

## **How do I buy workers' compensation insurance?**

Tennessee has a voluntary competitive market comprised of around 350 companies licensed to sell workers' compensation insurance. Most of these companies sell their product through independent agents. The largest single carrier has less than a 4% market share:

<http://www.tn.gov/assets/entities/commerce/attachments/2014TNWorkersCompensationMarketShares.pdf>

If you are refused voluntary coverage by two or more of these nonaffiliated workers' compensation insurance companies writing in Tennessee, you can obtain coverage through the Workers' Compensation Insurance Plan (WCIP) or what is commonly known as the assigned risk plan.

There are currently eight companies who process policies and claims for the assigned risk plan. These companies are Riverport (W. R. Berkley), Technology (Amtrust), American Zurich, Cincinnati, Continental Casualty, Hartford Underwriters, Travelers Property Casualty Co. of America, and Ace American. Business assigned to Riverport and Technology is reinsured through the National Workers Compensation Reinsurance Association. The remaining carriers are referred to as Direct Assignment Carriers, who assume the individual risk of writing coverage.

Before an eligible employer can apply to the assigned risk plan, two non-affiliated companies, licensed and actively writing in Tennessee must first turn you down for workers' compensation coverage. We suggest if you have any other form of commercial insurance (commercial automobile or general liability), first contact the insurance agent who sold you those lines of coverage. Often, that agent will be able to place your coverage with a company the agent represents. This is to your advantage because you have an established credit history with the agent. Sometimes you may be able to get the insurance company to write a "business package," which can also include workers' compensation coverage.

If two insurers, as described above, turn you down, your agent may complete an application and refer your business to the assigned risk plan managed by NCCI. Any licensed agent can place your business in the WCIP. Although clearly not the norm, you may apply directly to the assigned risk plan by calling 800-NCCI-123 (800-622-4123). You can also access the plan administrator at <https://ncci.com>. In order to be eligible for coverage through the assigned risk plan, you must not have any undisputed workers compensation premium owed to a previous insurance company and you must comply with all reasonable workplace safety recommendations.

If your current coverage is in the assigned risk plan, you can pursue coverage elsewhere in the voluntary market at any time. If you find an insurer outside of the assigned risk plan that is willing to take your coverage, you will be subject to a minimum premium for the period of time your policy was in force but you will *not* suffer a short-rate cancellation penalty for breaking the assigned risk insurance contract before it expires.

If you have questions, contact your agent or the Department at 615-741-0472.