

FUTURE INDUSTRIAL TECHNOLOGIES



PREVENTING TOMORROW'S INJURIES TODAY™

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Workers' Comp Premiums & Government Taxes Roll Downhill

I received the following "news" from our workers' comp broker making me aware of possible significant increases in workers' comp premiums in CA. Medical costs have risen dramatically causing some insurance companies to pay out more than they got paid in premiums last year. Thus this warning:

The Workers' Compensation Insurance Rating Bureau in California (WCIRB) recommended a 22.8% recommended increase for policies that will be written or renewed January 1, 2010.

Steve Poizner, the California Insurance Commissioner, opposes this proposed rate increase, citing the fact that California employers simply cannot afford this increase given the weakness of the California economy and the high unemployment in the State right now. "This effectively would be a tax on every employer in the state of California to cover the cost of workers' compensation insurance.

Workers' Compensation rates have fallen by more than half in the past 6 years... Poizner suggests that insurance carriers focus on more efficiencies out of their operations and cutting claims handling and medical costs rather than raising rates.

When insurance companies lose money they raise premiums. When governments need money they raise taxes. It is a relatively simple fix to pass along the burden of costs to their customers or in the case of the government to their citizens who are further down the food chain.

Corporate America or the individual when faced with serious financial concerns, make appropriate changes in spending policies and/or business operations to ensure survivability. When the cost of claims goes up, insurance companies will raise premiums because after all workers' comp coverage is mandatory. I am not saying there is anything fundamentally wrong with insurance companies passing along costs to their customers. All companies must do this at times to stay profitable. My point is we don't have to sit by idly and be unwilling victims.

Claims are the ultimate cause of your workers' comp problem. Take away the claims and you have no workers' comp problem, right? Do you find it odd that your insurance carriers aren't falling over themselves to help you to prevent claims from happening?



It is apparent by the scant budget and meager effort that insurance companies put forth to prevent claims that it is not a high priority for them. It isn't their problem because as I said, the costs are passed onto you. Claims are YOUR problem. YOU need to stop relying on your insurance vendors to stop them, as there is marginal motivation on their part to do so. The buck starts and stops with you.

Well welcome to the "new economy" of 2010. Your company can no longer just make more money to pay for lost time claims particularly expensive sprain/strain injuries. Now money is scarcer. It is imperative for you to take the bull by the horns and allocate a budget for the prevention of claims. Spend a little up front to gain a lot. If you desire a change in outcome you must change your actions. Why claims prevention has not been at the forefront of every company's workers' comp program until now is incomprehensible. The good news is that has changed to the benefit of employers, employees, and even unions.

One of our clients recently announced to a large workers' comp audience at the National Workers' Comp and Disability Conference that his costs of soft tissue claims dropped from 80% to 14% of their workers' comp spending. He is a workers' comp hero! What could your company do with the money that no longer has to be spent on sprain/strain injuries?

It is time for FIT to help you to become the next workers' comp hero. Let us help you to "Prevent Tomorrow's Injuries Today!"

The process is simple! It starts with a phone call and ends with healthy employees and significantly less money spent on avoided claims.



Prevent tomorrow's injuries today! TM
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Check out our blog: <https://www.backsafe.com/backsafe-blog/>. Any injury prevention/safety type topics you'd like to see covered there? Please let us know. We love suggestions and feedback.



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