

## Worker's Compensation: Are you getting gouged by your insurance Carrier?

By William Sheehan

If you operate a private detective agency and hire employees to serve process, are you being gouged by the rate you pay?

Insurance agents and carriers who sell you your policy all rely on what is called the SCOPEs Manual, created by the National Council on Compensation Insurance (NCCI) to determine your rates. NCCI functions as a rating bureau for workers compensation insurance.

The Classification Code you are likely being rated at is number **7723 Police Officers and Security Guards**. The Classification Code that you should be rated at is 8742.

**8742 – Salespersons; Collectors, Messengers-Outside**

*“Other employees or operations assigned by analogy to Code 8742 include . . . process servers. . .”*

This is the correct classification code for process servers as well as investigators. The proof is in the pudding. My worker's compensation policy from Continental Western Insurance Company shows that I am classified with Code # 8742 and pay a rate of \$0.85 per \$100 of payroll. Much better than the \$4 most private detective agencies are being charged. I have NEVER paid the Police Officers and Security Guards rating.

Security contractors and guards pay a higher rate. If you have both licenses and have different people doing each of the jobs, then they should be rated differently. If the employee does both jobs I believe that it is broken done into percentages of the time that they do for each job.

The reason for the different codes is the degree of risk of being injured on the job. A security guard, like the police officer, is likely to come into contact with the public and dealing with crowd control and the likelihood of being injured by doing that. As an investigator/process server our biggest risk, just like the salesperson is driving around. We are likely to be hurt less often and when injured, injured less severely.

The first thing you need to do is notify your agent. Get your rate changed as soon as possible. After that your carrier will likely offer you a refund on what you have been over paying (possibly with interest). I believe they go back two years, but it maybe longer as long as you have remained as their insured.

Going after past carriers maybe more difficult, but if the money is worth it then it will be worth the fight. You can go to the Illinois Association of Professional Process Servers website [www.ilapps.com](http://www.ilapps.com) for a copy of the Scopes Manual Classification Code 8742 and to obtain the enclosure on Illinois Worker's Compensation Guidelines.

I hope that this helps everyone. Remember these rates are national (with a few exceptions) so you can pass this information on to investigators outside of Illinois.

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