

# GREEN & GOLD

© 2008, Hill & Usher

Arizona's Restaurant, Bar & Hotel Insurance Specialists

Volume 13, #3D

## 2008-09 WORK COMP RATES UP FOR MANY RESTAURANTS Fast Food Restaurants & Bars Hit With Sharpest Rate Increase in Years (Our Complete Annual Workers' Compensation Rate Preview Published on Reverse)

### Rates Up Average of 10.3% for Selected Food Service Classes

Many Arizona restaurants, taverns and hotels will see increased Workers Compensation insurance rates effective October 1, 2008. Rate increases, shown for applicable Workers Compensation classifications (right panel), follow an upward trend first building steam in Arizona in 2003. Table-service restaurants, with relatively low liquor sales, will see a slight decrease in rate.

From both a historical and relative perspective, Workers Compensation costs for Arizona companies continue to be among the lowest in the country. In today's insurance climate, more private carriers, like those through Hill & Usher, offer policies with significant discounts below the manual rates shown on reverse.

### Change in Benefit Levels Impacts Rates

The Arizona Workers' Compensation rate increases effective October 1, 2008 directly relate to statutory changes in the formula for disability payments and trends in medical benefit costs for injured employees.

#### Scheduled Increases in Compensation Levels for Injured Arizona Employees

Date of Injury	Maximum Monthly Benefit
Prior to Jan 1, 2008	\$1,600 per month
Jan 1, 08-Dec 31, 08	\$2,000 per month
Jan 1, 09 – Dec 31, 09	\$2,400 per month
Jan 1, 2010 – Forward	Indexed Increases

#### AZ Workers Compensation Rate Changes – Effective Oct, 1 2008 Applicable to All AZ Restaurants, Bars & Taverns

Class Description	Jan 08	Oct 08	% Change
Bar, Disco, Lounge, Nightclub, or Tavern	\$3.41	\$4.09	16.63%
Clubs - Social & Clerical	\$1.71	\$2.06	16.99%
Hotel: All Other Employees	\$2.57	\$2.73	5.86%
Hotel: Restaurant Employees	\$2.04	\$1.99	-2.51%
Restaurant - NOC	\$1.79	\$1.78	-0.56%
Restaurant: fast food	\$1.33	\$1.78	25.28%

### Quality Workers' Compensation Solutions

To lessen the impact of increased rates, restaurants are switching to Hill & Usher carriers for added value:

- **Reduced Costs.** Many carriers are offering significant credits for qualifying accounts.
- **Choice from Among Multiple Carriers.**
- **Service Availability.** We answer the phone - today.
- **Claims Management.** Do claims adjusters make mistakes? Without Question. So, we help you manage claims effectively.
- **Cash Flow Programs – Low Working Deposits**

**For Workers' Compensation Insurance Call:  
602.667.1848**

Hill & Usher proudly serves you with specialized programs:



**General Liability • Liquor Liability • Equipment • Umbrella • Workers Compensation**

(602) 667-1848

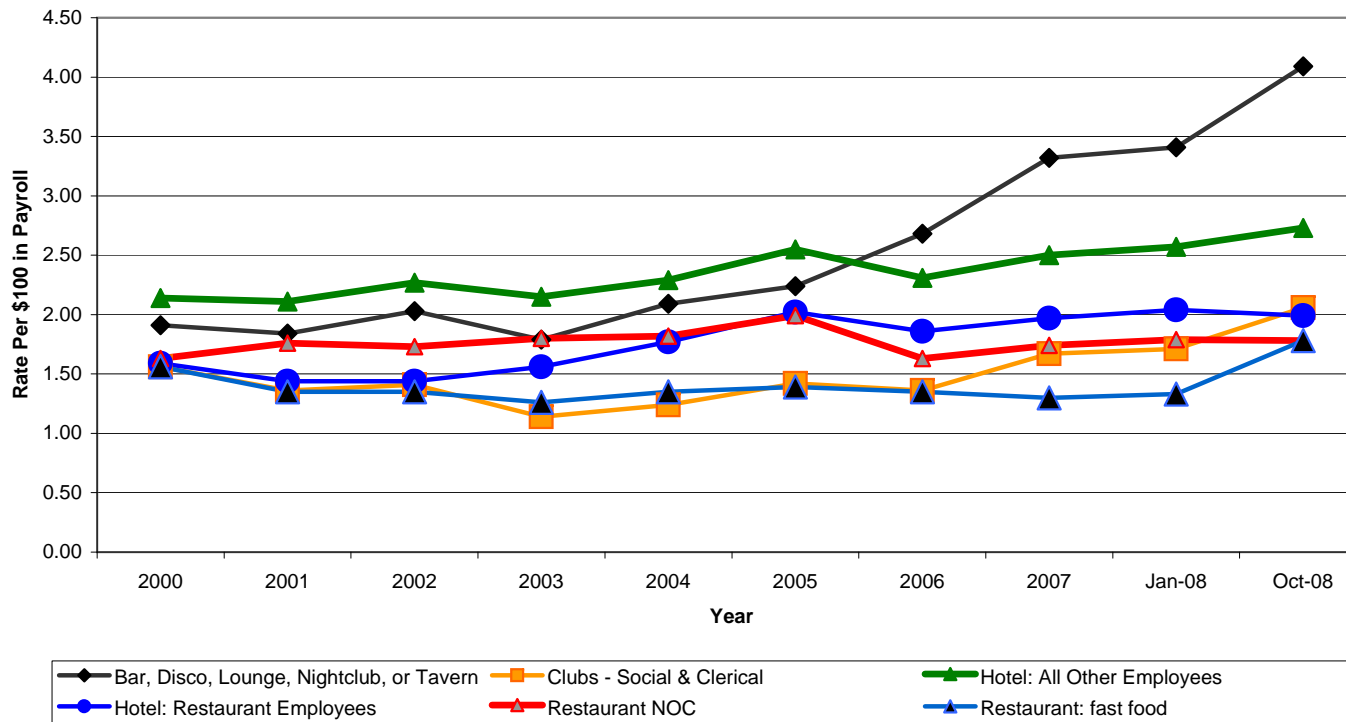


www.hillusher.com

## Restaurant, Bar and Hospitality Industry Workers' Compensation Rate History 2000 to 2008

Class Description	Class Code	2000	2001	2002	2003	2004	2005	2006	2007	Jan-08	Oct-08	Jan 08 -	2000 - 2008
												Oct 08	Increase
Bar, Disco, Lounge, Nightclub, or Tavern	9084	1.91	1.84	2.03	1.79	2.09	2.24	2.68	3.32	3.41	4.09	16.63%	114.14%
Clubs - Social & Clerical	9061	1.56	1.36	1.41	1.14	1.24	1.42	1.36	1.67	1.71	2.06	16.99%	32.05%
Hotel: All Other Employees	9052	2.14	2.11	2.27	2.15	2.29	2.55	2.31	2.50	2.57	2.73	5.86%	27.57%
Hotel: Restaurant Employees	9058	1.59	1.44	1.44	1.56	1.77	2.02	1.86	1.97	2.04	1.99	-2.51%	25.16%
Restaurant NOC	9082	1.63	1.76	1.73	1.80	1.82	1.99	1.63	1.74	1.79	1.78	-0.56%	9.20%
Restaurant: fast food	9083	1.56	1.35	1.35	1.26	1.35	1.39	1.35	1.30	1.33	1.78	25.28%	14.10%

**AZ Work Comp Rate Trends -Restaurant, Hotel, & Bar**



Please Note: Rates Effective October 1, 2008 are subject to approval by the AZ Department of Insurance.

Manual rates before experience modification factor, increased limits, deviation, scheduled credit, expense constant and other applicable charges/credits.