

# Recovery from workers' comp



Business Insight As Colorful as Colorado

A Wiesner Publication | Volume 29, No. 8

**IF YOU RUN A COMPANY WITH MORE THAN A** handful of employees, there's a good chance you're paying too much for workers' compensation insurance.

**money  
matters**  
BY MIKE TAYLOR

That's what Gregg Schiff will tell you. Schiff considers his company a watchdog for workers' compensation. He estimates that nine out of 10 Colorado businesses have been or are being overcharged for workers' compensation insurance premiums.

Schiff's Denver firm, WorkComp Premium Recovery Group, specializes in recovering workers' comp overcharges and providing cost-saving recommendations for reducing current and future premium costs.

After a decade, the company says it has saved clients more than \$4 million in premium charges.

"It's rare that we don't find overcharges when we review a company's records," said Schiff.

WorkComp was founded in 1990 by Len Schiff, who spent 30 years at Pinnacol Assurance, formerly the Colorado Compensation Insurance Authority. Sons Gregg and Todd round out the ownership.

One of the WorkComp group's successes in recent months involved home builder Melody Homes Inc. WorkComp, after an audit of past records last fall, found that Melody had been overcharged by \$138,707 on its workers compensation premiums just in the past two years.

Gregg Schiff has his own theories for why businesses are overcharged. "Probably a lot of it's because there are so many rules and regulations out there, plus there's a lot of people who have their hands in the calculations of premiums," Schiff said.

"More people involved and more rules involved means there's more opportunity for errors to happen."

Typically, when a company enlists the services of WorkComp, the firm reviews the past five to seven years of workers' compensation premium calculations. This includes copies of billing statements, the company's loss history, and any other factors used in calculating its workers' comp premium.

"Once we find something, we document where the

overcharge is and have the company send it off to the carrier to get the refund back," Schiff said. "Once they get the refund they split it on a 50-50 basis. It's all contingent upon us finding overcharges for them."

Schiff says a common reason one company might be overcharged is that employees are placed in the wrong classification to determine the risk level of a given job. A clerical employee, for example, will typically cost a company 50 cents per hundred dollars of payroll, whereas someone framing a house would cost around \$17 per hundred of payroll.

That was the case with Melody Homes.

"A lot of their employees had been misclassified — for years actually," Schiff said. "We were able to go back two years and get a couple of audits revised to reflect the correct class codes. It was a battle, too. The insurance company didn't want to do it at first, but with our persistence and our knowledge of how to get things done, we were able to get the insurance carrier to finally make the corrections like they should have done."

The NCCI, or National Council on Compensation Insurance, is the rating bureau that creates the classifications, but sometimes the categories are misapplied by insurance carriers.

"If your operations change throughout the year, there's a good possibility that there's a new class available to your company," Gregg Schiff said. "So we tell companies they should check on the classifications on an annual basis."



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