



Promoting industry professionalism and best practices.



## WC Certification: What the Carriers are Saying...



“Regardless of whether current market conditions are hard or soft for workers’ compensation and regardless of whether a PEO’s WC program is written on a guaranteed cost or loss sensitive program, that PEO’s own loss experience will ultimately determine the costs of their WC program. This cost in turn will ultimately impact a PEO’s ability to compete with their peer companies for the same client company business.

One proven method for controlling a PEO’s WC loss experience is participating in the WC RM Certification program. This program provides evolving industry best practices specifically designed to enable a PEO to better control its loss exposures and improve operating efficiencies. Since a PEO’s own loss experience could represent in excess of 70% of that PEO’s ultimate costs for WC, the costs and time associated with obtaining and maintaining this certification designation appears to be a prudent use of resources.

At Zurich we understand the benefits a PEO can achieve through WC RM Certification and we specifically target many PEOs as prospective customers because of the fact they have this designation.”

**Rob Morris**, CRM, CIC, Vice President-Casualty Underwriting  
Zurich Global Corporate Casualty North America

“While no certification program can take the place of individual underwriting by the carrier, certain “endorsements/sanctions” give the carrier confidence in its decisions and make the underwriting process simpler and less painful for the buyer. Two specific “sanctions” come immediately to mind: first, the presence of a CPA audited financial statement and second, the presence of WC certification. Over the years, I have successfully underwritten risks both with and without these two documents. We complete our own “due diligence” in either case. However, given a choice, we will always select the risk that has been independently qualified by others—the “due diligence” process is verification versus uncovering facts. Also, the independently qualified risk usually receives the benefit of the doubt which relates directly to better terms, conditions, and ultimately costs.”

**Doug Lilak**, CEO/Chairman of the Board  
SUNZ Insurance Company



independently certify individual firms that embrace those practices, it is building a healthy relationship between insurance coverage provider and insurance coverage customer. The Certification Institute helps insurance underwriters better understand the PEO business and helps its member firms identify and embrace the best risk management tools and techniques available.”

**Charles Schuver**, President/COO  
Guarantee Insurance Company



“In its 15 years of underwriting and managing WC insurance for the PEO industry, Artex has consistently found PEOs that have been through CI’s WC certification process have better risk management paradigms, better financial results, and more stability in their operations than their non-certified peers. As such, we tend to see certified PEOs achieving consistently lower costs of workers’ compensation coverage than non-certified companies.

Additionally it is a fact that, regardless of industry, companies that go through financial audits are more transparent, and ultimately produce more value in their operations than non-audited companies. Artex views the certification process in a similar light, in that PEOs that take the steps to go through CI’s WC certification process are committed to risk management best practices that frankly separate them from the rest of the industry and generally achieve more competitive workers compensation programs than non-certified companies.

While P&C market conditions have been soft over the past several years, everyone knows WC insurance is highly cyclical and, with combined ratios reaching unsustainable levels, there will inevitably be market corrections. WC risk management certified PEOs will be best positioned to weather this impending storm. To that end, forward looking PEO owners would be well served to invest in their futures by engaging in the Workers Compensation Certification program now, not when the next hard market has already arrived.”

**Andy Atsaves**, Senior Vice President  
Artex Risk Solutions, Inc.

“CI’s certification program is paramount to the long term market availability of workers’ compensation to PEOs. It provides a fundamental baseline process that is rooted in the cornerstones of risk management and underwriting. From the client service agreement, to the review of the risk management process, certification helps WC carriers affirm a PEO’s commitment to formalize the foundational practices that make a WC risk either acceptable or unacceptable to a carrier.”



**Jason S. Losen**, Managing Underwriter  
Liberty Mutual



“CI’s certification program is certainly respected by the underwriters at AIGRM involved with PEOs. We consider PEOs that have received this certification to be better equipped to understand the specific rules and regulations that apply to both PEOs and insurance carriers and how those differ by state. Although we do not grant specific credits because a PEO has this certification, we find their overall adherence to better loss control practices generates an end result of improved loss experience. This produces a quote that has taken all of these positive features into consideration.”

**JoAnn Koster**, Executive Vice President