

**California Workers Compensation Figures....**

- Over 750,000 work related claims or injuries are reported in California each year.
- Most hazardous jobs: Construction, Transportation, Public Utilities and Agriculture.
- Slip & Falls and Back injuries are the most common and costly claims.
- Most common injured part of the body - The back!



**“7 Secrets of the Workers Compensation Industry!”**

Perhaps no other single factor has raised the ire of California businesses then the increases in workers compensation rates over the past several years.

Well, relief is in sight if you know the pitfalls to avoid. Here are 7 insider secrets to WC....

✓ *Insurance companies don't pay for your employee injuries... they just finance them for you at HIGHER interest rates!*

Did you realize that you pay \$2-3 back to the insurance company for every dollar they pay out for your employee injuries? Claims also affect you in other costly ways:

- ◆ Increased costs due to skyrocketing experience modification factors.
- ◆ Lost productivity.
- ◆ Increased stress for management and staff.

◆ Reduced morale for the unhurt employees who fill in for the injured employees.

It is important that you understand two reasons why you have workers compensation insurance.

- 1) The law requires it.
- 2) Workers comp spreads the true cost of employee injuries out over time.

Work comp does not ultimately pay for employee injuries. You do!

✓ *Claims management services at the company level can be inefficient and bureaucratic.*

Claims adjusters are buried with too many cases. Your injured employee may not get the attention that he/she de-

serves. In spite of this, insurance companies continue to downsize as they strive to increase profits. Add “Managed Care” into the mix and your employee’s claim is often outsourced to a case management company.

You must be proactive in overseeing the claims process to ensure that the costs are contained and your injured employee can quickly return to work.

✓ *Are “illegal aliens” entitled to Workers compensation benefits in California?*

A recent California lower court ruling (10/20/05) held that undocumented workers are entitled to Workers Compensation benefits when they  
*(See back page)*



**10 Safety tips for employers!**

1. Ensure all work areas are regularly cleaned from all hazards and liquids.
2. All equipment should be regularly checked to ensure proper operation.
3. Your building should adhere to all building safety codes. Make sure fire extinguishers are in plain view and all exits are clearly marked and unlocked.
4. Your employees are your best asset. Utilize their advice as to how best cut down on work related claims.
5. Encourage your employees to

- work safely by instituting an on the job safety programs.
6. Carefully review and implement all risk management and safety guidelines as set forth by your insurance company personnel.
7. Post emergency numbers and have first aid kits readily available to all employees.
8. Safely store all flammable liq-

- uids or chemicals in appropriate metal containers away from all sources of heat.
9. Make sure that all heavy packages, boxes or equipment are stored on lower shelves and that proper lifting techniques or waist-high conveyor belts or tables are utilized in warehouse areas.
10. Get your employees on board to support an “injury free” workplace!



## "7 Insider secrets on Workers Compensation!" (Cont.)

*"They explained each coverage thoroughly in Japanese. Nobody ever took the time to explain it to me before."*

**Kazuo Nakanishi**  
Huntington Beach, CA

*"They have demonstrated extreme patience and have saved us time and money!"*

**Jane Oshita**  
Los Angeles, CA

are injured on the job. A local Torrance employer argued that the undocumented alien was ineligible, however, the court disagreed saying that immigration status is irrelevant to the issue of liability. Fraudulent work documents are not grounds to invalidate any work-related claim.

✓ **Audits can be a source of increased premiums!**

Because audits help determine premium costs, it is imperative that these audits are correct and that you are charged the correct rate for the exposure. Misclassifications are common and the system is designed for the employer to pay for all mistakes. You are at a disadvantage from the start since the company auditor knows all the rules and you don't.

The auditor is NOT compelled by law to explain the rules, especially if applying a rule that would cause you to pay a lower premium.

✓ **Experience modification factors are often wrong or mismanaged.**

Many insurance buyers accept on "good faith" that their experience modification factors are correct. Many times it may be wrong and at your expense.

Are you aware of risk management steps that you can take now

to help reduce your company's experience mod to help keep your WC rates affordable in the coming years? If not, give our office a call for a review of your safety programs.

✓ **Workers compensation premiums are one of the largest insurance expenditures for companies. What are some factors I should consider?**

- ◆ *Do you have old claims that have open reserves still pending?*
- ◆ *Does your agent monitor your claims?*
- ◆ *Do you verify the experience modification for accuracy?*
- ◆ *Have you had your Workers Compensation policy re-rated in the past 12 months to ensure you are taking advantage of recent rate decreases?*

Help your business remain more profitable by controlling unnecessary or erroneous expenditures relating to your company's workers compensation policy.



✓ **When can my company start to see LOWER WC rates?**

Recent California legislation (SB899) enacted in April 2004 helped to temporarily cap payments for disabled workers and tighten

eligibility for permanent disability claims. This and other measures helped to bring about rate relief for California businesses in the past 18 months.

Many insurance companies have filed for decreases of 10-12% with more promised decreases in 2006 of another 8-15%.

As the health of the Workers Compensation system improves, we are seeing more companies reenter the market.

This added competition will help keep rates stable and give California businesses welcomed relief over skyrocketing WC premiums for the first time in years.

We strongly urge you to call us at (800) 383-7725 to discuss your options.

We can give you a fair and no-obligation assessment of your current WC situation.

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We are recognized as a leading personal lines insurer in the Asian community. In 2003, TIA was the **number one** performing

independent insurance agency in California for Mercury Insurance which has over 850 agents State-wide.

The agency has 21 licensed, insurance professionals who speak over 7 languages.

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