

What our clients are saying



SKILLED NURSING FACILITY/NURSING HOME

Convalescent Center Lowers Workers' Compensation Premium With A Comprehensive Solution

Hartsville Convalescent Center is a 95-bed skilled nursing and convalescent facility located in Tennessee. The facility has 80 employees and, like other small businesses, it has had to weather a tough economy, the increasing cost of regulatory compliance, and rising insurance rates.

"Cash flow is a huge factor for any small business, particularly those with very tight margins," observes Scott Becht, Hartsville Convalescent Center's chief financial officer. "When our workers' compensation insurance policy came up for renewal in February, I saw the figures and knew we had to find another way." The nursing home's projected annual premium of over \$41,000 also required an up-front deposit of more than \$14,000. "This presented two problems," says Scott, "the size of the premium and the substantial premium deposit — both of which have a large and immediate effect on cash flow."

However, Hartsville Convalescent Center discovered it not only had another option to obtain coverage — but also could save money and time in the process.

Choosing a new agency for workers' compensation

Through his long-time payroll service provider, ADP®, Scott learned of the Automatic Data Processing Insurance Agency. As an ADP, Inc. affiliated company, the agency specializes in providing Property & Casualty and Health & Benefits Insurance for small and mid-sized businesses. In addition to the insurance products it provides, the agency has the added-value capability of integrating those products with ADP payroll to simplify administrative burdens and offer affordable options for insurance coverage and premium payments.

"I called Automatic Data Processing Insurance Agency and explained my situation," says Scott. "I said my workers' compensation policy was renewing in five days and I wanted to see if there was any way they could provide us with an alternative quote." He adds, "I provided the insurance agent with the information she needed to do her analysis, and she obtained a favorable quote for us. As a result of her hard work — performed over the course of just a few days — she helped my business move our existing policy to a large, A-rated carrier," says Scott.

SNAPSHOT

Client:

Hartsville Convalescent Center,
Hartsville, Tennessee

Description:

Skilled nursing facility and nursing home

Workforce:

About 80 employees, all in Tennessee

Website:

hartsvilleconvalescentcenter.com



Significant savings “on the front and back end”

“I was surprised at the savings,” the CFO remarks. “In fact, we see significant savings on the front end and anticipate savings on the back end of the policy. The quote from the insurance carrier was about 5% less than the incumbent’s premium quote. We started off by paying less.”

Another component of front-end savings was the elimination of the traditional up-front premium deposit.* “The relief of not having to shoulder that big burden of the premium deposit clearly helps our cash flow,” he explains. “Not only does the big down payment go away, but for ADP payroll clients there is ADP’s Pay-by-Pay®, an ADP program that allows us to pay our premium with each payroll processing. It’s the general concept of you owe a dollar — you pay a dollar. There is no guessing or estimates,” he explains.

Participants in ADP’s Pay-by-Pay Premium Payment Program benefit from ADP’s administrative and money-movement services. ADP accurately calculates and collects premium payments each pay cycle, based on the actual payroll processed and carrier rates, minimizing the risk of over or under payments. The premium payments are forwarded directly to the carrier, decreasing the risk of late payment policy cancellation.

On the back end, an audit customarily awaits workers’ compensation policyholders, but Scott has little concern. “Since we are paying our premium based upon actual payrolls, not estimates as was the case with our previous experience, we’ve minimized the risk of owing an additional premium at the end of the policy,” he notes. Additionally, because he expects to spend less time managing premium payments and dealing with the year-end audit, he will have more time managing other aspects of his business.

Specialized Client Service creates peace of mind

Scott likes the idea that he can reach out to his licensed Dedicated Client Executive** at any time for assistance or with questions. “Knowing that I have a single point of contact makes everything seem easier. It’s the benefit I’d like to call ‘peace of mind,’” says Scott.

“The insurance agency showed a high level of customer service from initial contact through finalizing the policy. After talking with the insurance agent, you couldn’t help but come away with a feeling of confidence because you knew you’re dealing with people who know their business and want to help mine.”

A transformation in buying and managing workers’ compensation

Hartsville Convalescent Center’s relationship with the Automatic Data Processing Insurance Agency and ADP, as its payroll service provider, has transformed the way this small, skilled nursing facility manages and pays for its workers’ compensation insurance premiums.

Hartsville Convalescent Center also sees increased productivity every month. With the elimination of having to write premium checks to their insurance carrier, they were able to save several hours of administrative work. “ADP puts you in the position of managing the administrative process, and takes some of the time-consuming burdens away. I see that whenever I run a payroll and get my Pay-by-Pay Premium Report,” says Scott.

He concludes, “When I think of our ability to buy a policy, avoid an up-front deposit, and pay my premium as I go with each ADP payroll, I can’t help but wonder why anybody would not go this route.”

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Chief Financial Officer

Hartsville Convalescent Center



*Premium deposits may be eliminated by most carriers and mandatory state assessment fees may be required in some states.

** Accounts over \$20,000 in premium qualify for a Dedicated Client Executive.

ADP’s Pay-by-Pay Premium Payment Program for Workers’ Compensation is a payroll enhancement feature of ADP’s payroll processing services. All insurance products will be offered and sold only through Automatic Data Processing Insurance Agency, Inc., its licensed agents or its licensed insurance partners. One ADP Blvd. Roseland, NJ 07068. CA license #0D04044. Licensed in 50 states. Certain services may not be available in all states. Certain services are provided through the carrier partners of Automatic Data Processing Insurance Agency, Inc., and the carriers may charge an additional fee for the services. Clients must be using ADP’s tax filing service to take advantage of ADP’s Premium Payment Program for Workers’ Compensation. The information provided herein is general and not intended as tax or legal advice. Should you have questions, you should consult with your tax or legal advisor. The ADP logo, ADP, and Pay-by-Pay are registered trademarks of ADP, Inc. ©2012 ADP, Inc.