



Editor's Note: Safety Group Program Monthly Newsletter Article – January 2014 Contact: Amy Statkevicus (303.361.4769, amy.statkevicus@pinnacol.com)

What Nonprofits Need to Know about Workers' Compensation Insurance

As a nonprofit organization pursuing a meaningful vision, your employees and volunteers are your greatest asset. You want to protect them (and your organization) by providing a safe and healthy work environment as well as workers' compensation insurance. It's not only the right thing to do. It's required by Colorado law.

Obtaining workers' comp insurance

Workers' compensation insurance provides for medical expenses and benefits to cover an injured workers' loss of earnings. It is one way of ensuring your employees are taken care of in the case of a work-related accident or illness. It also protects your organization from the devastating financial impact of a lawsuit.

You can obtain workers' comp coverage through an insurance carrier or an independent insurance agent, who can help you compare bids from several carriers and understand the nuances between them. To find a qualified carrier on your own, research insurance companies or contact an organization - such as the Chamber of Commerce, the Better Business Bureau, or a professional organization that services nonprofit businesses — for recommendations. Also be sure to ask the organization if they work with agencies that offer insurance discount programs.

A workers' compensation policy covers all paid workers. It may not, however, cover volunteers and unpaid board members. If it doesn't, and you would like to provide coverage for these workers, you will need to purchase additional coverage beyond workers' compensation.

The rates you'll pay for your insurance will be based on the nature of your business and likelihood of employee injury. Your premium (the amount of money an insurance company charges to provide coverage) is based on your classification code, total payroll, and any discounts for which you may qualify.

Pricing is regulated by the Division of Insurance, which oversees all insurance carriers and approves changes in pricing. Most insurance companies audit their policyholders annually to ensure the premiums they paid are accurate. The best way to manage your workers' comp insurance costs is by keeping a safe workplace, reporting claims within 24 hours, and encouraging employees to use your designated medical providers.

Other factors to consider beyond cost

When considering insurance carriers, it's important to not only compare costs, but to compare other services the insurer provides, such as programs that help you maintain a safe working environment as required by law and resources should an employee get injured. Look for insurance companies that provide:

- Proactive safety programs and safety consultants
- A written safety plan and safety training
- Resources to help get injured workers back to work
- A network of medical providers with expertise in work-related injuries

Other features to look for include:

- An investigations unit dedicated to combating insurance fraud
- Attorneys who specialize in workers' comp law, give advice and defend policyholders' interests
- Easy management of your policy such as online services that allow you to request a Certificate of Insurance, file an injury report, monitor the progress of a claim, and view billing and policy information.
- The opportunity to participate in a dividend program that rewards businesses for keeping their workplace safe and their costs low

Most of all, look for an insurance company that cares as much as you do about protecting your organization and employees — so you can focus on doing what your organization was created for in the first place: making a difference. If you have any additional questions about obtaining workers' compensation insurance, please contact your Pinnacol marketing representative.

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