

PAY-AS-YOU-GO VS TRADITIONAL BILLING

Choosing a workers' compensation plan that fits your business' needs can be a headache. Check out the pros and cons of pay-as-you-go vs traditional billing.

COMPONENT	DIRECT BILLING	PAY-AS-YOU-GO
Down Payment	Up to 25% down payment required	\$0 Down
Payment Type	Estimated payments derived from payroll projections for the year	Accurate payments based on actual payroll
Premium Payment Schedule	Paid monthly, quarterly or annually	Paid automatically after each payroll
Financing Charges, Late Fees	Yes, may apply	No
Post Audit Adjustments	Potentially costly adjustment if payroll was underestimated	Simplified - minimal adjustments
APPROXIMATE START-UP FEES		
Policy Comparison Based on an Average Premium of \$3,000	\$750 premium down payment	No premium down payment
	\$250 expense constant*	\$250 expense constant*
	\$1,000 total down payment	\$0 total down payment

*Varies by state. For illustration purposes we are using \$250.