



Fed-Cal OSHA Construction/Safety Training
CCO Certified Crane Trainer/CCO Practical Examiner

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WHAT MAKES A GOOD RISK?

Tired of waiting for your Workers Comp Insurance rate to drop? First you have to understand the essentials of risk. "Risk" is defined as the potential or probability of the outcome of any event. In Workers Compensation Insurance, that event is known as the "potential of injury" occurring at work. Remember, every potential injury that the insurance company might have to pay-out in claims, affects the bottom line pricing going-in. There are SEVERAL key risk components that underwriters consider when they calculate your premium.

1. Underwriters look for strengths and weakness in every company. A weakness would be a high number of litigated or OPEN claims.
2. Above average lost time ratios. (weakness)
3. Consistent loss history (strength). Up and down fluxuations that show a trend (weakness).
4. Consistent X-mod (strength).
5. Excessive number of different insurance carriers (weakness).
6. Catastrophic Loss (serious claims) (weakness)
7. High Turnover (weakness).
8. Good wages and benefits (strength).
9. Management involvement in safety and health program (strength).
10. OSHA citations, outdated safety program, lack of documentation (weakness). High accident frequency is usually an indicator of weak enforcement of a company's safety rules at the jobsite.

Improving any weak area can improve a company's risk rating. But remember, it takes more than 1 successful year to build confidence in the eyes of an Underwriter. The "A" rated risks (also referred to as Superior) get the best rates. Two or three good years in succession can help you get that "A" or Superior rating.

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Our quote/ report will not cover every potential possibility of loss and it is the customer's responsibility to recognize and control all potential sources of injury or loss that may not be included in this assessment.