



Automotive Service Councils of California
Professionals in Automotive Service ~ Since 1940

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Is this an Apple and an Apple or Did an Orange Sneak in Here?

Every broker says their workers' compensation program is the best but lots of brokers are experts at "hiding" costs in order to make the sale. At ASC Insurance Services we don't believe in those games and we'd like to give you this quick cheat sheet to see if a broker's claims hold water.

This isn't meant to be a comprehensive—end all be all—but these are some of the most common ways brokers paint those oranges red!

Base Rate—This is the **base rate** that a workers' compensation carrier has filed with the State of California. These rates are published in January and July. Be careful—some brokers will quote January rates if they know July's will go up, and vice-versa.

Payroll—Total payroll figures for each class code. Sometimes brokers will raise or lower these "estimates" in order to play with the numbers so make sure they are the same. If you misstate your payroll, you might owe money in your final audit!

Total Gross Premium:

Discounts—Could be a group discount or another discount. A lower base rate might not be the best way to go if the discount is also low . . . a higher discount could pay off bigger. Look for surcharges too . . . what starts out as a discount could be turned into an additional charge . . .

Ex-Mod—Sometimes brokers will use higher, lower or expired ex-mods in order to play with the numbers. Make sure the mod is the same on both quotes. If it isn't, call Deseree at (916) 609-8402 and find out what the real ex-mod is.

Fees—these are fees that are required by the State of California. They are separate from broker fees. These SHOULD BE the same. Sometimes brokers sneak additional fees in here.

Broker Fees—these are fees your broker charges you. They can vary widely and aren't based on anything in particular.

Total Adjusted Premium:

Policy A

13.50

Base Rate Times Each \$100
Of Payroll

\$120,000

\$16,200

Gross Premium x Discount

7%

\$15,066

Gross Premium x Ex-Mod

70%

\$10,546

Gross Premium + Fees

2.45%

\$10,804

Plus Broker Fees

\$100

\$10,904

Policy B

12.10

Base Rate Times Each \$100
Of Payroll

\$140,000

\$16,940

Gross Premium x Discount

3%

\$16,432

Gross Premium x Ex Mod

80%

\$13,145

Gross Premium + Fees

2.45%

\$13,467

Plus Broker Fees

\$1,200

\$14,667

Wow! What happened there? That great rate doesn't look so great by the time you finish your homework! Of course this worksheet is only for informational purposes. Policies vary wildly and if you want a **FOR SURE** comparison, give Deseree a call at (916) 609-8402. To do your own calculation, use the back of this form, plug your own numbers in and see what happens!

ASC Insurance Services—Your Trusted Insurance Partner



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Is this an Apple and an Apple or Did an Orange Sneak in Here?

Do your own comparison! **This is ONLY a worksheet and may not encompass all of the variables that might apply!** To get a complete comparison call our ASCCA workers' compensation coverage expert Deseree Carter at (916) 609-8402 and she can take a close look at each of the policies you are trying to compare and get you the straight scoop!
But for starters, plug some of your own numbers in the boxes and see what happens!

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Total Adjusted Premium:

Policy A

Policy B

Base Rate Times Each \$100
Of Payroll

Base Rate Times Each \$100
Of Payroll

Gross Premium x Discount

Gross Premium x Discount

Gross Premium x Ex-Mod

Gross Premium x Ex Mod

Gross Premium + Fees

Gross Premium + Fees

Plus Broker Fees

Plus Broker Fees

More questions? Things this worksheet doesn't cover? No problem. We've got the answers. Your association owned insurance company will tell you the straight truth. If you got a better deal somewhere else, we'll tell you it's a better deal. But first, let's find out what's in your fruit bowl. Call us at (877) 250-1979 TODAY!

ASC Insurance Services—Your Trusted Insurance Partner