



GRAHAM ADVISOR

VOLUME XI, ISSUE 3: 2019

INSURANCE BROKERS & CONSULTANTS
PHILADELPHIA • NEW YORK • WASHINGTON, DC



NOTES FROM THE PLAYBOOK

EMBRACING INNOVATION TO TRANSFORM BUSINESS OPERATIONS

Data analysis has always been a key pillar of the insurance industry, as actuaries have utilized mathematical models to predict risk for centuries. Today, we are witnessing an exciting new frontier for innovation in the insurance brokerage industry, with rapid advances in technology delivering incredible new ways to enhance workflows, reduce costs and provide clients with unmatched insights into their entire risk portfolios.

At Graham Company, we're proud to be early adopters of forward-thinking technologies. In 2013, we launched GrahamAlytics®, our unique proprietary

business analytics system that consolidates a client's historical loss information from many sources into one snapshot — and we continue to refine and upgrade the platform. The system provides a clear picture of claims activity and drills down on loss trends, creating transparency into the client's overall loss experience. Ultimately, GrahamAlytics® enables our clients to harness their data to drive actionable insights that will improve business operations and reduce their total cost of risk.

In October, we also announced that Graham Company has invested in



MICHAEL J. MITCHELL
Vice Chairman

BrokerTech Ventures, the industry's first broker-led accelerator program focused on delivering next-generation technology solutions for our clients. As part of this investor group, our team will play an important role in mentoring promising startup companies and helping to test new technologies before they hit the market.

As we prepare for 2020 and beyond, Graham Company is committed to staying at the forefront of innovation. Our goal is to provide a better client experience by finding and developing the latest technology solutions in the market.

GRAHAM CARES

Here at Graham, we have the opportunity to make a positive impact on our community beyond just delivering risk management solutions. This fall, our leaders and employees were recognized and participated in activities that represent our dedication to doing good for all. This commitment from our people, and to the people who surround us, is part of "The Graham Way" that we're proud to embody.

Penn Charter Groundbreaking

In October, our CEO Bill Graham was honored at his alma mater, William Penn Charter School, during the groundbreaking of The William A. Graham IV OPC '58 Athletic and Wellness Center. Bill and his wife Frances provided the funding for the new facility, which will serve as a community hub for athletics, health and physical education in the Penn Charter community.

Professional Clothing Drive

Our employees hosted a professional clothing drive for Career Wardrobe, a nonprofit that uses clothing and professional development to empower unemployed individuals with the resources needed to secure a job. We collected more than 20 full bags of clothes and culminated our efforts in an employee fashion show featuring the donated clothes on display.

Leading the Way Awards Gala

At Merakey's annual gala, our Vice Chairman Mike Mitchell received the Leading the Way Award for his commitment to raising awareness among the Philadelphia business community about how individuals with all abilities can be successfully integrated into the workforce. The Fran Egan Courage Award was presented to Thomasina Justice, a Graham employee and participant in Merakey's Employee First Works Program, who has been an incredible asset to our company since May 2018.

ACTIONS MATTER.®

GRAHAM SIGHTINGS

EXPERTS IN THE NEWS



Bill Graham
on wrestling lessons.



Bette McNee
on preventing employee falls.



Jim Marquet
on technology trends.



Carl Bloomfield
on construction safety and efficiency.



Mark Troxell
on highway worker safety.

RISK MATTERS BLOG

Our experts discuss managing risk and industry trends affecting your business on our Risk Matters blog.

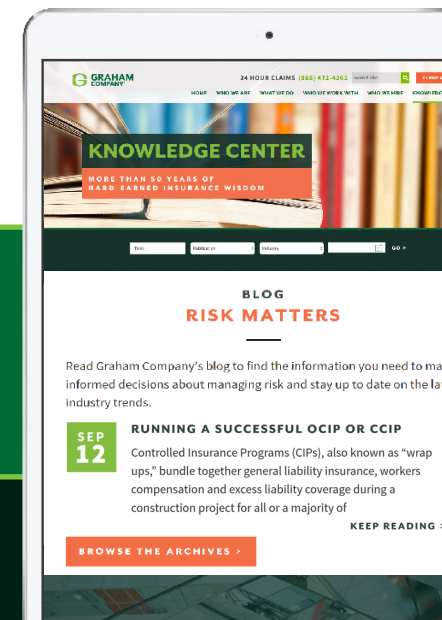
To read more, visit grahamco.com/knowledge-center.

SEPT 12

RUNNING A SUCCESSFUL OCIP OR CCIP

Producer Ryan Scannell highlights key considerations for determining whether an OCIP or a CCIP should be used for a particular construction project.

@TheGrahamCo The Graham Company



TREND REPORT



JOHN L. BAXTER
Chief Financial Officer

EMPLOYEE OWNERSHIP AS A WAY TO INNOVATE

Converting a business to an employee stock ownership plan (ESOP) model is a growing trend with nearly 6,624 ESOPs and 14.2 million participants nationwide, according to the National Center for Employee Ownership. It's a trend we are proud to embrace and celebrate here at Graham Company and a move that embodies our commitment to our people. Becoming an ESOP ensures we continue to operate under the values that have served our clients so well for more than half a century.



“This move has improved our culture, created a sense of ownership among employees and enabled us to make the business the best it can be for our clients.”

We recently facilitated a discussion about employee ownership as an innovative model during Philadelphia's B. PHL Innovation Fest. The roundtable setting enabled us to interact directly with other professionals in the community and address their questions about the ESOP model, how it works and how we've shifted our culture at Graham to empower employees and inspire innovation.

In an industry with significant consolidation, CEO Bill Graham chose to convert Graham Company to an ESOP model in 2017 to ensure the business continued to thrive. We're now 100% employee-owned, giving every employee a meaningful, long-term ownership stake in the company. Beyond stock benefits, this move has improved our culture, created a sense of ownership among employees and enabled us to make the business the best it can be for our clients.

We weren't quite sure how our historically strong culture would change as a result of the ESOP, but we did know we needed to make a concerted effort to ensure every employee would feel empowered to take advantage of their new ownership stake. From there, we slowly started to see “pockets of change” appear in different departments and on different teams as employees took ownership to improve their pieces of the business. This collaboration has made our culture even stronger as employees feel more dedicated to the success of the company and that they are all working toward the same goal.

Make no mistake – converting to an ESOP model won't “fix” the culture of a company. But for those that already have a strong culture like we do, the ESOP will enhance it and provide exponential improvements in results and success.

As part of this transition to an ESOP, we launched an innovation team and tasked them with creating efficiencies and enhancements across all departments. If any employee discovers an issue or anything they believe could work better, we encourage them to bring it to the innovation team. In just a short time, the team has successfully promoted change and the exchange of ideas throughout our company. Employees are now empowered to come forward with new ideas and concepts that will contribute to our shared success.

This culture also requires all employees – not just executives or senior managers – to hold each other accountable. One thing we discovered as we started our ESOP journey is that not every employee was trained in various types of soft skills, so we're working to roll out training modules for all of our staff members. We'll cover topics like accountability, feedback, responsiveness, effective meetings and more: everything that will help them “think like an owner.”

As we approach our three-year anniversary as an ESOP, being employee-owned has made Graham a stronger company that is prepared for growth and success for all of our employee owners.



Pictured left to right: Matthew Hancock, Praxis Consulting; Karen Boyle, Graham Company; John Baxter, Graham Company

HEALTH HUB



BETTE M. MCNEE
Senior Clinical Risk Management Consultant

The health care landscape is rapidly changing, and what was once an industry focused predominantly on individuals' physical health has transformed to now encompass caring for their behavioral and mental health. For our clients in the Health & Human Services (HHS) industry, this means tailoring care to focus on how physical, mental and social aspects are intrinsically intertwined in the overall wellbeing of all those they interact with.

To empower our clients with the resources needed to address this change in care and in conjunction with World Mental Health Day, we recently held our Fall Forum: MindWell. This full-day interactive workshop brought together leaders from a variety of fields to examine the technologies, advancements and approaches that can dramatically improve mental and behavioral health for residents, patients and the HHS employees who provide care.

Dr. Siddharth Shah, founder and CEO of Greenleaf Integrative, kicked off the day by discussing the responsibility that HHS organizations must have to ensure the wellbeing of their helpers, healers and defenders. The mental health of caregivers cannot fall by the wayside, given the increased burnout they face with expanded roles and the emotional involvement that goes into caring for others. HHS facilities should address the specific needs of frontline staff as they directly impact the services provided to, and outcomes of, residents and patients.

Equally important is educating caregivers on approaches that encompass patients' behavioral and mental health needs – a key theme throughout the forum. Dr. Kurt Miceli, chief medical officer at Elwyn, urged attendees to take a holistic approach to human care and provide patient services based on what is best for the individual rather than for the respective institution.

We also heard from Russell McDaid, principal and owner of WRMc Strategies, who noted behavioral health issues among residents in long-term care settings are becoming more prevalent as life expectancy increases, contributing to heightened feelings of depression and even suicidal thoughts for residents. As a result, there is new regulatory focus on Trauma Informed Care in nursing homes, which means providers in these settings must be educated on how to care for individuals facing behavioral health challenges.

One of the most fascinating solutions reviewed at the forum was the impact of pharmacogenetics (PGx), shared by executives from Capstone Diagnostics who provided an overview of their PGx testing service and its application in identifying how a consumer's body would metabolize a given drug. Often, behavioral and mental health issues are addressed with medication alone, but these medications may be ineffective up to 50% of the time if not metabolized correctly

in the body. This one-time, non-invasive genetic test is a new best practice that can dramatically and affordably improve outcomes by giving HHS providers data that can help inform the most effective prescriptive path for patients, customized to each individual's need and without the lengthy trial-and-error process. Such tailor-made solutions will continue to emerge in the coming years as facilities strive to provide customized care to patients and residents.

By implementing a variety of techniques using a holistic and integrated approach rather than a one-size-fits-all strategy, HHS organizations can more acutely provide care for each person's unique needs and efficiently deliver better outcomes. We are happy to do our part and provide clients with the resources they need to succeed in the rapidly changing landscape and to reduce risk within their organizations.

ASK THE EXPERT



NICHOLAS M. CUSHMORE
Vice President

Is cyber insurance as important as general liability insurance?

Given the rapidly evolving threat landscape, cyber insurance is just as important as any other insurance policy. While general liability insurance can help protect clients from a host of damages, it may not provide coverage for loss related to a cyber event. Cyber insurance was created specifically to address those exposures. Ensuring protection with a cyber policy is the wise thing to do and is a critical part of a comprehensive risk management program.

What steps should be taken following a cyber event?

The minutes, hours, days and even weeks or months following a cyberattack are hectic, so preparing ahead of time is crucial. Every company should have a cyber incident response plan, which must sync with the insurance policy and contain necessary steps to take when an attack hits. A successful plan will have already identified the team – made up of key stakeholders from IT, management, communications and legal – that is responsible for addressing the incident. Refreshing this document frequently to account for employee turnover and advances in both technology and cyber threats is important. With a team already identified and informed, the immediate steps – at a high level – include:

1. Contact breach coach, insurance carrier and broker to report attack and get approval for expenses
2. Determine source and contain attack
3. Assess damage and severity
4. Communicate to internal and external stakeholders
5. Roll out recovery efforts
6. Test, test and test!

To read the full interview, visit grahamco.com/knowledge-center.