

# INSURANCE REPORT

**INSURANCE NEWS AND UPDATES FOR WORKERS' COMP & RELATED RISKS**

## WAYS TO REDUCE YOUR WORKERS' COMPENSATION COST



### FLORIDA WORKERS' COMPENSATION PREMIUM CREDITS

There are three premium credit programs available to help Florida employers reduce their workers' compensation insurance costs. These are the Safety Program Credit, Drug Free Credit and Florida Contracting Premium Adjustment Program. A workers compensation company has to certify these credits before they are applied to a policy's premium. All businesses must reapply for these credits for each policy year.

**SAFETY PROGRAM PREMIUM CREDIT-** There is a 2% premium credit available for employers who have certified that they have established a workplace safety program that meets or exceeds the provisions provided for in Section 440.1025

**DRUG FREE CREDIT-** If you implement a drug-free workplace program in accordance with the criteria set forth in s.440.102, Florida Statutes, you may be eligible for a **5 percent** premium credit from your insurance carrier to your workers' compensation insurance premium. In addition to the premium credit, having a Workers' Compensation Drug-Free Workplace Program may make your workplace safer, resulting in fewer accidents, which may reduce your overall workers' compensation costs.

**FLORIDA CONTRACTING PREMIUM ADJUSTMENT PROGRAM-** The FCCPAP or Florida Contracting Premium Adjustment Program is for employers in Florida with contracting classifications and a payroll composed of wages greater than \$10.00 per hour may qualify for this additional credit ranging from 5% to 25%. Reference: Section 440.101 & 440.102, Florida Statutes

It is important that you maintain your payroll records used for your premium credits, as these are required to verify the information that you submit to ensure that your premium credits are applied.

Other ways that you might be able to reduce your workers' compensation costs include:

**REDUCE WAGE REPLACEMENT AND MEDICAL SERVICES COST-** Create programs that bring workers back into the workforce at a faster rate, whether it is in a part-time a limited capacity. Rising workers' compensation costs are primarily due to increased use of benefits and long duration of disability.

**REDUCE YOUR PAYROLL EXPENSE-** When paying your employee overtime, in most instances, you may only have to report the regular wages.

**REDUCE YOUR RISK MANAGEMENT EXPENSES OR EXPERIENCE MODIFICATION-** Look for a pattern to claims. Check areas in your business that has fewer claims than other areas and try to figure out why. Reducing the number of workers' compensation claims makes you a much better risk to an insurance company, making it more likely for you to obtain better rates in the long term. The less frequent and less severe your claims, the lower your modification and the lower your premium costs. It is not uncommon to see businesses enjoy credits ranging from 5% to 30 % based on their modification. This also gives your business a better safety record!

**USE THE CORRECT JOB CLASSIFICATION CODES-** Not all personnel perform the same job duties, and there are different classifications that carry different levels of risk. To be certain you are classifying employees correctly, use the most up-to-date Florida classification codebook and familiarize yourself with the appropriate codes for your employees.

Insurance companies also consider factors such as regular safety checks; the level of employee health insurance offered by the employer; emphasis on the use of safety procedures and proper equipment through use of safety procedures manual; employee education and training; management accountability; and elimination or minimized employee risk taking, as they consider your premium.

### CONTACT MORRIS & REYNOLDS INSURANCE


The Reynolds Family has been involved in workers' compensation since 1935. In fact, the Florida Workers' Comp Law was written by Edwin Hyde Reynolds, in 1935. He then went on to open Morris & Reynolds Insurance agency in 1950. Now in its third generation of family ownership, as an independent agency Morris & Reynolds Insurance offers its clients trusted choices from the worlds leading insurers for all forms of coverage as well as innovative care and service from a passionate team of professional people, the finest people in insurance. Please contact us at any time that we can be of service at **305.238.1000** or visit us on the web at [morrisandreynolds.com](http://morrisandreynolds.com). We have the answers and solutions that you deserve and the quality insurers you desire.



  
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