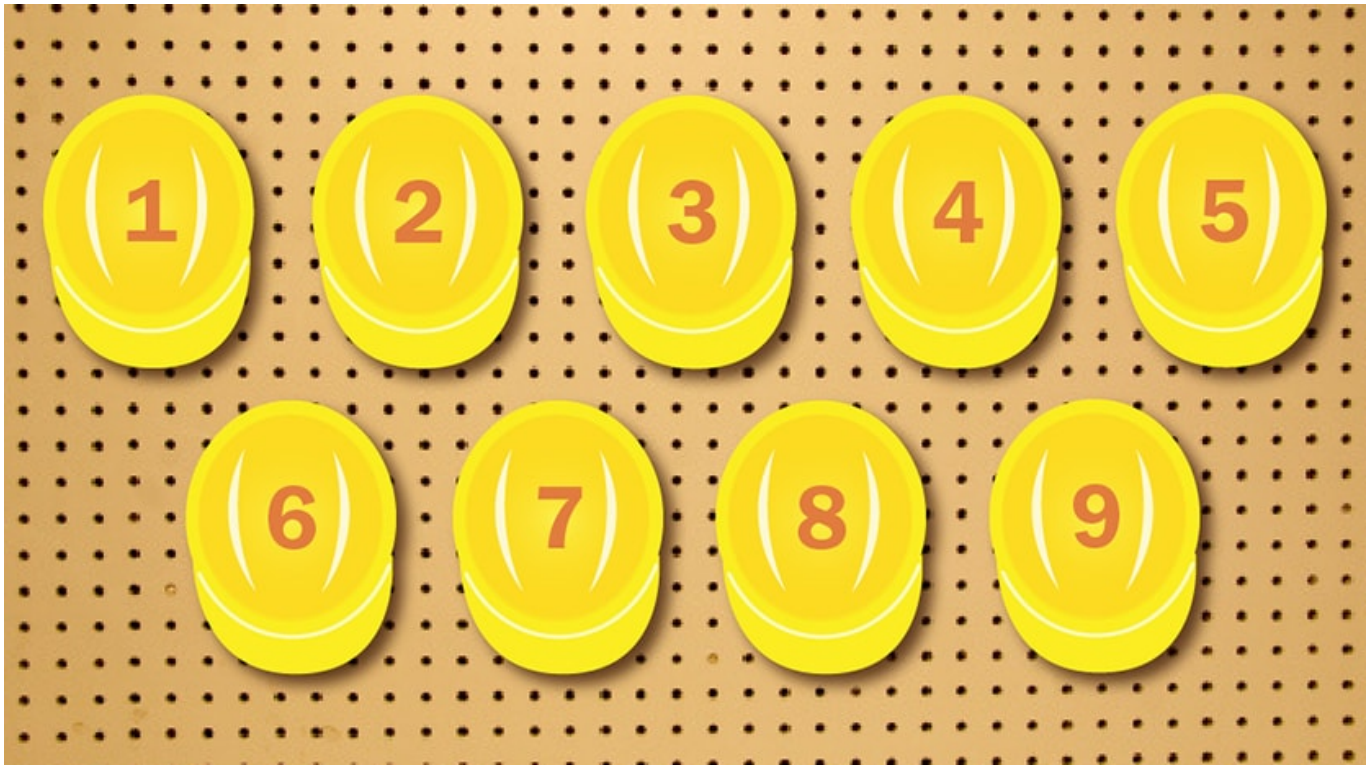
9 ways to save on workers' compensation insurance.



If you own your own business, you know you need workers' compensation insurance. In fact, in almost every state, it's required by law. But this coverage, designed to provide wage replacement and medical benefits to any employee who's injured on the job, can be costly. And when it comes down to it, the easiest way to save on this type of insurance is to never have to use it.

It sounds too simple. But, it's true. The safer your workplace is, the less likely an employee is to get hurt. And in return, the less likely it is you'll need to pay for your insurance company to cover the benefits an employee needs.

Keep your business covered from the financial impact of an occupational injury or illness. Just follow these nine tips to save on workers' compensation insurance:

https://www.youtube.com/embed/8Ip7EAZeTB4

1. **Establish a training program.** Employees who are properly trained to do their job will almost always work more efficiently — which could mean fewer accidents and errors. Consider a new-hire training program, along with annual refresher sessions. Keep all employees up-to-date on safety procedures, protective gear, equipment operation and even incident reporting. Additionally, you might consider offering first-aid or CPR training to employees, so someone can always respond quickly in case of emergency.
2. **Form a safety committee.** Appoint a few key employees to regularly evaluate the safety conditions, recommend changes and present any new safety information.
3. **Create the proper job classifications.** Having complete, accurate job descriptions for each person you employ may sound unnecessary, but it could make all the difference. Ensuring no employee steps outside of their responsibilities could help reduce your risk of loss — like if a

secretary got hurt operating heavy machinery. Her insurance claim could be serious, because she was doing something she wasn't hired to do.

4. **Outsource work that seems too dangerous.** Some projects may be very time and labor intensive, and they could pose serious risks. If ever there's work that seems too unsafe, it could pay to see if another company can help.
5. **Support a substance-free workplace.** Did you know employees who use drugs or alcohol on the job cost their employers about twice as much in workers' compensation claims? They're much more susceptible to injuring themselves and others. That's why it could be a good idea to make hiring contingent on a pre-employment drug test, and even arrange for random drug testing of all employees. And to make sure your employees are following the substance-abuse rules, add the rules to your employee handbook, and include the disciplinary action for each offense.
6. **Develop a procedure for incident reporting.** If something does happen on the job, having a set procedure for reporting it could be key. If an employee knows what to do and who to reach out to, they'll likely start their incident report sooner — which could save you and your business money.
7. **Write the rules about workers' compensation in your employee handbook.** Keep all of your policies outlined in your employee handbook, so every employee knows exactly what they need. Don't have an employee handbook? It's best to have this information in writing — for your protection and for your employees' knowledge.
8. **Invite your insurance agent in for a visit.** No one knows how to keep you and your business better protected than your insurance agent. In fact, with just one quick visit to your workplace, they can spot areas of concern and point out simple remedies to reduce your risk.
9. **Evaluate your insurance policy every year.** A lot can change in 365 days—and some of those changes may require more or less insurance coverage. To make sure you're as protected as possible, keep in contact with your local, independent insurance agent often. Or, find an agent near you, and get started today.

What instances could cause your commercial insurance coverage to change? Find out.