

How do I buy workers' compensation insurance?

Tennessee has a voluntary competitive market comprised of around four hundred (400) companies licensed to sell workers' compensation insurance. Most of these companies sell their product through independent agents. The largest single carrier has less than a five-percent (5%) market share. Please see link below regarding this information:

https://www.tn.gov/content/dam/tn/commerce/documents/insurance/posts/TN_WC_Market_Share.pdf

If you are refused voluntary coverage by two (2) or more of these nonaffiliated workers' compensation insurance companies writing in Tennessee, you can obtain coverage through the Workers' Compensation Insurance Plan (WCIP) or what is commonly known as the assigned risk plan.

There are currently ten (10) companies who process policies and claims for the assigned risk plan. These companies are Ace American, AMGUARD, Auto Owners, Builders Mutual, Cincinnati, Continental Casualty, Hartford Underwriters, LM Insurance Corporation, Travelers Property Casualty Co. of America, and Zurich American. Business assigned to AMGUARD, LM Corporation, and Travelers Property Casualty Co. of America, also known as Servicing Carriers, is reinsured through the National Workers Compensation Reinsurance Association. The remaining carriers are referred to as Direct Assignment Carriers, who assume the individual risk of writing coverage.

Before an eligible employer can apply to the assigned risk plan, two (2) non-affiliated companies, licensed and actively writing in Tennessee must first reject the employer for workers' compensation coverage. If you have any other form of commercial insurance (commercial automobile or general liability), it is helpful to first contact the insurance agent who sold you those lines of coverage. Often, that agent will be able to place your coverage with a company the agent represents. This is to your advantage because you have an established credit history with the agent. Sometimes you may be able to get the insurance company to write a "business package," which can also include workers' compensation coverage.

If an employer is rejected by two (2) insurers, as described above, your agent may complete an application and refer your business to the assigned risk plan managed by NCCI. Any licensed agent can place your business in the WCIP. You may apply directly to the assigned risk plan by calling 800-NCCI-123 (800-622-4123). You can also access the plan administrator at <https://ncci.com>. To be eligible for coverage through the assigned risk plan, you must not have any undisputed workers' compensation premium owed to a previous insurance company and you must comply with all reasonable workplace safety recommendations.

If your current coverage is in the assigned risk plan, you can pursue coverage elsewhere in the voluntary market at any time. If you find an insurer outside of the assigned risk plan that is willing to take your coverage, you will be subject to a minimum premium for the period of time your policy was in force but you will *not* suffer a short-rate cancellation penalty for breaking the assigned risk insurance contract before it expires.

If you have questions, contact your agent or the Tennessee Department of Commerce and Insurance at 615-532-1481.