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SaaS Utility for Workers' Comp Premium Payments As most accountants and business consultants know, workers' compensation insurance allows employers to provide benefits to injured or sick employees while protecting the employer from costly lawsuits. Unlike other types of business insurance, workers' compensation is required by law in most states. A couple of years ago, The Hartford Financial Services Group, one of the biggest insurance companies on the planet, showed great foresight and creativity when they created a team to look into how technology could be used to transform the way we think about, track and pay workers' compensation premiums.

The goal was to make it faster, easier, cheaper and more accurate for employers to track and pay workers' compensation insurance premiums. What they knew from years of experience serving small business employers was that the hassles of tracking workers' compensation premiums was placing a huge burden on employers, many of whom didn't have a clue how to get their payroll software to produce accurate and timely data on which the premiums are based.

Think about the process we consultants go through to set clients up for workers' compensation tracking. In my QuickBooks Consultant's Reference Guide, I devote nearly 20 pages to the topic, and the steps involved are quite tedious.

So the new team at The Hartford went to work on the problem. They wanted to use technology to automate the payment process while at the same time increase the accuracy of premium calculations. It was critically important to The Hartford that whatever solution the team invented would streamline and enhance the process

for both The Hartford and their customers.

This utility, called the XactPAY Upload Utility, installs on the local computer, and behind the scenes it connects to the employer's QuickBooks data file via the QuickBooks SDK. The utility works with QuickBooks version 2005 and above running on Windows XP or Vista. The Macintosh version of QuickBooks is not supported.
A version of the product is also available that works with PayCycle's online payroll service. For more information, go to www.paycycle.com.

Once the utility is set up, it polls the QuickBooks company data file periodically for new payroll data and then securely uploads the data for premium calculation. After the premium is calculated, an e-mail is sent to the customer notifying them of the premium amount for the pay period, and the premium is drawn from the customer's checking account.

This process is repeated for each payroll run, and it runs automatically in the background so the only operator interaction necessary is during setup or modification of the environment. The utility can exist on the main bookkeeper's computer, or on the QuickBooks data file server, whichever is more convenient.

One of the compelling attractions of the XactPAY Web utility is that The Hartford does not require the huge prepayments that are typical with workers' compensation policies. With most other workers' compensation policies, employers are required to remit, in advance, the estimated premium for up to one year of coverage. But The Hartford waives these up-front deposits for XactPAY customers, which translates to a savings of thousands in up-front premiums.

The first step in getting all this to work is to get insured with The Hartford. The Hartford's website has tools to help you find a local agent and get signed up, after which you can download and install the XactPAY utility and get started with the solution.

As you learn more about how this works, I think you'll agree that other

no experience developing commercial software and no experience in the accounting software world.

Despite all of that, with XactPAY Web, The Hartford has driven the ball about 350 yards, straight down the middle of the fairway. The solution is perfectly timed, benefiting from the near ubiquitous availability of the Internet and the overwhelming installed base of QuickBooks Financial Software among small business employers. The solution is simple, free and it adds significant value for both insurer and employer.

Technology

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