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## WORKERS COMPENSATION INSURANCE UPDATE

### “...COMP IS COMP?”

Every year the Compensation Rating and Inspection Bureau (CRIB), the state authority that manages workers compensation insurance in New Jersey, publishes new rates for all business classifications. For 2012, most classifications (80%) will see a rate increase of some amount over last year (6.9% on average), with the construction classifications seeing larger increases (10.9%). For many businesses, reports show that workers compensation insurance represents 30-40% of a business's total property\casualty insurance expense. The effect of these rate increases will certainly impact profitability. Some in the insurance industry have maintained that “comp is comp” when addressing costs of insurance (meaning you cannot control costs for State regulated insurance). However, as workers compensation premiums are a significant cost of any business insurance program, owners should seek to minimize same by considering the following:

- Review of business classifications with current employee job functions
- Improve workplace and\or jobsite safety practices to minimize claims
- Improve job skill training about inherent job and operations risks
- Apply for the construction credit program (construction classification)
- Review “experience modification” worksheet for current date
- Prepare workers comp audit prior to meeting with insurance company
- Obtain certificates of insurance from subcontractors prior to any work

**Contact me at 856-354-7700 or [kdimedia@earpcohn.com](mailto:kdimedia@earpcohn.com) to discuss and review your business insurance matters.**

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