

EXPERIENCE MODIFICATION FACTOR

- Factor reflects how the safe performance of an employer is compared to similarly classed employers
- Acts as a "Safety Grade" with 1.0 being average (1.0 requirement)
- Takes into account payrolls, class codes, and claims history over three years
- The Mod factor is multiplied against an employer's work comp premium resulting in a increase or decrease in premium.
- Mod factors are released each year (NCCI/WCRB/State WC Bureaus) and should be reviewed for accuracy.

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remiu	m develo	opment			
State	Code	Classification	Remuneration	Rate	Premium
WI	3629	Machined Parts Mfg.	\$201,809	\$3.63	\$7,326
W	4410	Rubber Goods Mfg.	\$226,326	\$5.75	\$13,014
W	4452	Plastic Mfg.	\$821,533	\$5.41	\$44,445
W	7380	Drivers	\$49,383	\$6.84	\$3,378
W	8742	Salespersons	\$81,294	\$0.61	5496
W	8810	Clerical	\$256,683	\$0.25	\$642
				Total	\$69,301
Manual	premium				\$69,301
	of our right				150
	nce modific	sation 0	.95 (0.80)		-3,473
	discount				-5,094
	n charge				491
	timated pr				220 \$61,595
Total es	amated p		udit adjustment at policy e		\$61,390

EXPERIENCE MODIFICATION FACTOR

- For WI, a rate is set by the State per \$100 of payroll for each job classification:
 - Office Clerical, 8810, \$0.24
 - Sales, 8742, \$0.59
 - Machine Shop, 3632, \$4.16
 - Meat Product Processing, 2095, \$6.27
 - Printing, 4299, \$2.65
 - Transportation, 7380, \$6.84
 - Roofing, 5551, \$28.73

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Payrolls by class code x class code rates x Mod = Premium Projection & Audit

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VCRB	Class Co	ode Looku	р
Back to S	earch (Enter 4 digit) Code: 5551	Code Lookup	>> New Search
ROOFING ALL KI	NDS & DRIVERS		
	Statu	is: Active	
Effective D	ate Expiration Date	Rate	Minimum Premium
10/01/201	6 -	\$28.73	\$900.00
10/01/201	5 09/30/2016	\$26.72	\$900.00
10/01/201	4 09/30/2015	\$28.72	\$900.00
10/01/201	3 09/30/2014	\$26.10	\$900.00
10/01/201	2 09/30/2013	\$28.04	\$900.00
10/01/201		\$26.71	\$900.00
10/01/201		\$31.04	\$900.00
10/01/200		\$33.37	\$900.00
	8 09/30/2009	\$34.47	\$900.00
10/01/200		\$37.36	5900.00
10/01/200	7 09/30/2008	\$31,30	



EXPERIENCE MODIFICATION FACTOR

- Your 2017 Experience Mod is created from losses that occurred in 2015, 2014 and 2013 formula excludes the most current year.
- Different claims impact the Mod differently Medical Only, Lost Time, and Severity
- Reducing injuries will lower the Mod, which lowers the workers' compensation premium.
- What is your lowest potential Mod? Will your Mod increase next year? How much did the John Smith claim impact your premiums? Are our claims over-reserved?
- Adjusters, Management, Supervisory, and Employee teams would benefit from a better understanding (Mod 101 / ModMaster / 2002 adjuster).

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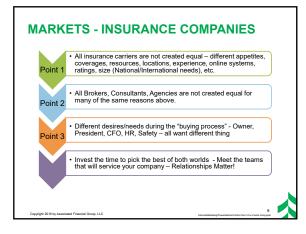
EXPERIENCE MODIFICATION FACTOR

- If you're a large employer (\$300K+) explore loss sensitive/retro and captive program options.
- The Mod becomes less important, but the strategies to improve the Mod (to prevent injuries) become more important financially.
- If you have solid risk management practices and want more control over the costs of your program, these are viable options to further reduce your insurance premiums.

EXPERIENCE MODIFICATION FACTOR

- · Understand the timing of the Mod and how it's created each year
- Understand how different claims impact the Mod
- · Use the Mod as a tool to teach why Return-to-Work is important
- Target the Top 3 loss drivers in your claims data and tackle those areas to reduce your Mod
- · Make sure your employees are properly classified
- Train employees, make safety part of your culture, and develop a consistent process for reporting claims timely lag time!
- · Don't do it alone, No need to recreate the wheel
- · 3-legged stool Create a Client Service Plan

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MARKETS - INSURANCE COMPANIES

Your insurance company partner will impact your premiums, your ability to do your job, your efficiency – your life

- They also have the potential to positively impact your workplace
 culture for the better
- Invest time in evaluating potential insurance company partners do
 they check the boxes you need?

MEETINGS

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- Getting the best workers' compensation program in place requires a
 Time Investment in the form of meetings:
- Client Service Plan Meetings (every year)
- Mod Analysis (Mod Master Meetings every year)
- Claim Review Meetings (depends on frequency/severity of claims)
- Broker/Agency/Consultant Selection Meetings (3-5 years)
- Insurance Company Interview Meetings (3 years)
- Loss Control / Pre-Inspection / Safety Survey Meetings (prepared?!?)

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- Pre-Renewal & Renewal Discussion Meetings (Negotiations)
- Have you met your underwriter? Important if larger operation
- Captive and Loss Sensitive program evaluation meetings

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3 M'S OF WORKERS' COMPENSATION Modification Factor – understand and control Markets – learn about them /qualify them Meetings – worth the investment ***You don't have to do this alone, and you don't have to recreate the wheel

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CONTACT INFORMATION

Tom Boudreau

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262-446-5420 Tom.Boudreau@AssociatedBRC.com

