



Drew Garcia
Program Manager
NALP Workers'
Compensation
Program

WAYS TO KEEP WORKERS' COMPENSATION COSTS LOW

It is well known within the insurance industry that your workers' compensation premium is derived from your loss experience; higher claim activity results in higher premiums. Most good companies have some type of safety program, but you might not be connecting all the dots to your bottom line. Companies commonly put a lot of focus on their strategic planning, but do you put the same level of focus on ways to control your present and future insurance costs?

IT STARTS WITH YOUR SAFETY CULTURE

First you need to ensure that your safety record is as strong as possible. A great tool for that is NALP's Safe Company Program, which will help you implement strategies that generate aggressive pricing, establish a strong safety culture and maintain predictable insurance costs while avoiding the uncertain peaks and valleys.

By establishing a culture of safety, implementing a strong safety program and consistently improving your risk profile, you will elevate your landscape business to the elite.

HOW WORKERS' COMPENSATION INSURANCE COSTS ARE CALCULATED

To truly understand insurance pricing, let's look at the underwriting process. When generating your workers' compensation premium, underwriters compare your overall loss experience to the rest of your industry. Your loss experience is typically a snapshot of the current year and four preceding years in terms of total payroll and number of workers' compensation claims.

Within this data, underwriters are looking at frequency of claims, number of "lost-time" claims, trends, patterns and payroll volatility, and then they compare your data performance against others in the landscape industry with "like" operations.

Whether your experience is favorable or not, the underwriter can deviate from the rate based on subjective crediting or debiting in most states, which allows underwriters to either credit or debit your premium based on the measures you have taken or haven't taken to help mitigate risk of injury. In some cases, but not all, underwriters can subjectively credit or debit your premium by 50 percent. To earn those credits, you should implement a safety program, always look for ways to build upon it and then relay that information to your insurance carrier so they know the lengths to which you are going to protect the health of your employees.

If you are seeking those subjective credits, you need to differentiate your business from the competition. In addition to a strong safety program, other helpful measures include:

- Winning safety awards
- Offering health benefits
- Offering employees the ability to grow within the company
- Timely claim reporting
- Thorough accident investigation techniques
- Establishing a return-to-work program
- Having Landscape Industry Certified employees on staff
- Instituting good hiring practices, including:
 - Pre-employment physicals and drug tests

CHECK OUT NALP'S DISCOUNTED WORKERS' COMP PROGRAM

NALP has partnered with Rancho Mesa Insurance Services and Berkshire Hathaway Homestate Companies to offer NALP members a competitive workers' compensation option backed by specialized landscape industry expertise and a dedicated service team. This member benefit provides landscape-specific expertise at a discounted rate. A portion of the combined premium is re-invested back into the association to help fund industry growth and many programs for NALP members.

For more information, visit bit.ly/nalpworkerscomp. If you have further questions or want to sign up, email nalp@ranchomesa.com or call program manager Drew Garcia at 619-937-0200.

- Reference checks
- Review referrals

Here is an example of the way things play out in the real world when an underwriter might look at two identical landscape companies with the same operations, payroll and loss experience. The only difference is that Landscape Company A participates in the NALP Safe Company Program and earned a safety award, while Landscape Company B has no established safety program in place. Workers' compensation claims can occur in a number of different ways, but the majority are either truly unpredictable accidents or neglected exposures that lack adequate safety procedures. In the case of these two landscape companies, their exposure to pure accident is equal, but underwriters will ask themselves, "Who has a better handle on obvious exposure mitigation?" I would argue that Landscape Company A does because as a member of the Safe Company Program they have elevated their safety culture to a different level. Will this eliminate every claim from occurring? No, but subjectively it will have some type of positive impact during the underwriting process. In this case, Landscape Company A should generate the most aggressive pricing.

Whether you have had a strong safety culture for years or are just embarking on building your safety culture through the NALP Safe Company Program, underwriters look at safety programs, awards and best practices as part of the

overall picture. NALP's Safe Company Program is relevant and critical to improving your risk profile and helping you control your insurance costs. ➡

The screenshot shows the NALP website's page for the NALP-Approved Workers Compensation Program. The page is titled "NEW WORKERS' COMPENSATION INSURANCE PROGRAM" and highlights features such as "DISCOUNTED RATES", "DEDICATED SERVICE TEAM", and "FLEXIBLE PAYMENT OPTIONS". It includes a call to action "FIND OUT TODAY" and a "Download" button. The page also features a "KEY FEATURES" section with a bulleted list of benefits, including discounted rates for NALP members and a dedicated service team. Contact information for Rancho Mesa Insurance Services, Inc. is provided, along with a "Frequently Asked Questions" and "Program Flyer" button. The page is framed by a dark border.