



Workers Compensation

Presented by: Toby Stubbs

Goals of the presentation

- To learn about the impact workers compensation claims have on premium costs
- To learn how to manage those costs by managing the experience modifier
- To learn how to successfully market and shop out your workers compensation policy
- To learn how to reduce frequency and severity through safety services and claims management



EMPLOYERS ASSURANCE CO.

Workers' Compensation and Employers Liability Insurance Policy

Policy Number	Policy Period
	From To
	12:01A.M. Standard Time at the address of the insured as stated herein

Transaction				
RENEWAL DECLARATIONS				
1. Named Insured and Address			Agent	
ABC Company 123 Main Street New Orleans, LA 70112			CORKILL INSURANCE AGENCY INC 1200170 25 NW POINT BLVD, SUITE 625 ELK GROVE VILLAGE, IL 60007	
Telephone:				
Customer #	Carrier #	FEIN #	Risk ID #	Entity of Insured
	36870			CORPORATION

Additional Locations:

2. The Policy Period is from 10/01/2010 to 10/01/2011 12:01 a.m. Standard Time at the Insured's mailing address.
3. A. Workers Compensation Insurance: Part ONE of the policy applies to the Workers Compensation Law of the states listed here: Illinois
- B. Employers Liability Insurance: Part TWO of the policy applies to work in each state listed in Item 3A. The limits of our liability under Part TWO are:

Bodily Injury by Accident	\$ 1,000,000	each accident
Bodily Injury by Disease	\$ 1,000,000	policy limit
Bodily Injury by Disease	\$ 1,000,000	each employee
- C. Other States Insurance: Part THREE of the policy applies to the states, if any, listed here: All states EXCEPT monopolistic states
- D. This policy includes these endorsements and schedules: See attached schedule.
4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates, and Rating Plans. All information required below is subject to verification and change by audit.

SEE EXTENSION OF INFORMATION PAGE

Minimum Premium	\$ 500	Expense Constant	\$ 280
		Premium Discount	\$ -12,706
Assessments and Taxes	\$	Total Estimated Annual Premium	\$ 146,339

This is a Three Year Fixed Rate Policy

3426 TORINGDON WAY, CHARLOTTE, NC 28277

DECLARATIONS – COMMERCIAL UMBRELLA LIABILITY COVERAGE

Item One – Name of Insured and Mailing Address SEE COMMERCIAL POLICY COMMON DECLARATION: IL-7025		Policy Period From: MAY 16, 2010 To: MAY 16, 2011 12:01 AM., Standard Time At The Insured's Mailing Address
Producer: SEE COMMERCIAL POLICY COMMON DECLARATION: IL-7025		Producer Number: 00-12096-00000
Name Insured is: ASSN/LABOR/RE		
Business of Name Insured is:		
Limits of Insurance		
Occurrence Limit	\$4,000,000.00	Aggregate Limit \$4,000,000.00
Self Retained Limit: \$.00		

Schedule of Underlying Insurance and Limits

Standard Employers Liability or Stop-Gap Employers Liability Policy		Policy No.	
Company			
Policy Period From: FEBRUARY 12, 2010 To: DECEMBER 15, 2010	Employers Liability Each Accident Disease Each Employee Disease Each Policy	\$500,000 \$500,000 \$500,000	
Commercial General Liability Policy		Policy No.	
Company			
Policy Period From: MAY 16, 2010 To: MAY 16, 2011	General Aggregate Products-Completed Operations Personal and Advertising Injury Limit Each Occurrence Limit	\$10,000,000 \$10,000,000 \$1,000,000 \$1,000,000	
Automobile Liability Policy		Policy No.	
Company			
Policy Period From: MAY 16, 2010 To: MAY 16, 2011	Bodily Injury and Property Damage combined each accident	\$1,000,000	
Premium Schedule:			
Estimated Exposure Base	Rate	Rate Per	Annual Minimum Premium Estimated Premium Due
In the event of cancellation by the named Insured we will receive and retain not less than \$250.00 as the Policy Minimum Premium.			
Forms and Endorsements SEE FORMS AND ENDORSEMENT SCHEDULE: IL 7028			Estimated Total Premium \$2,070.00
OCTOBER 7, 2010 Issuing Date	HEARTLAND REGION Issuing Office	_____ Authorized Representative	

EMPLOYERS[®]

Employers Assurance Co.
14120 BALLANTYNE CORPORATE PLACE, SUITE 100
CHARLOTTE, NC 28277-2685

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

Policy Number:
Named Insured: ABC Company
Agent: CORKILL INSURANCE AGENCY INC 1200170

EXTENSION OF INFORMATION PAGE

CLASSIFICATION OF OPERATIONS

Code No.	Classification Description	Premium Basis Total Est. Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
Illinois				
Rating Period: 10/01/2010 through 10/01/2011				
Site 00001				
8380	AUTOMOBILE SERVICE OR REPAIR CENTERS & DRIVERS	6,255,825	5.580000	349,075.00
8748	AUTOMOBILE SALESPERSONS	2,654,385	1.000000	26,544.00
8810	CLERICAL OFFICE EMPLOYEES NOC	2,267,400	0.310000	7,029.00
Site 00001 Total				\$ 382,648.00
Total of Sites for Rating Period				\$ 382,648.00
Rating Period Total				\$ 382,648.00
Rating Period: 10/01/2010 through 10/01/2011				
9812	INCREASED COVERAGE II	382,648	0.028000	10,714.00
9898	EXPERIENCE MODIFICATION	393,362	0.760000	-94,407.00
9887	SCHEDULE CREDIT	298,955	0.500000	-149,478.00
0063	PREMIUM DISCOUNT	149,477	0.085000	-12,706.00
0900	EXPENSE CONSTANT			280.00
9699	ILLINOIS PREMIUM SURCHARGE	144,876	0.010100	1,463.00
9740	TERRORISM PREMIUM	11,177,610	0.050000	5,589.00
9741	CATASTROPHE PREMIUM	11,177,610	0.020000	2,236.00
Rating Period Total				\$ 236,309.00-
State Total				\$ 146,339.00
Policy Total				\$ 146,339.00

Experience Rating 101

- Define Basic Scopes Manual definitions
- Who is NCCI?
 - What states apply?
- What is an experience modifier worksheet?
- What has a greater impact on the experience modifier – frequency or severity?

Classifications - 8380

- 8380 – Automobile Service or Repair Center & Drivers
- N/A – CA, HI, LA, MO, NJ, NY, OK, RI, WI
 - Insureds operating service stations and gasoline stations which perform service or repair work on automobiles, vans trucks and motorcycles.
 - Minor repair and service work such as engine tune-ups, simple electrical lighting, starter and generator repairs, sales, installation and service of storage batteries, tire mounting, balancing and alignments, lubrications, oil changes, gasoline dispensing, car washing, glass installation, undercoating, work on engines, transmissions radiators, ignition systems, chassis and bodies.
 - Major work – engine or transmission overhauls, valve work, extensive or complex ignition and electrical systems repair, body and paint work, etc.

Classification - 8010

- 8010 – Store: Hardware.
 - Applies to wholesale or retail stores
- N/A – CA, MN, NY
 - Applies to wholesale or retail dealers engaged principally in selling articles such as nails, screws, bolts, washers, gaskets, rackets, locks, hinges, electrical outlet boxes, switches, fuses, plugs, sockets, hand or machine tools, portable electric tools, plumbing fittings.
 - Covered – Automobile Parts and Accessories
 - Not covered – Automobile Accessories Stores – Retail

Classification - 8046

- 8046 – Store – Automobile Parts and Accessories NOC & Drivers.
 - Applies to wholesale or retail stores
- N/A – MN
 - Applies to insureds engaged principally in selling automobile parts and accessories such as batteries, spark plugs, fuel pumps, oil filters, carburetors, ignition parts, mufflers, gaskets, tires, tubes, oils, lubricants, skid chains, luggage carriers, seat belts, seat covers, radios, windshield wipers, heaters, speed equipment, mirrors and lights.
 - Not Covered – Rubber Tire Dealers, Retail Stores NOC, Hardware Stores

Classification - 8810

- 8810 – Clerical Office Employees NOC
- Applies to clerical office employees provided that they are not otherwise classified.
- Common to many business operations that they are considered to be the Standard Exception unless they are specifically included within another classification.

Classification - 8742

- 8742 – Salespersons or collectors – outside
 - Employees engaged in such duties away from the employer’s premises.
 - Common to many business operations that they are considered to be the Standard Exception unless they are specifically included within another classification.
 - Not Covered: employees who deliver merchandise.

Classification - 3632

- 3632 – Machine Shop NOC
 - Applies to the manufacture or repair of machines as well as general job machining.
 - This is an NOC classification and is applied to operations only when such operations are not specifically contemplated by another classification

Monopolistic States

- North Dakota
- Ohio
- Washington
- Wyoming

WORKERS COMPENSATION EXPERIENCE RATING



Risk Name:

Risk ID:

Rating Effective Date: 01/30/2011

Production Date: 09/17/2010

State: ILLINOIS

State	Wt	SRP	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses
IL	.15	0	204,839	226,389	21,550	274,811	54,800	288,861	14,050
(A) Wt	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses	
.15		204,839	226,389	21,550	274,811	54,800	288,861	14,050	
Primary Losses			Stabilizing Value		Rateable Excess			Totals	
Actual	(I)	14,050	C * (1 - A) + G		(A) * (F)	(J)			
			228,913		41,222		284,185		
Expected	(E)	21,550	C * (1 - A) + G		(A) * (C)	(K)			
			228,913		30,728		281,189		
		ARAP	FLARAP	SARAP	MAARAP	Exp Mod			
Factors		1.00				(J) / (K)			
						1.01			

RATING REFLECTS A DECREASE OF 70% MEDICAL ONLY PRIMARY AND EXCESS LOSS DOLLARS WHERE ERA IS APPLIED.

NOTICE - THIS IS A PRELIMINARY MODIFICATION

COMPLETE PAYROLL AND LOSS DATA HAVE BEEN APPLIED TO CURRENT RATING VALUES BUT A FINAL MODIFICATION CANNOT BE PROMULGATED UNTIL PENDING RATE FILING HAS BEEN APPROVED.

WORKERS COMPENSATION EXPERIENCE RATING



Risk Name:

Risk ID:

Rating Effective Date: 01/30/2011

Production Date: 09/17/2010

State: ILLINOIS

12-ILLINOIS Firm ID: Firm Name:

Carrier: 27243 Policy No. Eff Date: 01/30/2007 Exp Date: 01/30/2008

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
3548	1.36	.15	1,037,194	14,108	2,118	6D1656906	6	F	3,774	3,774
3724	3.93	.08	1,624,409	63,838	5,107	NO. 2	6	*	1,853	1,853
8742	.25	.11	790,960	1,977	217	278658075	6	F	2,821	2,821
8810	.13	.15	1,287,524	1,674	251	481603806	6	F	3,560	3,560
9837	EMPLOYERS LIABILITY			0	0	311691906	9	O	279,786	5,000
9931	PREMIUM CREDIT FOR			0	0					
Policy Total:				4,740,087	Premium: 274,815	Total Act Inc Losses:			291,383	

12-ILLINOIS Firm ID: Firm Name:

Carrier: 13161 Policy No. Eff Date: 01/30/2006 Exp Date: 01/30/2009

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
3548	1.36	.15	1,337,002	18,183	2,727	NO. 2	6	*	1,973	1,973
3724	3.93	.08	1,584,092	62,255	4,980	YLEC44022	6	F	2,109	2,109
8742	.25	.11	1,376,455	3,441	379	YLEC48007	6	F	5,085	6,000
8810	.13	.15	770,747	1,002	100					
9812	ADDITIONAL PREMIUM			0	0					
9931	PREMIUM CREDIT FOR			0	0					
Policy Total:				5,068,296	Premium: 199,106	Total Act Inc Losses:			9,167	

12-ILLINOIS Firm ID: Firm Name:

Carrier: 13161 Policy No. Eff Date: 01/30/2009 Exp Date: 01/30/2010

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
3548	1.36	.15	712,379	9,688	1,453	YLEC56891	6	F	669	669
3724	3.93	.08	1,178,006	46,217	3,897					
8742	.25	.11	1,279,188	3,198	352					
8810	.13	.15	822,845	809	121					
9812	ADDITIONAL PREMIUM			0	0					
9931	PREMIUM CREDIT FOR			0	0					
Policy Total:				3,790,218	Premium: 130,523	Total Act Inc Losses:			669	

Calculating Experience Mod

$$\text{Experience Modification Factor} = \frac{\text{Adjusted Actual Losses + Ballast}}{\text{Expected Losses + Ballast}}$$

Reporting Claims - TX Form DWC041



Texas Department Of Insurance

Division of Workers' Compensation
 Records (713)6655700
 7501 Metro Center Dr. Ste 100 • M5-84
 Austin, TX 78764-1509
 (800) 252-7031 (512) 804-4373 fax www.dti.state.tx.us

DWC Claim#

Carrier Claim#

← Send the completed form to this address.

Employee's Claim for Compensation for a Work-Related Injury or Occupational Disease (DWC Form-041)

Claim for workers' compensation must be filed by the injured employee or by a person acting on the injured employee's behalf within one year of the date of injury or within one year from the date the injured employee knew or should have known the injury or disease may be work-related.

I. INJURED EMPLOYEE INFORMATION		
Name (first, middle, last)	Social Security Number	Date of birth (mm/dd/yyyy)
Address (street, apt./box, care, apt./suite, county, country)		
Phone Number	E-Mail address	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
Race / Ethnicity <input type="checkbox"/> White, not of Hispanic Origin <input type="checkbox"/> Black, not of Hispanic Origin <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian or Pacific Islander	Do you speak English? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, specify language	
Marital status <input type="checkbox"/> Married <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Single <input type="checkbox"/> Divorced		
Do you have an attorney or other representation? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, name of representative		
Have you returned to work? <input type="checkbox"/> Yes <input type="checkbox"/> No If returned to work, date returned (mm/dd/yyyy)		Work status <input type="checkbox"/> Regular <input type="checkbox"/> Restricted
Occupation at time of injury		Date of hire (mm/dd/yyyy)
Hired or recruited in Texas <input type="checkbox"/> Yes <input type="checkbox"/> No	Pre-tax wages (at the time of injury) \$	<input type="checkbox"/> hourly <input type="checkbox"/> weekly <input type="checkbox"/> monthly
II. INJURY INFORMATION		
I am reporting an <input type="checkbox"/> injury or <input type="checkbox"/> occupational disease	Date of injury (mm/dd/yyyy)	Time of injury
First work day missed (mm/dd/yyyy)	Date injury was reported to the employer (mm/dd/yyyy)	
Where did the injury occur? County		State Country
If accident occurred outside of Texas, on what date did you leave Texas? (mm/dd/yyyy)		
Witness(es) to the injury (last name):		
Describe cause of injury or occupational disease, including how it is work related		
Body part(s) affected by the injury		
If injury is the result of an occupational disease:		
1. On what date was the employee last exposed to the cause of the occupational disease? (mm/dd/yyyy)		
2. When did you first know occupational disease was work related? (mm/dd/yyyy)		
III. EMPLOYER INFORMATION (at the time of injury)		
Employer name	Employer address (street, apt./box, care, apt./suite, county, country)	
Employer phone number	Supervisor name	
IV. DOCTOR INFORMATION		
Name of treating doctor	Phone number	
Address (street, apt./box, care, apt./suite, county, country)		
Name of workers' compensation health care network, if any		

Reporting Claims – IL Form 45

ILLINOIS FORM 45: EMPLOYER'S FIRST REPORT OF INJURY *Please type or print.*

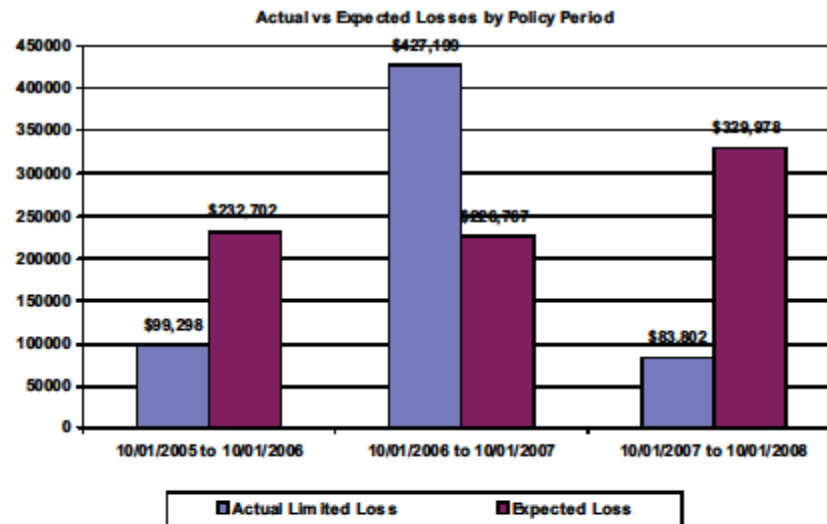
Employer's FEIN	Date of report	Case or File #	Is this a lost workday case? Yes / No
Employer's name		Doing business as:	
Employer's mailing address			
Nature of business or service		SIC code	
Name of workers' compensation carrier/admin.	Policy/Contract #	Self-insured? Yes / No	
Employee's full name	Social Security #	Birthdate	
Employee's mailing address		Employee's e-mail address	
Male / Female	Married / Single	# Dependents	Employee's average weekly wage
Job title or occupation		Date hired	
Time employee began work	Date and time of accident	Last day employee worked	
If the employee died as a result of the accident, give the date of death.		Did the accident occur on the employer's premises? Yes / No	
Address of accident			
What was the employee doing when the accident occurred?			
How did the accident occur?			
What was the injury or illness? List the part of body affected and explain how it was affected.			
What object or substance, if any, directly harmed the employee?			
Name and address of physician/health care professional			
If treatment was given away from the worksite, list the name and address of the place it was given.			
Was the employee treated in an emergency room? Yes / No		Was the employee hospitalized overnight as an inpatient? Yes / No	
Report prepared by	Signature	Title and telephone #	

ModMaster

- 100% of the top 10 brokerage firms
- 80% of the top 100 brokerage firms
- Independent Agencies
- Self Insured Groups
- Software that helps compute, analyze and project the workers compensation modification factor

ModMaster Reports

Actual vs. Expected Loss Comparison



Policy Period	Actual Limited Losses	Expected Losses
10/01/2005 to 10/01/2006	\$99,298	\$232,702
10/01/2006 to 10/01/2007	\$427,199	\$226,767
10/01/2007 to 10/01/2008	\$83,802	\$329,978
Totals	\$610,299	\$789,447

Number of periods in which actual was less than expected: 2

Ways to Improve Your Experience Modifier

- Claims Management
- Safety Services
- Small Claims Control
 - FYI System
- Verify Audits

Successful Insurance Marketing 101

- Control the marketplace!
- Choose two brokerage firms to compete, three at the maximum
 - Create a marketing plan
 - Do not saturate the market
- Have each broker select their top 3 carriers
 - Have a draft! Ask the brokers to provide you with why they want specific markets
- Establish a Due Date 1 week prior to your expiration date

Questions?