

Understanding the Rise in Workers' Compensation Costs

Many Independent Contractors experienced changes to their base Workers' Compensation rates in 2012.

A state bases its Workers' Compensation rates on the claims experience, reported by Workers' Compensation insurers, of all its businesses. In recent years, due largely to the economy, increased healthcare costs and the overall aging of the workforce, insurers have paid out more money in claims than they have taken in from premiums.

A biennial report from the Oregon Department of Consumer and Business Services, released in October, noted that Florida's rates increased 11 percent. On the other hand, some states experienced sharp declines. Rates in Texas dropped 41 percent and 38 percent in Nevada.

Independent Contractors in California learned about these and other factors during seminars presented in September by Marsh U.S. Consumer, the administrator of the FedEx Ground Insurance Program. California was chosen because many of the factors contributing to high Workers' Compensation rates are highest in that state. California also is the third-most expensive state for Workers' Compensation in 2012, behind Alaska and Connecticut, according to the Oregon report.

During the seminars, co-hosted by the Marsh Insurance Program partner Protective, Contractors learned that the most effective way to control their Workers' Compensation costs was to present a more favorable claims experience by lowering their risk of the most common employee injuries. A [short presentation](#) summarized a few of the ways Protective helps Contractors accomplish this, including:

- Slip-resistant shoe discount program—More than 400 drivers reduced their slip-and-fall injuries by 70 percent in a four-month period by wearing SR Max slip-resistant shoes. Protective will discount every pair of SR Max slip resistant shoes you buy.
- Online driver training modules (ProTREAD)— More than 70 interactive lessons are available, including defensive driving, worker injury prevention and more. By tracking your drivers' progress, you can be sure they will learn the safety and compliance material presented.
- Safety program templates (OSHA Fast Fix)—Protective works with OSHA Fast Fix, a private company, to provide up-to-date, personalized, written safety plans covering the OSHA standards that apply to the trucking industry.

You can view a link to the [non-California-specific version of the presentation here](#).

Marsh and Protective are committed to helping you keep your Workers' Compensation costs under control, through innovative payment plans, as well as exclusive loss-control consultation. For more information, contact your Marsh representative 7:30 a.m. to 5 p.m. CT at **866-814-7515**.