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OCI *insight*

Turning History Into ForesightSM

WINTER 2011

OCI IDENTIFIES COST DRIVERS OF DISABILITY PLAN DESIGN

What changes to your benefit plan design do you think would result in the most cost savings?

OCI conducted a study on disability plan design changes a large firm was considering to reduce claims and save money. Although the employer had deep knowledge of its benefit plans, OCI's findings discovered that the true costs drivers were not what the employer had suspected.

The study included disability claims from the previous four years and focused on two primary areas of change - claim duration limits and new employee waiting periods.

OCI first evaluated the claim duration limits on frequent injury types that tend to be affected by employee behavior. Although the employer assumed its greatest savings could be found by focusing on mental health claims, OCI found that 29% of the employer's claims were actually musculoskeletal long-term disability (LTD) claims. Additionally, since musculoskeletal claims have a large employee behavior component, they tend to be affected by plan design changes. Studying this group and other LTD claims, OCI found that establishing a two-year duration limit would save the employer \$32 million.

OCI then analyzed the waiting periods for new employees to determine the savings potential of establishing either a 90- or 180-day waiting period. The study found that over a four-year period, a 90-day waiting period would prevent enough disability claims to save \$2.2 million, and that a 180-day waiting period would save \$5.3 million.

"These results clearly show that not all plan designs are created equal," said Archie Anderson, President of OCI. "The most critical piece of this study for employers to take note of is that without the ability to analyze their data, truly understand their cost drivers, and model the impact of proposed changes, it can be difficult to implement the correct changes to impact savings and their bottom line."

To read the full whitepaper on this study, *Improvement Strategies for Disability Plan Performance*, please visit www.oci.com/hr-employee-benefits.

Message from Archie Anderson

Greetings, and Happy New Year to everyone! It's hard to believe that the New Year is here!

2010 was very eventful and full of activity. Most notably, LeaveXpertTM, our Total Leave Management System was launched this summer. It is generating a lot of interest. We've already signed new customers who want to be compliant and manage their leaves more productively and accurately.

Additionally, we have enhanced our communications through social media and other channels to keep our customers and industry partners up to date on industry information and happenings. These new communication mediums have provided a platform for open communication between OCI and our markets. Recently, we hosted our first industry webinar, "Leave Management in the 21st Century," which a large number of participants attended. Look for more of these thought provoking analytic presentations to come in the future.

I especially look forward to 2011 - working closely with the new customers and partners we have gained in 2010, and those existing customers that we have served for many years. Keep an eye out for us at upcoming conferences. We look forward to seeing you soon.

Best regards,

Archie Anderson
President & CEO

twitter - @archieoci

Please send any feedback or newsletter suggestions to insight@oci.com.

For more information on OCI please call us at 800.678.6613.



INDUSTRY TRENDS FOR 2011

The HR, Employee Benefits, Risk Management and IT sectors will see an exciting year. Healthcare reform, cloud computing, social media, and many other factors will continue to penetrate and change our industry. We believe that being aware of and preparing for the following trends will help you have success in 2011.

1. Legal Compliance will become more and more complex, especially in the case of leave management.
2. HR Departments will need to leverage technology via SaaS or cloud offerings to most effectively streamline processes and improve productivity.
3. Employer Medical Costs will continue to rise - studies indicate it will increase by as much as 9%.
4. Integration across all data types and departments will be key, as organizations move to SaaS and cloud offerings, to effectively lower costs and impact a company's bottom line.
5. While workers' compensation premium rates will go down in 2011, WC indemnity severity has continued to rise faster than inflation. Additionally, WC medical severity has continued to outpace the medical consumer price index.
6. Analytics & Business Intelligence will become even more necessary to provide employers with data-driven decision making tools.
7. Data security will be in the spotlight more than ever due to cloud computing, smartphones, social networks, and insider threats.

OCI LAUNCHES WEBINAR PROGRAM

OCI recently hosted our first webinar, **Leave Management in the 21st Century**. The webinar featured keynote speaker David Spring, Business Analyst at OCI. ***Check out our Employee Spotlight for more information on Dave.*

OCI was prompted to host a webinar following a study that discovered that the cost of employee absence accounts for an astronomical 36% of an employer's payroll. The presentation revealed trends in absence and helped participants identify how much employee absence costs their organization.

*Leave Management in the 21st Century
was provided by:*

LeaveXpertTM

**Want to Attend OCI's
Next Webinar?**



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to insight@oci.com.

Or call 800.678.6613

The session also illustrated the key requirements of a well developed leave management system to lower costs, realize time-saving administrative benefits, and achieve maximum ROI.

Webinar attendees received a free whitepaper research study on employee absence. To access the whitepaper, visit www.oci.com.



Employee Spotlight

David Spring

Business Development Analyst



Current Role: Leader in identifying the business needs of OCI prospects and customers to determine the best fit solutions for those needs. Responsible for eliciting, analyzing, and validating business requirements for custom and standard OCI solutions.

Why I like working at OCI: I enjoy the camaraderie with co-workers and that OCI has allowed me to develop and utilize a variety of skills over the years in my roles as data analyst, research analyst, project manager, and my current business development analyst position.

Background: Prior to OCI, I worked in education full-time for six years, in addition to completing my Masters in Statistics.

One thing people normally wouldn't know about me: As a college student I performed before tens of thousands of people at the Big House in Ann Arbor and Notre Dame Stadium. No stardom for me. I was a member of the Purdue University marching band, not the football team.

If I could have a super power it would be: The ability to fly, to feel the cool breeze on my face and look down on the land below.

When I'm not at work I like to: Spend time outdoors walking, running, and biking.

Follow me on: LinkedIn

2011 Events Calendar

Stop by and visit with an OCI Sales Representative at the following events in 2011!

RIMS 2011 Annual Conference

May 1 - 5, 2011
Vancouver

SHRM 2011 Annual Conference

June 26 - 29, 2011
Las Vegas

DMEC 2011 Annual Conference

July 31 - August 3, 2011
Dallas

HR Technology Conference

October 3 - 5, 2011
Las Vegas

Workers' Compensation and Disability Conference & Expo

November 9 - 10, 2011

Check Out OCI's BLOG!!

www.oci.com/blog

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