

Florida Workers Compensation

On August 18, 2011, the National Council on Compensation Insurance (NCCI) delivered its annual workers compensation rate filing to the Florida Office of Insurance Regulation (OIR). Based upon its review of the most recent data available, NCCI has proposed, effective January 1, 2012, an overall workers compensation rate level increase of 8.9%. The cumulative impact of the rate decreases after the 2003 reform was -64.7%. Assuming the filing is approved as proposed, the cumulative impact for the period 10/1/03 through 1/1/12 is -58.6%. NCCI Data

Lykes Insurance specializes in providing Risk Management, Executive Protection, and Employee Benefit services to Technology Risks globally. Lykes Insurance is a privately held broker formed in 1925.

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Contractor Immunities

Technology Companies often enter into contracts with the Government, Project Owners, and Managers that outline the terms of the work and which party is liable based on the contractual agreement. Contractors and manufacturers that work with the Government can have significant misconceptions in regards to the statutes of Sovereign Immunity. There are limits and caps given because of SI, but there are also exposures and transfers of risk that are unique to the Technology Industry. The following areas of exposure should be contemplated and discussed while considering a job or reviewing a contract.

- ✓ Do you do most of your work as a subcontractor to a prime contractor?
- ✓ Do you understand the caps on SI for your State and considered calculating your excess liability exposure?
- ✓ Do you have any foreign revenue or any non-government related revenue?
- ✓ Since SI does not pick up the cost of legal defense in litigation have you considered the proper way to pick up these expenses?
- ✓ Do the liability caps for the main contractor apply to the subcontractors?

Assuming what your liability is for any given job contract without professional consultation or legal advice can often lead to negative financial implications.

Party not in power

Subcontractors often assume liability under broadly written contracts that go well beyond "bodily injury" and "property damage." Over 30% of Technology driven claims are not associated with "bodily injury" or "property damage." The claims are typically driven by a failure of the product or service which is referred to as pure economic loss damages. These claims are excluded under the General Liability policy and have to be covered by various Professional Liability policies.