



## How to Read an Experience Rating Form

Your Experience Modification (Ex-Mod or X-Mod) is the single most important factor in how much you pay for your Workers Compensation Insurance premium. You can **check yours for FREE** once per year by going here: [https://wcirbonline.org/wcirb/root/policyholder\\_ratesheet\\_request\\_form.aspx](https://wcirbonline.org/wcirb/root/policyholder_ratesheet_request_form.aspx)

For someone who has never seen one of these reports before, it can be a bit intimidating. Where do these numbers come from? What does it all mean?

This paper was created to be a helpful guide for you to understand your Experience Rating. See the next page for details. If you have further questions, please do not hesitate to **call (800) 331-4700** to speak to an expert. They also can give you helpful information on how to lower your numbers.

Remember, there is always room for improvement. Studies have shown that up to 80% of Experience Modification worksheets have errors. Speak to your broker to analyze yours and learn what you can do to lower your numbers and consequentially, lower your rates!

A good broker will audit the Ex-Mod for accuracy for you, but if yours is not providing this service, you should know how to do it yourself. Any errors could be costing you thousands of dollars!

See an overview of how to read your form on the next page. For more detailed information, visit: [https://wcirbonline.org/wcirb/Employer\\_guide/experience\\_rating\\_wksheet.html#heading\\_1](https://wcirbonline.org/wcirb/Employer_guide/experience_rating_wksheet.html#heading_1)

**EXPERIENCE RATING FORM**

██████████ (A CORP)  
██████████ (DBA) 90017  
9050 HOTELS  
9079 RESTAURANTS OR TAVERNS

CN# ██████████ BUREAU NUMBER ██████████  
Issued: 04/22/11 Page 1 of 1 EFFECTIVE 8/10/11  
CARRIER ██████████ INS CO  
ISSUING OFFICE ██████████ HOME OFFICE  
POLICY NUMBER ██████████

Your company name and code describing your business type

EXPECTED LOSSES	CLASS CODE	YR 09 PAYROLL	YR 08 PAYROLL	YR 07 PAYROLL	YR PAYROLL	EXPECTED LOSS RATE	EXPECTED LOSSES	"D" RATIO	PRIMARY EXPECTED LOSSES
	8810	31,926	971	53,396		.17	147	.24	35
	9050	755,325	755,590	725,154		2.92	55,293	.24	15,670
	9079	100,805	0	211,677		1.41	4,406	.25	1,102
	8742	40,933	3,166	0		.19	84	.21	18

Expected losses. These numbers are calculated by complex formulas based on your payroll data.

EXPECTED EXCESS (f) = (d) - (e)	EXPECTED LOSSES (d)	PRIMARY EXPECTED LOSSES (e)
53,105	69,930	16,825

ACTUAL LOSSES	CLAIM NUMBER	TYPE INJ	Q OR F	POLICY YEAR	ACTUAL * INCURRED LOSSES	PRIMARY ACTUAL LOSSES	CLAIM NUMBER	TYPE INJ	Q OR F	POLICY YEAR	ACTUAL * INCURRED LOSSES	PRIMARY ACTUAL LOSSES
		██████████	M	O	07	74,632	7,000	██████████	N	O	07	28,997
		N	O	09	19,658	7,000	UNDER \$2,001			09	169	169

This is what you can control. The fewer claims and losses you have, the lower your Experience Modification will be and the more money you can save on your premium.

A number of small claims can be more damaging to your score than one large claim. Talk to your broker about implementing claims management and safety programs.

ACTUAL EXCESS (c) = (a) - (b)	ACTUAL INCURRED LOSSES (a)	PRIMARY ACTUAL LOSSES (b)
102,287	123,456	21,169

<b>RATING PROCEDURE</b>					
TOTAL PRIMARY ACTUAL (b)	** "B" VALUE	** "W" VALUE	RATABLE EXCESS LOSSES = W x (c)	(1-W) x (f)	TOTAL (g)
21,169	0	.14	14,320	45,670	81,159
69,930	0				69,930
TOTAL EXPECTED LOSSES (d)	** "B" VALUE	* INDEMNITY AND MEDICAL COMBINED ** ENTER TABLE !! WITH EXPECTED LOSSES (d)			116% EXPERIENCE MODIFICATION
					LOSS-FREE RATING 65%

You want the Ex-Mod to be as low as possible. Below 100 you get discounted rates. Above 100 and your cost goes up. The Loss-Free Rating is the best mod you can get. This client is paying 78% more than necessary!