

BUSINESS

Breakthrough businesses
NEW YORK COMPENSATION MANAGERS INC.

Company grows as comp costs rise

By Elizabeth Doran
 Staff writer

If you're a contractor and having trouble getting workers' compensation coverage, New York Compensation Managers Inc. probably isn't for you.

But if you have a strong track record, NYCM might hold the key to saving 15 percent to 50 percent on those ever-escalating rates.

"We go after above-average members who represent less risk," said David E. Francey, NYCM principal/chief executive officer.

The 11-year-old Cicero company has the largest contractors' group in the state, representing about one-third of the market. Along with discounted rates, NYCM offers customer service designed to limit workers' comp costs.

And that means a lot in New York, where rates are 25 percent higher than in many other states, said David E. Francey, NYCM principal and chief executive officer.

The company is growing fast as word of its product gets out into the marketplace. About 300 insurance agents sell the product to select customers who meet safety standards and other criteria.

The company built a new, 10,600-square-foot building next to its existing offices. And NYCM continues to add workers, eight so far this year, to meet growing demand.



Jim Commentucci/Staff photographer

NEW YORK Compensation Managers Inc. principals Lew Rumsmoke (left) and David Francey stand at the site of the company's expansion on South Bay Road in Cicero.

NYCM operates like an insurance company. It has its own claims software and staff of 11 nurse case managers who work with employees to get them back on the job. Members are organized into three self-insured trusts, covering construction/contracting, manufacturing and wholesalers/retailers.

The company has 1,350 employer members representing 30,000 workers.

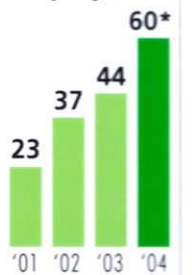
That number will increase as

NYCM adds three new groups to its portfolio — the health industry, automotive service and unarmed security guards. NYCM also is looking to expanding into other states; its first target is South Carolina.

An emphasis on service helps drive growth. NYCM claims adjusters handles about 150 claims per person, rather than the industry average of 200 to 300 per person.

"We don't usually lose clients; we just add them," Francey said.

Employment



* The company plans to add another five to 10 employees this year

Chief executive officer: David E. Francey

Owners: Francey, Lew Rumsmoke and Edwin Olmstead

Employees: 60

Year founded: 1993

What it does: Third-party administrator providing workers' compensation coverage for more than 1,300 small and medium-sized employers in New York. NYCM works with employers to reduce workers' comp costs. Clients get a discounted rate of 25 percent to 40 percent.

Clients: NYCM started with 16 businesses; today it has 1,350 companies. Members include Angelo Chiodo Heating & Air Conditioning; Hofmann Sausage Co. Inc.; Case Supply Inc.; Meloon Foundries, JPW Fabricators, Marc Antony Foods.

Lucky 13: NYCM was the 13th self-insured trust in the state; today there are more than 80. Premiums have grown from \$350,000 the first year to \$40 million in 2003, and net sales have increased proportionately.

Savings add up: NYCM claims it saved clients \$8.3 million in fiscal year 2003.

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