

When seeking insurance coverage, homebuilders face an uphill battle. Due to the nature of the industry, some underwriters avoid the risks associated with contractors. For insurance carriers willing to insure homebuilders, there's a history of a high cost for Workers' Compensation insurance. These rates tend to increase, making insurance a greater headache for contractors. Does it matter that a particular company has a great loss history? Unfortunately not. The industry as a whole drives the rates.

So where is the incentive to continue practicing safety?

Why aren't contractors who are placing risk management and safety as a priority being rewarded for doing so? Homebuilders need a solution.

In 1999, PBA founded BSI, Builder Services Inc., and approached Eastern Alliance to help them structure a Workers' Compensation

program to help their members attain stable, competitively-priced Workers' Compensation coverage. Since then, the program has helped those in the homebuilding industry achieve these goals regardless of the insurance and economic cycles of the marketplace.

Members of PBA save money and are rewarded for utilizing best safety practices. Through exceptional claims handling, and potential dividends for eligible Program members, best-in-class homebuilders improve their bottom line. What are those best practices?

- **ESTABLISHING A COMPANY SAFETY PROGRAM**

In addition to improving productivity and employee morale, making safety a priority in a company means saving money. According to the Occupational Safety & Health Administration, every year businesses spend \$170 billion of their profits on costs related to occupational injuries and illnesses. They estimate that an improved focus on safety and health can reduce such

costs by 20 to 40 percent, and companies can save \$4 to \$6 for every \$1 invested in a safety program.

In addition, frequency of injury is a major component of workers' compensation rates, and reducing that frequency can improve, especially if a contractor is enrolled in a workers' compensation captive program like PBA.

- **ENGAGING EMPLOYEES THROUGH CONVERSATIONS AND TRAININGS**

It goes beyond posting policies on a bulletin board and giving a speech at a meeting to really get employees to buy in to a safety program. OSHA suggests engaging

employees by including them in safety- and health-related policymaking. It's also important to set an example and remember that senior leadership is never exempt from practicing safety. Best-in-class companies make sure that everyone top-down is abiding by the safety rules outlined in their program



and recognizing when others are as well.

- **PROVIDING ADEQUATE PERSONAL PROTECTIVE EQUIPMENT**

On a job site, PPE is nearly always required. Homebuilders who make safety a priority invest in quality products. They regularly check that all equipment is operating effectively.

- **KEEPING WORKSITES CLEAR OF HAZARDS**

An effective workplace analysis requires scrupulously looking at all the conditions of a job site to determine existing risks and remove existing or potential hazards. Simply readjusting a ladder, correcting how employees are lifting a heavy object or removing debris from a work area can make the difference.

If you're a homebuilder making safety a priority and want to save on your Workers' Compensation costs, PBA may be exactly the solution for your business' bottom line.