

Businesses relocating to Henderson save on workers compensation

Reduced liability, lower costs surrounding workers compensation benefits a significant factor as many business relocate to the Southern Nevada city

HENDERSON, Nev. – In the midst of a broad national economic downturn, the City of Henderson, Nev.’s Economic Development Division continues to successfully lure business to the area from neighboring states.

Henderson - Nevada’s second-largest city, second only to Las Vegas - arrived on the national scene in the 1990s when it became the United States’ fastest-growing city. Known for its master-planned communities and high quality of living, Henderson has been at the front of Nevada’s growth spurt over the last decade-plus. Quadrupling its population from just 60,000 people in 1990, Henderson currently has more than 260,000 residents – a population that would make Henderson the 14th-largest city in California - larger than such cities as Irvine, Glendale and San Bernardino.

And although there are many reasons business are moving to Henderson, its business-friendly workers compensation environment is an increasingly significant factor.

Nevada has some of the most favorable pro-business laws in the country when it comes to limiting liability and costs stemming from claims surrounding on-the-job injuries. Since the workers compensation industry was nationally deregulated in 1999, the area of indemnity severity has been increasing faster than wages on a national scale.

However, through diligent lawmaking and a pro-business environment, Nevada has seen a 10.5 percent decrease in workers compensation rates since 1999, while

neighboring states rates have continued to rise.

“The fact that workers’ compensation statutes are state-specific and do vary among the different states can only indicate that if the rates have continued to decline, along with severity of cases, as they have been doing, then those laws must be working. This is not the case in California,” said Anne Aniello of Aniello Insurance Agency, which has provided workers’ compensation, personal products, group health insurance, construction, manufacturing and commercial business insurance to Southern Nevada since 1963. “The workers’ compensation environment is just one more indicator of Nevada’s pro business- and employer protective-environment. This is a positive factor for companies looking to relocate here.”

Nevada laws limit employers’ liability and exposure to litigious claims in a greater way than other states, whose laws tend to be more lax in the areas of limiting the amount of compensation benefits that can be awarded and the circumstances under which they are distributed.

Nevada’s enhanced system has resulted in a lower “average of time lost due to injury,” shorter hospital stays, fewer claims, and a shorter wait time for recipients to collect benefits when necessary. It is a win-win for employers trying to limit costs and liability and for employees who need to access compensation benefits when their situation truly requires them.

“In today’s business climate, where many employers are closely examining

their options for cost reductions, companies are increasingly looking for new ways to reduce operating expenses,” said Jeff Leake, economic development officer for Henderson’s Economic Development Division. “Among the many tax and other business incentives our city offers to new and existing businesses, providing significant long-term savings on workers compensation is yet another area where Henderson has a competitive advantage over many locations throughout the nation. It is simply fiscally responsible for businesses, especially California businesses, to move to Nevada.”

For J. Paul Cunningham, president of Phoenix Door Manufacturing, the savings were huge. In its first year of business after moving from California to Henderson in 2004, the company, which manufactures New-Tech doors, saved more than \$140,000 in workers compensation.

“Workers comp was a significant factor in moving here. It’s the same company, the same machinery, and even many of the same employees – and yet we had cost savings like that,” Cunningham said, adding that the workers compensation process in Nevada is much less cumbersome than that in California.

“There’s really an attitude difference here,” Cunningham said. “The City of Henderson is your partner. When

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HENDERSON ECONOMIC NEWS REPORT

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we first moved here, all they did was bend over backward to help us and do their best to get every obstacle out of our path so we could succeed. I'm so pleased we moved to Henderson."

And so are his employees – many of whom have been able to buy much nicer homes than they had in California – and at a much lower cost.

Located a short distance on Interstate 15 from several major California ports, or a quick flight into the centrally

located McCarran International Airport, Henderson provides a viable alternative that saves companies - especially those manufacturing and distributing products at the national level - thousands of dollars each year.

Henderson's business-friendly low-tax environment and convenient location - adjacent to Las Vegas and between five major markets (Los Angeles, Phoenix, Salt Lake City, San Diego and San Francisco) have already made Henderson the chosen

location for several businesses looking to expand or relocate to the West Coast. Henderson's easy access to McCarran International Airport and location between two major freeways connecting Henderson to California, Arizona and Utah makes getting to and from Henderson easy.

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