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The Basic Lesson to Knowing Contractors Work Comp Insurance Quotes

Getting to know Workers Compensation Insurance, as well as business insurance in general, is not very easy. As commercial insurance brokers we have to go through a ton of schooling to learn a whole new language comprised of risk, indemnity, mitigation, subrogation and loss. Thinking that the average small business owner to know and understand these new Greek terms from the start is out of the question. One of the terms however that they should know is Work Compensation Insurance. I am asked all the time about what it is and how they can get the lowest quotes for business workers compensation insurance. It is good to know that as a business owner you do have choices for your workmans compensation insurance and that not all insurance carriers offer the same old insurance options that honestly, might not be the most inexpensive one for you.

We should first start by understanding what workers comp insurance covers. Work comp is designed to offer payment for injury caused in the scope of employment which provides benefits to a worker or the worker's dependents for injury, disability, or disease contracted by the worker in the course of his or her employment. So for instance if a small business owner has a general contracting firm that has a worker injure himself while working on a roof, the workers compensation insurance would pay for medical bills and loss of wages associated with that accident. The process that is required in order for your insurance agency to provide you with these insurance quotes is a relatively quick and usually painless one. First your insurance agent will gather some basic information on your company. He or she might ask for your specific operations, number of employees, hourly wage each employee makes along with your companies federal tax ID number used for tracking the quotes. Now that he has that information, a quick understanding of workers compensation insurance types is needed.

Annual workers compensation insurance policy. This is by far the most popular type of work comp insurance policy available. After submitting your information to several different carriers, your commercial insurance agent will receive insurance quotes back that will have an estimated premium for the year which is based on the original figures provided. Then payment options are usually offered to include payment in full or making a down payment followed by monthly or some other predetermined payment schedule. This policy is best for businesses that have a good grasp on their normal annual payroll and have very small fluctuations from year to year as end of policy audits can cause large additional premiums that if not planned for, can hurt.

The pay as you go workers compensation insurance policies are pretty rare but a great choice for certain businesses. These policies usually do not require much on the down payment if anything at all and then allow you the owner to pay monthly for only the amount of insurance that you actually need based on actual payroll figures. Contractors love this type of workers compensation insurance since their business fluctuates from one month to the next and often with the seasons to having to make a good estimate is not really needed.

PEO or Professional Employers Organizations are a third option that some business owners prefer. These workers compensation insurance companies will usually only provide insurance to clients that opt to utilize their integrated payroll servicing services. This means that you can not run payroll through your own office or third party payroll service which ultimately locks you into their services.

If you end of taking the first workers compensation insurance policy that is offered to you then you might be in for a big headache. You should take a little while to look around and figure out if there are any other options that might better suite your particular needs or might save you a ton of money in the long run. Each business has a set of particular needs that insurance carriers are always trying to fulfill and so there are many options to choose from. Ask your agent as many questions as you can to get to know what options you have and which will be best for your workers compensation insurance needs.

Understanding the different types of [Worker Compensation Insurance](#) if very important. Please visit our site for more information on [Worker Compensation Insurance](#)

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