

Most restaurant owners understand the basics of workers compensation insurance and most have heard of the experience modification factor. And to show how a little bit of knowledge can be dangerous, many restaurant owners even know that a lot of small losses can have a dramatically negative impact on this modification factor. But using this knowledge in the wrong way can lead to behavior that carries far too much risk for the average restaurant owner.

You see, when it comes to the NC workers compensation insurance policy, the experience modification factor calculation is broken down into two parts. One part measures small losses and attempts to account for loss frequency in an organization, while the second part measures loss severity. This first part weighs all losses under \$5000 equally. So, if you have an employee who gets something in his eye and runs down to the local doc in the box for treatment, I can understand your desire to just pay the \$100 to the doc in the box yourself and move on without filing the claim. But I'm here to say that although this strategy looks pretty brainy at first blush, it is not without tremendous risks.

The problem for you as the restaurant owner is that you don't really know where any given work comp claim may lead. What at first looks like a routing eye wash claim could end up with an infection and even permanent partial disability. And if the insurance company thinks that you have made the claim worse by failing to notify them of the injury, then they can fight you on this claim and potentially leave you holding the bag for the claim. Paying a long term disability claim out of your pocket could possibly ruin your company and take from you all that you have worked so hard to build. And what you stood to save on your mod is just not worth the risk of losing your business. So please, always file each and every workers compensation claim within 5 days of the injury and resist the temptation to pay these claims out of your pocket just to protect your experience modification factor.

If we can help you with your restaurant insurance needs, please call us. We have developed several specialized restaurant insurance programs to make sure your round peg is not jammed into a square hole. We have a fine dining restaurant insurance program, a casual dining restaurant insurance program, a fast food restaurant insurance program, a bar and grill restaurant insurance program and even a catering company insurance program. If we can help, please call us, toll free, at 877-687-7557 or visit us online at [www.TheRestaurantInsuranceStore.com](http://www.TheRestaurantInsuranceStore.com).

The source data for this article can be found at the restaurant insurance answer guy site.

