

2005 WORKERS COMP RATES FLAT

(NEW RATES PUBLISHED ON REVERSE SIDE)

Premium Decreases Slowing for Most Contractors

AZ Workers Comp Rate Reduction Approved

Arizona continues to enjoy the lowest Workers' Compensation Rates for construction classes in the country. New Rates (shown on back) go into effect on your Normal Anniversary Date (NAD) on or after October 1, 2004.

More Than The Bottom Line: How Lower Rates Can Hurt You

- Larger losses or more frequent injuries have a greater impact on your Experience-Modifier.
- The competitive market advantage that can result from lower Workers Comp costs for individual firms is more difficult to obtain when premiums are already depressed.
- Fewer carrier options available.
- Choices in "participating plans" may disappear, which can penalize companies with low losses by eliminating cost-savings mechanisms.
- Leaving Professional Employer Organizations (PEOs) can be difficult and costly (if it becomes necessary).

General Liability News More Carriers Leave AZ

Fear over widespread and costly Construction Defect lawsuits is leading more carriers to STOP INSURING construction contractors immediately or in the very near future.

"In mid-2004, the insurance market showed strong signs of relaxing its negative outlook on many contractors, but a **generation of fresh completed operations-related lawsuits** is shaking things up once again for 2005," explains Richard Usher, Hill & Usher, Agency Principal. "Unfortunately, fewer carriers generally equates to more premium paid for less coverage in return."

Be Prepared for Your 2005 Renewal

1. Gather complete Loss Data early.
2. **Partner with a qualified agent.** In this marketplace, the difference is often not the carrier but the agent presenting your account to carrier underwriters.
3. Be aware of **exclusions and limitations** on the type of work you can perform!
4. Always provide complete underwriting information as early as possible.

Hill & Usher – Voted Top Insurance Agency/Broker by Arizona Business Magazine in 2005

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**Arizona Construction Industry
Workers' Compensation Rate History 1993 to 2004**

Class Description	Class Code	Year												Change	
		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	% Change 03 - '04	% Change 93 - '04
Air Conditioner Systems - AZ only	5537	14.37	13.06	11.59	9.64	7.34	6.83	5.93	5.57	4.78	4.64	4.70	5.13	9.15%	-64.30%
Automatic Sprinkler Installation	5188	12.95	11.91	9.89	8.38	6.99	6.29	5.47	5.95	4.78	4.61	4.99	4.47	-10.42%	-65.48%
Burglar and Fire Alarm	7605	4.35	3.98	4.09	3.47	2.77	2.89	2.51	2.02	1.95	1.47	1.91	1.84	-3.66%	-57.70%
Carpentry - Detached Dwelling	5645	23.89	24.15	21.08	20.72	17.77	15.03	13.06	11.63	10.22	9.17	9.43	9.36%	-60.36%	
Carpentry - Multiple Dwelling	5651	26.59	26.87	21.64	19.59	16.51	11.45	9.95	8.23	6.63	6.40	7.71	6.88	-10.77%	-74.13%
Carpentry - N.O.C.	5403	28.24	27.45	28.05	24.24	20.31	20.47	17.78	15.24	13.00	13.14	12.63	11.62	-8.00%	-58.85%
Carpentry - Shop Only	2802	13.03	14.11	12.94	11.59	9.39	7.83	6.80	5.81	5.68	5.73	5.82	6.32	8.59%	-51.50%
Carpentry - TRIM	5437	8.31	9.30	9.60	8.13	7.01	6.47	5.62	4.99	4.66	4.59	5.37	5.05	-5.96%	-39.23%
Ceiling Install - Suspended Acoustical	5020	13.27	13.33	13.73	11.22	8.29	7.55	6.56	7.74	8.97	7.08	6.19	6.49	4.85%	-51.09%
Cleaner/ Debris Remover	5610	7.08	8.85	9.15	7.55	7.38	6.48	5.63	4.01	3.19	3.50	3.66	3.56	-2.73%	-49.72%
Clerical & Administrative	8810	0.51	0.50	0.47	0.47	0.41	0.31	0.27	0.27	0.27	0.24	0.21	0.23	9.52%	-54.90%
Concrete Construction - Bridges	5222	20.68	20.47	18.57	13.62	11.04	9.30	8.08	7.65	7.27	6.42	7.01	6.31	-9.99%	-69.49%
Concrete Construction - N.O.C.	5213	20.93	23.92	22.16	16.75	12.94	10.53	9.15	7.88	7.70	6.28	6.33	5.56	-12.16%	-73.44%
Concrete Construction - Private Res.	5215	11.22	10.53	8.85	8.22	7.37	6.75	5.86	5.86	4.75	3.77	3.77	3.16	-16.18%	-71.84%
Concrete: Floors/Driveways	5221	11.21	10.46	9.37	10.46	7.63	6.22	5.41	5.26	4.48	3.94	3.44	3.49	1.45%	-68.87%
Conduit Construction	6325	12.71	15.88	13.24	10.41	8.25	6.26	5.44	5.70	5.69	5.27	4.70	4.75	1.06%	-62.63%
Construction Superintendent	5606	4.01	3.39	3.44	2.93	2.83	2.15	1.87	1.66	1.92	1.74	2.02	1.93	-4.46%	-51.87%
Contractor's Permanent Yard	8227	7.43	8.29	7.70	8.77	6.39	5.80	5.04	5.88	4.72	5.47	5.62	5.44	-3.20%	-26.78%
Door or Sash Erection	5102	20.00	15.70	17.74	13.23	11.06	7.71	6.70	6.47	7.50	7.79	7.92	9.50	19.95%	-52.50%
Drywall - Wallboard Install	5445	18.08	19.11	15.52	13.94	11.59	10.63	9.24	7.82	7.03	6.53	6.20	5.50	-11.29%	-69.58%
Electrical Wiring	5190	11.40	10.78	8.96	7.75	6.26	4.83	4.20	4.57	3.94	3.56	4.18	3.85	-7.89%	-66.23%
Excavation - N.O.C.	6217	12.31	11.21	11.13	9.83	7.67	6.66	5.79	5.19	5.17	5.17	4.83	4.74	-1.86%	-61.49%
Gas Main or Conn. Construction	6319	9.28	7.29	7.51	6.90	6.42	5.15	4.48	4.89	4.44	3.86	4.11	4.49	9.25%	-51.62%
House Furnishings N.O.C.	9521	12.81	13.82	13.69	11.65	10.10	7.47	6.49	5.16	4.01	3.68	3.37	3.69	9.50%	-71.19%
Insulation Work N.O.C.	5479	29.05	29.67	24.43	23.53	18.71	12.02	10.44	12.31	12.32	9.71	9.87	7.69	-22.09%	-73.53%
Iron Steel Erection	5059	53.99	63.15	45.92	41.16	38.70	47.44	41.22	28.03	32.51	24.84	32.30	32.75	1.39%	-39.34%
Iron Steel Erection - Frame Structure	5040	44.75	55.93	47.21	45.71	38.70	28.17	24.47	16.64	14.97	12.75	16.58	18.98	14.48%	-57.59%
Iron Steel Erection, 2 stories or less	5069	75.30	67.76	57.11	54.85	43.98	45.61	39.63	34.34	28.20	30.48	33.11	28.64	-13.50%	-61.97%
Iron Steel Fab - Decorative	3040	21.11	15.62	13.28	12.11	11.54	8.66	7.52	8.08	6.52	5.74	6.65	6.57	-1.20%	-68.88%
Iron Steel Fab - Structural	3030	21.67	19.74	17.67	15.14	10.61	7.98	6.94	8.25	8.55	10.52	8.72	8.33	-4.47%	-61.56%
Irrigation/Drainage Const.	6229	8.75	10.93	12.34	8.72	7.45	4.94	4.29	4.69	4.58	5.21	6.77	6.10	-9.90%	-30.29%
Landscaping	0042	10.30	9.30	8.97	8.00	7.10	6.77	5.88	5.32	4.74	4.33	4.63	4.07	-12.10%	-60.49%
Masonry - Plastering - Stucco	5022	23.90	22.22	19.13	15.15	13.11	10.53	9.15	8.41	7.34	6.18	6.40	5.37	-16.09%	-77.53%
Millwright - N. O. C.	3724	13.28	12.81	12.66	9.28	8.41	6.81	5.91	6.54	5.63	4.92	4.39	3.37	-23.23%	-74.62%
Outside Salespeople - Messenger	8742	0.79	0.87	0.74	0.66	0.53	0.40	0.35	0.33	0.34	0.38	0.42	0.43	2.38%	-45.57%
Painting - Paperhanging - Taping	5474	17.03	16.44	14.43	13.28	9.73	7.87	6.84	5.81	4.48	4.25	5.23	4.87	-6.88%	-71.40%
Plastering - N. O. C.	5480	21.50	20.56	15.38	12.52	10.58	9.44	8.20	8.25	6.73	5.21	5.76	5.20	-9.77%	-75.81%
Plumbing - Heating	5183	10.09	10.87	9.52	8.38	7.10	5.88	5.19	4.36	4.39	3.64	3.77	3.90	3.45%	-61.35%
Refrigeration - Domestic	9519	5.38	5.24	3.70	3.18	5.85	2.31	2.01	1.50	1.72	2.09	2.31	2.69	16.45%	-50.00%
Roofting	5551	28.94	29.22	23.34	19.74	15.75	15.13	13.15	13.11	12.09	11.20	11.96	12.19	1.92%	-57.88%
Sheet Metal Work	6306	19.07	18.80	13.88	9.97	9.84	6.93	6.02	6.66	6.11	6.87	8.93	8.65	-3.14%	-54.64%
Street or Road Constr. - Paving	5538	15.85	17.00	14.41	9.46	8.88	7.79	6.77	6.59	5.78	4.75	4.71	5.65	19.96%	-64.35%
Street or Road Constr. - Subsurface	5506	12.77	15.91	12.50	12.01	10.09	9.38	8.15	8.78	8.89	6.34	6.92	6.18	-10.69%	-51.61%
Stucco/ Plastering	5507	14.99	17.34	14.46	13.29	12.32	10.96	9.53	7.16	6.71	5.95	6.49	6.49	0.00%	-56.70%
Wrecking Iron/Steel Struc. N.O.C.	5443	11.37	10.43	8.04	8.09	6.79	6.02	5.23	5.25	5.03	4.46	4.70	4.27	-9.15%	-62.45%
	5057	27.02	31.27	29.05	31.76	21.40	17.93	15.57	11.72	8.76	6.86	7.75	8.11	4.65%	-69.99%