Aon Casualty Risk Control Solutions for the Staffing Industry
During the Great Recession (2008-2009), when 2.2 million people were identified as “temporary help,” there has been an increase of 45% to an average of 3.2 million workers in this sector as of 2018. As the number of temporary workers has increased so too has the problem of work related injuries, amputations and fatalities. Temporary workers experience twice the rate of lost time injuries per 100 full time equivalent (FTE) workers compared to their permanent peer workers. This gap widens for workers in high hazard industries, such as agriculture, construction and manufacturing. Temporary worker injury claims rates are between 36% and 72% higher than for non-temporary workers. And because most temporary workers are clustered in high hazard occupations, the related claim costs tend to be more severe.

The co-employment industry has its own unique set of challenges. Injuries, safety compliance, and workers’ compensation costs can have a significant impact on revenue and customer service. However, with proactive and strategic risk consulting, risk identification and mitigation, many of these factors are controllable, and when controlled can improve their organization’s safety performance and bottom line. When applied consistently, there are tools and techniques proven to reduce injuries and turnover, improve compliance, and increase profitability.
Recognizing the increase in temporary work and related injury rates since the 2008 recession, OSHA implemented the Temporary Worker Initiative (TWI). Since 2013, OSHA has published multiple guidance bulletins describing the joint responsibilities of host and staffing companies for temporary worker safety. OSHA inspections of staffing firms and employment agencies has increased each year from just over 500 in 2013 to over 780 in 2017, a 52% increase. Recent studies show that when both the staffing company and the host employer are cited for safety violations, the host is fined more heavily in most cases. For more on the Temporary Worker Initiative go to the OSHA website: https://www.osha.gov/temp_workers/

A 2014 American Staffing Association (ASA) survey showed that less than one third of temporary agency employees work in offices. The largest segment (37%) of this worker population is physically located in manufacturing, light industrial and other more hazardous industries. According to Bureau of Statistics, transportation and warehousing, manufacturing, construction and healthcare industries have some of the highest injury and illness incidence rates per 100 full time workers. These are the same industries that place most temporary employees.

### Business Sectors Using Temporary Workers

A 2014 American Staffing Association (ASA) survey showed that less than one third of temporary agency employees work in offices. The largest segment (37%) of this worker population is physically located in manufacturing, light industrial and other more hazardous industries. According to Bureau of Statistics, transportation and warehousing, manufacturing, construction and healthcare industries have some of the highest injury and illness incidence rates per 100 full time workers. These are the same industries that place most temporary employees.

A 2014 American Staffing Association (ASA) survey showed that less than one third of temporary agency employees work in offices. The largest segment (37%) of this worker population is physically located in manufacturing, light industrial and other more hazardous industries. According to Bureau of Statistics, transportation and warehousing, manufacturing, construction and healthcare industries have some of the highest injury and illness incidence rates per 100 full time workers. These are the same industries that place most temporary employees.

### OSHA Inspections NAICS

561311 Employment Placement Agencies &
561320 Temporary Help Services

![Graph showing OSHA Inspections from 2013 to 2017](chart.png)

Aon publishes periodic Risk Alerts for our clients advising on new regulations or changes in worker safety rules to help keep you in compliance.
Aon Client Promise® Platform

Discover

OPERATIONAL ANALYSIS
• Casualty Laser™ and Benchmarking
• Safety and Risk Management Best Practice Assessments
• OSHA’s/Temporary Worker Initiative and Other Regulatory Requirements
• Critical Program Reviews
• Worksite Evaluations
• Job Safety Analysis (JSA)
• Task Specific Analysis

Develop

STRATEGIC PLANS
• Service Plans
• Goals and Metrics
• Key Performance Indicator Design (KPI)
• Client Education and Training Strategy

Deliver

STAFFING SOLUTIONS
• Training and Education Workshops
• OSHA Guidance and other Regulatory Insights
• Safety Culture Tool Box
• Targeted Surveys
• Ergonomic Job Task and Program Evaluations
• Physical Demands Analysis (PDA)
• Injury Reporting/Return-to-Work Programs
• Carrier selection, Oversight and Claim Services Provider
• Ergonomic Claim Validation Studies

Review

CALIBRATE
Measure performance and demonstrate ROI and client value
• KPI Dashboards and Reporting
• Assessments
• Feedback Surveys
• Casualty Laser™ and Benchmarking
Casualty Laser™

Launched in 2011, and with industry-specific metrics introduced in 2016, Aon Casualty Laser™ is the flagship of our series of data analytics approaches and is typically used for organizations with casualty loss picks of $5 million or more. Now with over $9 Billion in accumulated loss data, the Casualty Laser™ is conducted primarily for Workers’ Compensation (WC), but includes benchmarks and analyses of Automobile Liability (AL) and General Liability (GL) lines as well. Client loss and payment information is compared to over 90 industry and proprietary benchmarks, with cost savings estimates projected by specific initiative or solution. In addition to commonly-used loss analyses by injury type, location, etc., we examine additional elements such as payment patterns, litigation trends, disability elements and catastrophic claim rates.

Casualty Analytics Powered by Laser™

This study includes many of the same analyses as Laser™, but without the payment transaction elements and corresponding indicators of cost leakage. Casualty Analytics Powered by Laser™ delivers over 20 pre and post loss benchmark metrics and a graphical representation of loss trends and requires only a detailed loss run for completion. This is appropriate for organizations with loss picks between $500,000 and $5,000,000. The output is WC oriented, although AL and GL can be included.

Aon Spectrum Analytics™

Leveraging the wealth of data and insights accrued in our proprietary Casualty Laser database, Aon now introduces the Aon Spectrum Analytics platform, an innovative benchmarking tool that provides clients with an unparalleled – and interactive – view of key loss prevention and claims management performance indicators and cost drivers. Using an interactive dashboard, clients can perform virtual benchmarking of their operations, easily comparing KPIs between regions, locations and even occupations, resulting in the identification of problem areas within minutes.

This combination of proprietary benchmarking and advisory services create an unparalleled next step in leveraging data to manage your loss costs, by far the largest single element of Workers’ Compensation TCoR.
Engage, Educate and Empower Branch Professionals

Working closely with our staffing agency clients Aon has developed impactful training and tools that empower branch professionals at every level to improve prospecting, placement, staff retention and revenue results. Aon’s casualty risk control experts teach co-employment professionals how to develop and foster a “safety relationship” with their clients that transcends the typical administrative dynamic adding value and differentiating them from their competition.

Solving the safety puzzle can impact your Total Cost of Risk (TCoR), improve how you service your customers, and ultimately, increase your profitability. We also work with our clients who use temporary staff to navigate compliance issues, vet potential suppliers, and ensure that production and quality standards are not adversely impacted.

Our customizable training covers a wide range of topics and techniques designed to educate staffing and PEO professionals at every level. From the basics such as how workers’ compensation programs work, to more complex issues such as the impact on revenue and profitability. Our consultants have expertise in many industries and we cover the fundamentals of safety management used in manufacturing and light industries to help keep workers safe and productive. We also teach co-employment professionals the basics of hazard identification and control, and most importantly, how to apply this knowledge to their day-to-day business in a way that develops and fosters a valued relationship with customers.

From conducting meaningful worksite inspections, to the basics of OSHA compliance and incident investigations, we focus on the roles of recruiters, sales staff and account managers. Everyone shares a responsibility to ensure that each placement is safe and successful.
Accepted by the American Staffing Association

Our training programs have been accepted by the American Staffing Association (ASA) for continuing education hours for Certified Staffing Professionals (CSP). Additionally, we recommend our training and best practice assessments for staffing companies applying for the National Safety Council/ASA “Safety Standard of Excellence” program.

Supporting Staffing and Co-employment Risk Control Programs

Aon offers training solutions that are flexible and unique to a variety of industries. Training programs can be tailored towards all layers of the organization to include upper/middle management, front-line supervisors, and lone worker employees. Training programs can be performed in-person by one of Aon’s Global Risk Consultants, or can be offered through an e-learning platform available to Aon clients. Our goal is to provide the most effective resources to clients that increase safety awareness and knowledge of occupational safety and health guidelines.

E-Learning Partnership

Aon offers an online e-learning platform through our strategic partnership with SafetySkills®. SafetySkills develops high-end, competency-based e-learning courses for environmental, health & safety, and human resources education. The SafetySkills library includes over 500 courses in 350 topics, many of which are specific to various industries. Clients may also upload their own or Aon developed training content, documents, policies, etc. in support of the e-learning platform.
Staffing Client Testimonial:
“In the staffing industry, we have a tendency to focus on safety training for our temporary employees, rather than training our staff, and assume there’s not much else that is within our control. When I initially approached Aon about training for our field representatives, we were looking for training that was specific to the staffing industry, as we had not been able to find anything that focused on our industry challenges or what we, as a staffing agency, could do to control our workers’ compensation costs.

We began the training three years ago and have been able to deliver it to all of our locations.

The training has been instrumental to the development of our staff employees and in developing a true safety culture within our organization. I’m very pleased with how both have impacted our results so far. The training has allowed our field reps to have more educated, productive discussions regarding client and candidate selection with each other, with our customers and prospects, and with my [Risk Management] team all of which has translated into great results for us. Our results so far have proven to us that this training has been a worthwhile investment.”

Year to date, there has been a 20% reduction in the frequency of incidents and a 73% decrease in the average cost per injury claim.
Co-Employment Best Practices
We Understand Your Risk

In partnership with one of our most proactive clients, Aon has developed customizable best practice assessments that empower staffing organizations to improve prospecting, placement, staff retention and safety performance. Our assessment covers a wide range of topics from the basics such as how your office appearance influences candidate behavior, to more complex issues such as regulatory compliance and worksite evaluations. Our evaluation is customizable and addresses important risk and safety management programs and best practices.

Upon completion, clients will receive a scorecard that may be used to benchmark performance for continuous improvement. We inventory the controls and document what’s working well. Improvement opportunities become the action items for our service plan.

Best Practice Assessment Scorecard

Audit Date: 11/17/2017
Auditor: No Auditor Listed
Region: No Region Listed
Branch: No Branch Listed
Region VP: No Region VP Listed

Overall Audit Results

Audit Score: 875
Potential Score: 1080
81%

Audit Section Scores

Operating Facilities: 75%
Applicant Screening & Records: 98%
Interview/Employee Selection: 57%
Orientation & Training: 70%
Client Safety Programs: 97%
Incident Investigation & RTW: 83%
Safety Relationship: 65%
Ergonomics Consultation

Aon’s Board Certified Professional Ergonomists have extensive experience and can assist co-employment businesses in a variety of ways ranging from task specific risk assessments to partnering with the host employer and staffing firm to validate ergonomic risk factors and physical demands of a job. Our ergonomists have worked in nearly every industry sector and quantify ergonomic exposures using a variety of tools like:

- University of Michigan 3D Static Strength Prediction Program,
- Human CAD Virtual Design and analysis,
- Electromyography (EMG) testing,
- Aon Ergonomic Design Guideline, and
- EQuIP® Ergonomic Quantification and Improvement Process Tool.

**Aon EQuIP®—Ergonomic Quantification and Improvement Tool**

Aon ergonomists have assessed risks in nearly every industry. One of our tools available to quantify the risk is Aon’s proprietary EQuIP® evaluation.

This tool is used to validate and quantify ergonomic exposures, provide a platform for the evaluation of potential improvements, and document reduced ergonomics injury risk via rescoring of exposures. EQuIP® is the next level of ergonomic evaluation and risk reduction for soft-tissue injuries in the workplace.

Workplace Stretching Program

Aon Deck is a dynamic, responsive stretching program that is customized for the tasks and physical demands of your workplace. Unlike other stretching programs which can repeat the same stretches regardless of the job tasks, and which remain static, Aon Deck is designed and delivered in a format that is flexible, allowing for quick updates to stretching routines as tasks, work areas and/or injury trends change.

Our program includes a set of warm up activities, as well as a mix of dynamic and static stretches for the upper and lower body. Specific stretches are selected from the deck based on ergonomic exposures identified, and daily stretching sessions are led by peer “Stretching Champions.”
Specialty Service Offerings

Return to Work Assistance

Validation of job demands and alignment of actionable requirements which guide the return to work and absence management efforts are becoming more important as employers are faced with compliance requirements and the need to drive productivity. An aging workforce may require additional considerations during the temporary transitional duty process and when considering permanent restrictions and the need for potential reasonable accommodations. Employers will need to be creative to comply with ADA Amendment Act requirements and support ongoing productivity.

Aon’s expertise can support the core initiatives related to an aging workforce, return to work – stay at work and compliant validation of job standards. A sample physical job demand is shown.

PDA Example

Workplace Practices Testing

Aon’s Workplace Practices Test is designed to predict the safety behavior of job candidates. Using scientific rigor, this test targets propensity to take risks, impulsiveness, belief about controllability of accidents, desire to focus on following rules and do things correctly, general responsibility, and work ethic. The Workplace Practices test, delivered online and in a variety of languages has strong ROI, including the following:

- Improved job performance (88% more likely to be rated as “Outstanding” by their supervisors)
- Saved an estimated $2.6 million per year in injury-related cost savings
- Reduced workers’ compensation claims by nearly 50%

With regards to worker’s compensation claim research, candidates who failed the test were

- More than 2 times as likely to have a claim
- 4 times more likely to have multiple claims
- The impact is illustrated in the graphic below

Branch Professionals Driving Exposure Fleet Management

Employees driving on company business presents a catastrophic exposure and Aon can assist staffing companies with the evaluation of controls for personally owned vehicles used for business. Aon will help develop policies addressing motor vehicle records (MVR) standards, assistance with driver training, establishing basic driving rules - use of defensive driving practices, use of electronic devices while vehicle in roadway or moving, seat belt use, incident reporting, and how co-employment firms address initial, refresher and remedial training.

Our team of fleet safety experts, working in conjunction with our brokers can facilitate discussions with the insurance markets to help clients determine the level of risk client is willing to accept, levels of insurance required, prepare driver communication messages about requirements; and if needed seek on behalf of the client, endorsements to address identified risks.
Contact us

Deborah Weigand  |  Managing Director  |  Casualty Risk Consulting
Commercial Risk Solutions
Aon
t +1.248.936.5217
deborah.weigand@aon.com

Paul Vescio  |  Sr. Risk Control Consultant  |  Casualty Risk Consulting
Commercial Risk Solutions
Aon
t +1.412.225.8645
paul.vescio@aon.com

About Aon
Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

© Aon plc 2019. All rights reserved.
The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

www.aon.com

Revised May, 2019