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## CASE STUDY

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# WC Advisors speak up on behalf of client, and speech pathologist group sees over \$30,000 in returned premiums

### » INSURED

Located in West Virginia, the employer is a privately-owned practice of speech-language pathologists, servicing various medical and academic settings. The company employs upwards of 30 people.

### » SITUATION

The company was experiencing abnormally high premiums due to a SCOPES Manual classification code rate of 2.90, which seemed extremely high for such a low-risk occupation.

### » ASSESSMENT

Certified WorkComp Advisors (CWCAs) from Mountain State Insurance Agency, Inc. assessed the situation and by undertaking an audit, discovered that *all* employees were classified in class code 8835, "Home, Public & Traveling Healthcare." This drove up the premiums considerably. Initially covered by the old West Virginia Workers' Compensation state fund, the company was unaware of the benefits of working with an agency with expertise in Workers' Compensation when the market opened for competition in July 2008.

### » SOLUTION

After conducting an extensive overview of what the company did, when they did it, where they did it, and what the risk was, it was agreed by all parties that the company was misclassified,. The CWCAs of Mountain State Insurance Agency were able to re-classify the company to class code 8832, defined as "Physician & Clerical," since the insured provides the same services in its offices as the traveling team does off-site. The new classification of 8832 reduced the rate of risk from 2.90 to .32. Mountain State advisors also put in place the West Virginia Broad Form Employer's Liability Endorsement, which provides insurance coverage for West Virginia's Annotated Code 23-4-2(d)(2) (ii).

### » RESULT

The reclassification created a return premium to the policyholder in the amount of \$30,701. From July 1, 2007 to June 22, 2008, the original premium paid was \$18,519. After reclassifying the risk

and disputing the audit, the final premium was \$2,260, a return to the company of \$16,259. From June 22, 2008 to June 22, 2009, the original premium paid was \$17,216. After reclassifying the risk and disputing the audit, the final premium is \$2,774, a return to the company of 14,442. And from June 22, 2009 to June 22, 2010, the total premium, as a result of the proper classification was \$1,513. Had the policy not been reclassified, the insured would still be paying approximately \$15,000 annually in workers' compensation premium.

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