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Approaching Hard Market Sounds Warning to U.S. Businesses for 2009

Avizent Sees Renewed Interest in Alternative Risk Programs and Increased Demand for Integrated Claims Management Services

COLUMBUS, OHIO (Dec. 18, 2008) – The volatile, uncertain economy and historical upheaval in some segments of the insurance industry are creating new challenges for corporations and public entities seeking ways to effectively control costs associated with workers' compensation, and auto and general liability programs, according to Avizent executives. Avizent is one of the fastest growing national risk management providers of claims management, medical managed care, self-insured groups, alternative risk financing and captive programs, and RMIS software.

"The marketplace is forcing companies to find new partners, become more cost-conscious and to develop innovative ways to reduce expenses," said Lori Daugherty, president and CEO of Avizent. "While there are many issues to address in 2009, saving money is really the key challenge for our customers. They are looking to us to come up with ways to control costs on claims, so that more money can go to their bottom line."

Avizent is well positioned to help companies address these challenges. Avizent integrates the service expertise of the Frank Gates Service Company and Attenta, and has 100 years of combined experience in the industry. In 2008, the company experienced growth right around 10 percent and added more than 70 new clients. In addition to Daugherty, one of the few women to lead a national risk management company, Avizent also added several other industry veterans to its existing management team in 2008 including John D'Alusio, senior claims officer, and Vance Root, executive vice president. The company serves most major markets in the U.S. with a team of nearly 800 associates nationwide.

According to company executives, the factors affecting cost and creating challenges for self-insured companies will include:

1. The immediate hardening of the insurance market, and resulting issues with capacity and rising premiums,
2. Ongoing changes and transitions in the third party administrator (TPA) marketplace, and
3. Demand for higher levels of customer service due to reductions in staffing and a greater need for a more consultative approach to client customized programs.

Working in collaboration with existing customers, Avizent's management team identified the solutions that will help self-insured companies effectively manage their workers' comp and liability programs.

- **Develop Group Captive Programs.** Through Avizent's alternative risk solutions, small to mid-size companies and associations can form a captive insurance program – an option usually only feasible for larger Fortune 1000 companies. Avizent's unique model combines the claims management services of an expert TPA and an easy-to-access captive structure with the willingness to bear part of the financial risk – an approach that can lower claim costs and return premium dollars to the employer when losses are low.
- **Create comprehensive and integrated risk management programs.** Avizent brings its clients one of the industry's most respected TPAs, along with its own alternative risk division, and specialty services, including U.S. longshore and harborworkers' claims management (workers' comp services for the maritime industry), and a full-service managed care program with a PPO network focused specifically on workers' comp.

- **Ensure technology is maximized to increase efficiencies and lower costs.** Most TPAs today utilize legacy systems, creating a host of issues ranging from slow processing times and difficulties adding the latest regulatory requirements, to difficulties moving data between vendors. Avizent is also one of the only major TPAs to offer a single-platform client server application using the latest Microsoft® .NET Smart Client technology. In October, Avizent announced the release of its new VISUAL Claims Studio (VCS) claims administration system. VCS is a Windows-based, client-server application designed to process, manage, analyze and report claims data throughout the lifecycle of a claim.

While technology and new programs are critical components for 2009, many self-insured companies are also concerned about customer service. Avizent assists in this area with its SAS 70 reporting and continued successful performance record throughout 2008. SAS 70 audits measure service quality against industry best, providing valuable comparison and measurement tools for both current and prospective clients. In addition, to expand upon associates' customer service knowledge, Avizent recently introduced a corporate-wide "Service Excellence!" initiative, which includes training for every employee – from senior management to new associate.

"With uncertainty in the marketplace and potentially smaller work forces in some industries, customer service will be key for companies into 2009," says Daugherty, "They need the expertise, industry guidance and support that an experienced and knowledgeable business partner can provide. With our team of dedicated associates, we plan to continue the company's legacy of innovative programs, best practices and service excellence, so that we can help ensure our clients meet the challenges of 2009."

About Avizent

Avizent, based in Columbus, Ohio, is one of the fastest growing national risk management service providers of claims management, medical managed care, self-insured groups, alternative risk financing and RMIS software. The company employs nearly 800 associates throughout the United States. For additional information, visit the Avizent website at www.avizentrisk.com or call 888-646-9675.

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