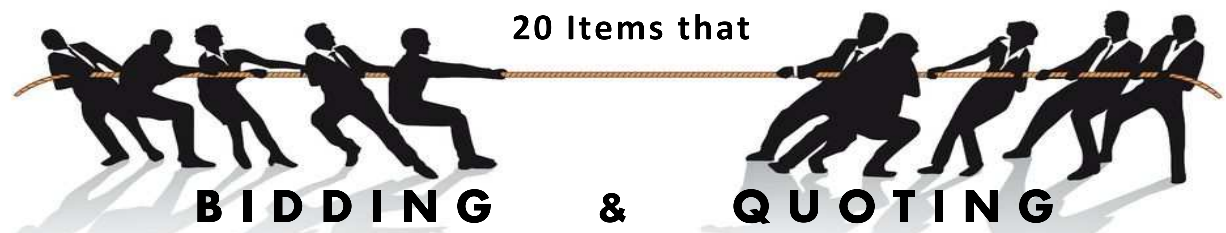

20 Items that BIDDING & QUOTING

Your Workers Compensation can't solve

1. **Allowed you to get control from the Insurance Company.**
2. **Created a culture of Zero Injuries.**
3. **Allowing the right medical provider who knows the comp system to treat your injured employees.**
4. **Created a policy to reduce/stop exaggerated employee injuries.**
5. **Returned your injured workers to work before the insurance company starts paying lost wages.**
6. **Reduced &prevent overcharges.**
7. **Find and fixed Audit errors and recover your spent money.**
8. **Confirmed that your employees are classified correctly.**
9. **Stopped attorneys from infiltrating your wallet and driving up costs and premium.**
10. **Trained your employees how Workers' Comp benefits them through following the right process.**
11. **Created a non-disruptive 15 minute accurate, no overcharge audit where the auditor visits and stays no longer than 15 minutes.**
12. **Built a culture of zero incidents and employer caring.**
13. **Kept the production line humming.**
14. **Confirmed your experience modification factor is correct.**
15. **Reduced your experience modification factor.**
16. **Built a blueprint to help you attain your minimum experience modification factor.**
17. **Created a hiring policy that defends against hiring an injury waiting to happen. It takes just two simple forms to start.**
18. **Trained employees and supervisors why Work Comp is your best employer paid employee benefit**
19. **Built a continuous downward spiral of Work Comp costs.**
20. **Made you attractive to insurance companies**

Did you know that working with a **Certified Work Comp Advisor** does not cost anything additional but, NOT working with a Certified Work Comp Advisor can cost you thousands of dollars for years?

Connect with a K2 Insurance Broker today and let's put these items to work for you to crush your Work Comp cost 800.741.4911 or info@k2brokers.com

The Biggest Mistakes Companies Make With Their Workers' Compensation Insurance

Most business owners and managers purchase Workers' Compensation in the ***wrong way***. About 90 to 120 days before their policies expire, they put it out to bid and get quotes. Once in, they review the prices and usually select the policies with the lowest premiums.

While this may sound like a good business approach, it's not only the least effective way to control Workers' Compensation Insurance expenses, but it actually *drives up the costs*.

To understand why the bid-search method of purchasing Workers' Compensation coverage is an ineffective way to reduce costs, it's necessary to explode the commonly held misconceptions about this type of insurance. ***Most important of all, insurance companies don't pay for employee injuries, they merely finance them***. Workers' Compensation is not typical insurance.

It is little more than a finance system in which the insurance company merely fronts the cost of employee injuries. <u>Employers *will pay back two to three dollars to the insurance company for every dollar the insurance company pays in claim costs.*</u> *This is the same as borrowing money at rates of 100-200%.*

Depending on the amount of the premium and their risk tolerance, Workers' Comp insurance buyers generally select between two types of policies. One is known as Guaranteed Cost or Dividend Plans. The other is known as Loss Sensitive Plans, Retrospective Rating Plans or Large Deductible Plans.

As the name suggests, Guaranteed Cost policies set the price of the policy for its specified period. What it doesn't say is *that injury costs incurred during that policy period will be felt for three years into the future*.

Even with a so-called Guaranteed Cost Plan, employers pay for all employee injuries and then some through an increase in the Experience Modification Factor. Loss Sensitive Plans illustrate this even more pointedly. Some companies on these plans literally write the checks for injured workers' medical costs, lost wages, and associated expenses.

If an employer is on a Dividend, Retrospective Rating, or Large-Deductible Plan, the effect of the Mod is compounded––*the employer pays for the injuries and is faced with higher premium cost for having the losses*. In effect, they are being charged twice for the losses. This may not be fair, but that is the way it works. This is a clear and quantifiable fact.

Against this background, there is also a strange paradox occurring in the Workers' Comp system. ***Over the past ten years, 40% fewer employees were injured. In spite of this, total injury costs increased exponentially***. <u>In addition, injured employees have missed more time from work and their medical costs, expenses and settlements have been much higher.</u>

So, why are injuries costing so much more if fewer employees are injured? Does this mean the medical conditions resulting from the injuries are much more severe than 10 years ago?

The evidence suggests this is partly true. Studies, however, are exposing additional factors that are causing injury costs to spiral out of control. The solutions can be corrected by implementing a system to take control of your Work Comp cost once and for all. **The WORK COMP ELITE system is such a system you should consider.**