



Promoting industry professionalism
and best practices.



WC Risk Management Best Practices Certification

Workers' compensation (WC) risk management is a key component of the Professional Employer Organization (PEO) business model and is a valuable service provided to PEO clients. The PEO industry's WC risk management certification program independently verifies that a PEO's risk management program meets industry best practices for evaluating and selecting risks, providing appropriate loss prevention services and controlling costs of work related injuries and illnesses.

Benefits for PEO Client Businesses ...

Contracting with a certified PEO gives business owners assurance that their service provider is capable of delivering key risk management results. Certification provides:

- Independent online verification that a PEO has the proven capability to deliver excellent risk management services
- Expertise to help ensure worksite employees are provided a safe work environment
- Assurance that workers' compensation claims will be effectively managed to minimize costs
- Expert consultation to help ensure compliance with applicable state and federal safety regulations

Benefits for Insurance Companies ...

WC insurance carriers benefit from the assurance that a certified PEO is implementing industry best practices in a consistent and effective manner. Certification provides:

- An independently verifiable tool for identifying PEOs that warrant full underwriting consideration
- Ongoing monitoring to verify the PEO's adherence to an approved plan of controllable growth within the carrier's criteria for risk assessment
- Independent verification that the PEO is implementing proven best practices in a consistent and appropriate manner at client worksites
- A forum where WC insurers and PEO industry leaders can interact and stay current on industry trends and opportunities

Certification Program Management ...

The program is managed by a board consisting of representatives from WC carriers and PEO industry leaders. To ensure a broad industry perspective is obtained, the board relies on technical review and advice from an industry advisory board composed of PEO risk managers and insurance brokers.

Risk Management Best Practices ...

Compliance with the best practices that form the foundation for the certification program is verified for a PEO's initial and ongoing certification. PEOs demonstrate compliance in the following categories:

1. **Basic PEO Requirements** verify the PEO has legally assumed and is performing required employer responsibilities.
2. **Client Service Agreement** provisions ensure important PEO and client responsibilities are contractually established including termination provisions, and client cooperation in establishing safety plans and prompt reporting of work-related injuries/illnesses.
3. **Client Risk Assessment** practices verify the PEO follows sound written procedures in obtaining and evaluating key information, and follows carrier requirements for pre-approval and notification of client additions/deletions.
4. **Loss Prevention Management** ensures the PEO follows written procedures for delivering effective loss prevention services including assessing client safety needs, adding critical requirements to service agreements, reviewing claims activity and creating action plans as appropriate.
5. **Claims Management** practices verify the PEO follows written procedures for promptly handling work-related injuries/illnesses, ensuring use of approved medical providers, reviewing open claims, monitoring timeliness of claims reporting, and facilitating the return-to-work program.