, services provided, the probability of a large loss, potential issues that increase the frequency of accidents and other possible hazards.
  - b. Exposures – we consider the number and types of vehicles on the policy, the number of employees, driving experience, prior violations, subcontractors, employee turnover, number of stops in a day and the miles traveled.
  - c. Loss Experience – we review frequency, severity, loss ratio and trends.

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- d. Other Considerations – we seek to understand the current loss control measures in place as well as changes in the operations of the business that may influence activities that may lead to a loss.

### Loss Control Representatives

- 1) National General Insurance employees involved in a loss control review and making recommendations to a policyholder are qualified in accordance with Texas Administrative Code. These individuals are designated by one or more:
  - a. Loss Control Representative (LCR)
  - b. Field Safety Representative (FSR)
  - c. Certified Safety Professional (CSP)
  - d. Associate Risk Management (ARM)
  - e. Chartered Property Casualty Underwriter (CPCU)
- 2) These individuals attend required training to maintain their designations. The company maintains a record of all training.
- 3) If an outside company is selected to provide a loss control service, we will collect, maintain and make available to the policyholder the name of the contract company, its qualifications and the services to be performed. The servicing company will adhere to National General Insurance standards and procedures, and use forms provided by the company. The company will ensure that the appropriate review was completed by speaking with the policyholder or providing a survey to be completed. Records are kept for future reference.

### Loss Control Surveys & Consultations

- 1) Initial On-Site Survey – an on-site review will be based on the nature of the business, the possible risk exposure, loss history, premium amount, prior claims activity as well as other criteria per review. Conversations with the policyholder are also used in determining a review. If an on-site review is not conducted, we will provide the policyholder with the necessary information to complete a self-inspection and evaluation.
- 2) Follow-up Review – depending on the outcome of the initial on-site survey, a follow up review may be planned to ensure that suggested activities are completed. Any additional reviews will consider prior evaluations and may include additional criteria. A policyholder that completes a self-inspection may follow up with National General to discuss appropriate actions to minimize loss exposure.
- 3) Regular Reviews – factors determining future reviews will be based on the loss control violations, risk type, premium size, claims frequency, changes in risk profile and other criteria.
- 4) All reviews and recommendations will be documented and saved for future access.
- 5) All loss control documents and online material will be reviewed on an annual basis to ensure that is relevant and encompassing of the risks written in the commercial auto program.

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- 6) Policyholder loss control reviews will be scheduled per the policyholder's request, premium size, vehicle type and/or count or company review of loss history. There will be specific contacts for both the policyholder and company for any loss control review.
- 7) Some items to consider during a survey or consultation are:
  - a. Is there a loss control program in place with the policyholder
  - b. What safety programs are in place
  - c. What safety/loss control/training material is available to employees
  - d. How often are safety inspections completed and by whom
  - e. What management controls are in place for daily operations
  - f. What actions does management take to review procedures after a loss
  - g. What hazards or exposures are generally present for this risk type
  - h. Is policyholder complying with all state and federal regulations
  - i. How large is the account (vehicles and/or premium)
  - j. What vehicle types are insured (passenger auto, dump trucks, etc.)

## Recommendations

- 1) The company representative will present any recommendations and information to the policyholder verbally and confirm the conversation in writing. Any recommendations will be directed to policyholder management and direct them on areas of loss control improvement, if applicable.
- 2) Pending the conversation and submission of recommendations, the company will set up a future contact date with the policyholder to ensure that loss control improvements have been implemented.
  - a. Serious Loss Control Issues require a 30 day follow up from the company
  - b. Failure to implement the recommended changes within the first 30 days, requires the company to follow up within 15 days to ensure that the appropriate controls have been put in place
  - c. Important Loss Control Issues require a 60 day follow up by the company. Failure by the policyholder to provide evidence that the changes have been implemented requires another follow up within 30 days
  - d. Advisory recommendations do not require action by the policyholder, but it is recommended. The company may follow up as needed
  - e. If a policyholder fails to implement any loss control changes required by the company, the policy may be set up for non-renewal after review by the appropriate company representative

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### **Safety Training**

- 1) National General Insurance provides its policyholders with self-serve loss control material on the company's web site, <http://www.nationalgeneral.com/claims-center/loss-control.asp> .
- 2) Web site loss control documents present general loss cost information that supports smaller business operations that may not be able to afford to hire their own loss control manager. However, many of the loss cost actions pertain to all business operations.
- 3) Specific loss control measures are identified in the material such as, vehicle maintenance, cargo security, driver hiring and training, etc.

### **Accident & Claims Analysis**

- 1) The criteria used by National General Insurance in determining the need for a loss control review may include:
  - a. Claim frequency
  - b. Incidents involving unknown/unlisted drivers
  - c. Changes in the number of vehicles on the policy
  - d. Changes in the number of drivers on the policy
  - e. Details listed on the police report
  - f. Change in nature of business operations
  - g. Risks listed as a new venture or fewer than 3 years of business experience
  - h. Risks identified has having a higher frequency
  - i. Risks with heavy vehicles
  - j. Risks requiring a state or federal filing
- 2) Depending on the results of the review, a recommendation for further review of the business operations pertaining to loss activity may be required. This may include a phone conversation with the policyholder or an on-site review.