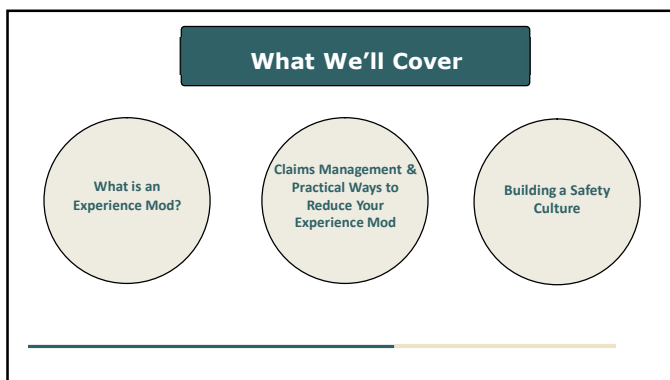




1



2



3



Experience Modifier

Your mod reflects how your loss experience compares to expectations.

Base Rate
Each state sets the rate for each class of exposure

Your Experience
Experience rating customizes rate to the individual employer

Expected vs Actual
Expected losses are projected based on payroll

Peer Comparison
Your performance is measured against similar employers

● 1.25 - Higher than Expected

● 1.00 - Average/Expected

● 0.75 - Lower than Expected

4



Poll Question

Who do you think has a higher rate?

A Roofing



B Lumber Yard



C Valve Manufacturing



5

Work Comp Rate Examples

Per \$100 of Payroll

Class	Code	Rate
Street/Road	5507	\$4.24
Roofing	5551	\$12.79
Bldg Material Dealer	8232	\$3.71
Carpentry	5403	\$5.32
Clerical	8810	\$0.16

6

Calculating Work Comp Premium

Class Code	Payroll	Rate	Premium
Street/Road	\$5,500,000	\$4.24	\$233,200
Bldg Mat Dealer	\$4,000,000	\$3.71	\$148,400
Ex Supervisor	\$250,000	\$9.6	\$2400
Clerical	\$1,000,000	\$0.16	\$160
Base Premium			\$384,160
EMR		1.19	\$457,150

7

Actual vs. Expected Losses by Policy Period



8

Poll Question

Do you think its better to have a mod above 1.0 or below 1.0?

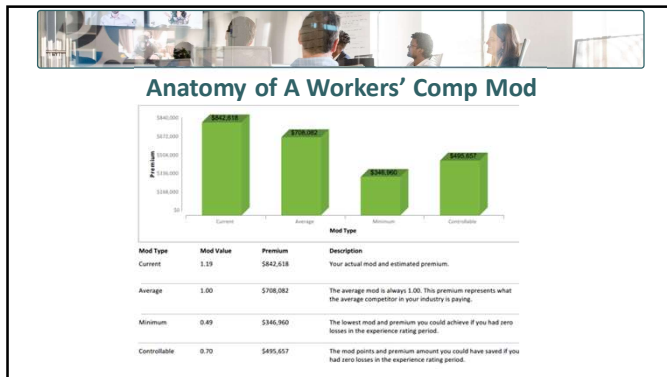
A

Above
1.0

B

Below 1.0

9



10

Data Used for Mod

- 3 years of data, not counting most recent
- Payroll data from carrier audit
- Loss data at 6 month anniversary of the WC policy
- Includes open claims reserves

11

Frequency vs. Severity

Frequency Breeds Severity

- \$15,000 Medical Only costs \$10,350 in premium
- \$15,000 Lost Time costs \$35,250 in premium
- First \$24,000 carries the *most* weight
- \$24,001 to \$187,000 carries *less* weight
- Over \$187,000 carries *no* weight

Frequency = How often claims occur

Severity = How costly claims are

12



Mod Formula Change

- 70% of \$ paid on medical only claims are removed from the formula
- “Medical Only” means no wage loss benefit paid to the employee
- For the seminar employer:

\$1 paid on medical only = \$.69 Prem

\$1 paid on lost time = \$ 2.35 Prem

13



Post Loss Initiatives for Employers

14



The Fundamentals



Timely Reporting



Accident Investigation



The First Conversation

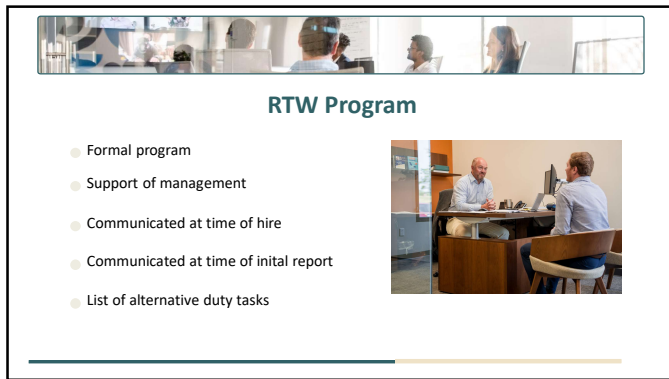


Medical Relations



Return to Work Program

15

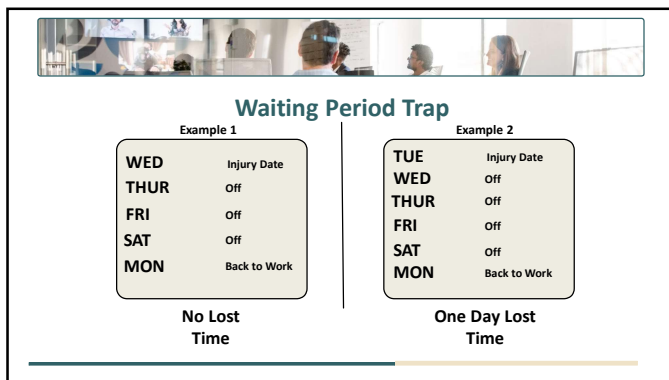


RTW Program

- Formal program
- Support of management
- Communicated at time of hire
- Communicated at time of initial report
- List of alternative duty tasks



16



Waiting Period Trap

Example 1

	Injury Date
WED	
THUR	Off
FRI	Off
SAT	Off
MON	Back to Work

No Lost Time

Example 2

	Injury Date
TUE	
WED	Off
THUR	Off
FRI	Off
SAT	Off
MON	Back to Work

One Day Lost Time

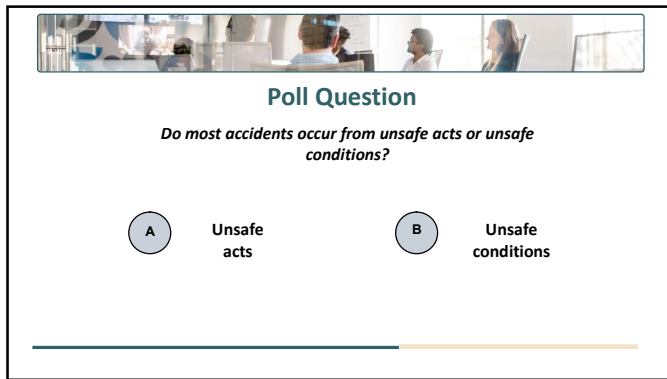
17



Building a Safety Culture

Would your company like to:	Yes	No
Increase production	☐	☐
Improve quality	☐	☐
Improve job satisfaction	☐	☐
Retain good employees	☐	☐
Recruit good employees	☐	☐
Cultivate teamwork	☐	☐

18



Poll Question

Do most accidents occur from unsafe acts or unsafe conditions?

A

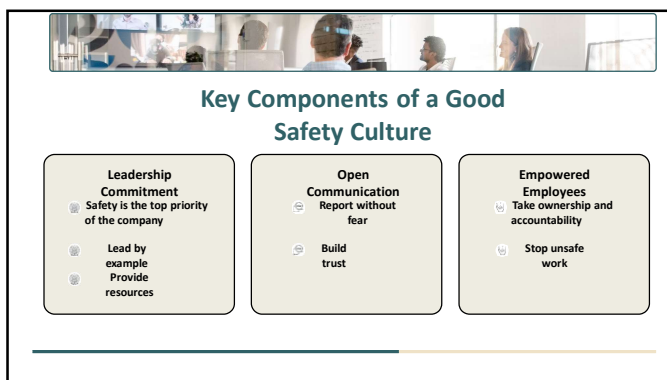
Unsafe acts

B

Unsafe conditions

A progress bar at the bottom shows approximately 30% completion for option A (blue) and 70% for option B (yellow).

19



Key Components of a Good Safety Culture

Leadership Commitment
Safety is the top priority of the company

- Lead by example
- Provide resources

Open Communication
Report without fear

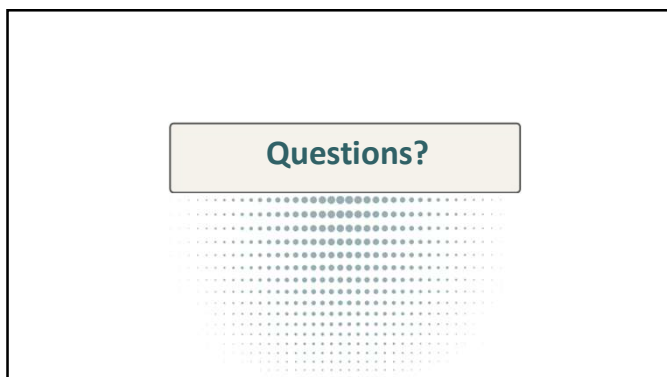
- Build trust

Empowered Employees
Take ownership and accountability

- Stop unsafe work

A progress bar at the bottom shows approximately 30% completion for the first component (blue) and 70% for the others (yellow).

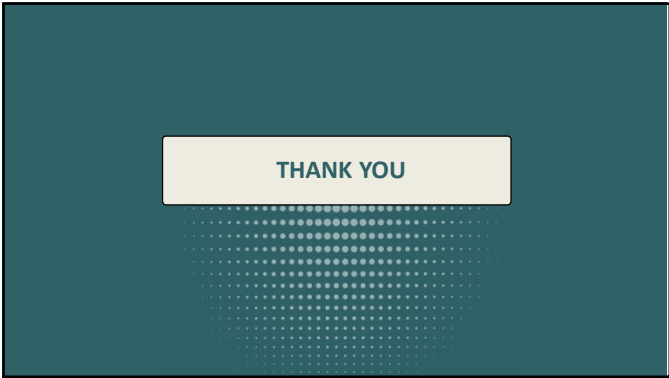
20



Questions?

A large area of small dots below the title, with a higher density of dots in the center, creating a visual effect of a question mark.

21



22
