

The background of the slide is a photograph of a park. In the foreground, there is a wooden park bench with a metal frame, partially obscured by the text overlay. The park is filled with large, mature trees with thick trunks and dense green foliage. The sky is visible through the branches, appearing bright and clear. The overall scene is peaceful and natural.

Insurance Cost Restructuring to Meet Changes Due to COVID 19 Impact

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What to do NOW!

- Review your current payroll amounts on workers compensation and general liability policies.
- If you have a policy scheduled for renewal in the next three to four months, you should be contacting your insurance provider **NOW** to discuss possible changes due to economic impacts brought about by C-19.

Workers Comp and General Liability Audits

- Prepare now for your workers compensation and general liability audits. In the years leading up to the C-19 crisis, we had a very robust economy that had a very positive impact on the tree care industry.
- As a result, many tree companies could be faced with substantial premium audits resulting from past inflation in payroll.

Workers Comp and General Liability Audits

- It is important to get a understanding of potential premium audit amounts well in advance of the audit so that one may negotiate a possible payment plan with their insurer for additional audit premiums.
- Your insurance provider should be able to help you roughly forecast what your future audit amounts could be.

Motor Vehicle and Fleet Insurance

- Review vehicle fleet insurance. Identify any vehicles or trailers that are not in regular use and consider possibly removing these units temporarily from the auto policy.
- Be careful, however, not to remove coverage on any vehicles that might have third-party interests such as lender liens.
- It is unadvisable to reduce limits of liability protection in an effort to reduce your premium.

Equipment Insurance

- The same applies to equipment policies:
 - Review and possibly remove equipment that may not be in use.
 - Be aware that you then become the self-insurer for uninsured equipment.
 - Be careful as you may be required to insure any equipment that has financing attached to it.

Furloughed Employees

- Some companies may have workforce on paid leave.
- You should ask your insurance provider if they will exclude the furlough pay from workers compensation and general liability premium calculations.

Be Aware

- It is unadvisable to reduce coverage limits for general liability or umbrella policies as you may have clients that require you to carry specific limits on those policies.
- We are hearing stories of employers laying off their workforce and bringing them back on after they have filed for unemployment. This practice can put both your company and your workforce in a very risky position.

Be Aware

- Shifting employees from W-2 to 1099 and considering them “subcontractors” is another practice that should be avoided as this is not only a violation of IRS laws, but also, possibly workers compensation laws.

Questions?

If you have questions, you may contact me via email at:

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Please reference “TCIA Webinar Question” in the email subject line.