



WORKER'S COMPENSATION & YOUR BOTTOM LINE



WASHINGTON LABOR & INDUSTRIES

We are in a monopolistic state. This means you get your worker's compensation insurance through the state – you cannot “shop” for insurance.



INSURANCE RATES IN WASHINGTON

There are 3 factors that determine your insurance premiums:

- 1) The type of work you perform (risk classification).
- 2) The frequency of claims.
- 3) The costs of those claims.



EXPERIENCE MODIFICATION RATE (EMR)

Experience Modification Rate, Experience Modification Factor or EMR are all the same. It's a multiplier the state uses to calculate your insurance rates, based on past performance.

How does it work?

All companies have a base rate that is assigned based on risk classification (type of work). That base rate is then multiplied by **your** EMR to determine your premiums.



EXPERIENCE MODIFICATION RATE

Average EMR for each risk class = 1.00

Example: The base rate for risk class 507 (roofwork) = \$5.88/hr.

Assumption: All 3 companies report 50,000 hours/year (roughly 25 employees)

Company with an EMR of 1.00 pays \$5.88/hr
\$294,00 in annual premiums

Company with an EMR of 1.25 pays \$7.35/hr
\$367,500 in annual premiums

Company with an EMR of .75 pays \$4.41/hr
\$220,500 in annual premiums





EXPERIENCE MODIFICATION RATE

Date of Injury		Years Impacted
07/01/19 - 06/30/20	→	2022, 2023, 2024
07/01/20 - 06/30/21	→	2023, 2024, 2025
07/01/21 - 06/30/22	→	2024, 2025, 2026
07/01/22 - 06/30/23	→	2025, 2026, 2027
07/01/23 - 06/30/24	→	2026, 2027, 2028
07/01/24 - 06/30/25	→	2027, 2028, 2029

The Department of Labor and Industries determines each employers' EMR by evaluating the claims filed between July 1st through June 30th of each plan year to determine their rate.



BENEFITS

Why have a low EMR?



- Better insurance rates – direct operating expense
- Increase in your retro refund check
- Better performance = more business
- Decreased payroll deductions = easier to maintain workforce, better company morale

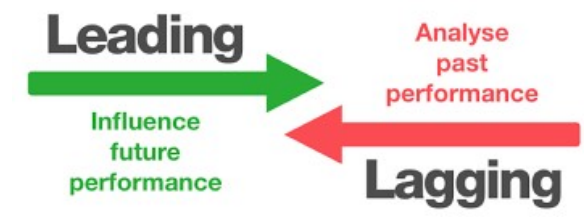


HOW DO I IMPROVE MY EMR?

Having an effective safety *culture* that focuses on Leading Indicators to eliminate hazards and prevent injuries.

No injuries = no claims/no costs.

- Effective Accident Prevention Program
- New Hire Safety Orientations
- Interactive Weekly Safety Meetings
- Strong Hiring Practices
- Comprehensive Substance Abuse Program





HOW DO I IMPROVE MY EMR?

In addition, having an aggressive plan to manage injuries and workers compensation claims is vital in minimizing claim costs.

You want to AVOID Time Loss!!

- Keep on Salary Policy (KOS)
- Light Duty Options
- Strong Communication with Aspire Account Manager
- Ongoing contact with injured worker



CLAIM SUPPRESSION

This is illegal

Preventing an employee from filing a Worker's Compensation Claim

- If found guilty, the company will be unable to participate in any retro program again....ever. In addition, the association may be in jeopardy of losing its retro program altogether.

Examples:

- Discouraging your employees from reporting injuries
- Offering to pay medical bills to prevent an employee from filing a worker's compensation claim
- Telling your employee to report their workplace injury as not work-related.



COVID CLAIMS (NEW)

The Industrial Insurance Act allows for treatment of COVID-19 when work-related activity has resulted in probable exposure to the virus and certain criteria are met.....

- 1) Was there an increased risk or greater likelihood of contracting the condition due to the worker's occupation?
- 2) If not for their job, would the worker have been exposed to the virus or contracted the condition?
- 3) Can the worker identify a specific source or event during the performance of his or her employment that resulted to the new coronavirus?



COVID CLAIMS (NEW)

For COVID-19 claims with a date of injury or exposure on or after July 1, 2023, all losses will be included in the determination of a business's experience factor....The first year an allowed COVID-19 claim can impact a business's EMR is 2026.



CONTACT INFORMATION

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