

Top 10 Tips to Lower Your Ex-Mod

The experience modification factor – aka Ex-mod – is a way to rate how your company is doing compared to other companies in the same industry. A high Ex-mod directly impacts your premium and it's often a mystery as to how it's calculated and what it all means.

The secret is – if you can control your Ex-mod, you can save on your premium. So, we've gathered top tips to help you impact your bottom line.

In this webinar, you'll learn

- What Ex-mod is and how it's calculated
- COVID-19 impacts
- Practical tips to influence your work comp costs

Download these helpful resources about lowering your Ex-mod

10 Things to Lower Your Ex-mod Presentation



PDF version of the Top 10 Things to Lower Your Ex-Mod webinar

slides.

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10 Things to Lower Your Ex-mod Poster



This bright 1-page poster contains the top 10 things you can do to control your Ex-Mod.

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Increase Safety & Lower Your Ex-Mod worksheet

A worksheet titled "What is Your Plan to Increase Safety, Lower Your Ex-Mod & reduce costs?". It includes a section for "Your current Ex-Mod" and "Your target Ex-Mod", both with blank lines for input. Below this is a section titled "List at least 5 things you'll do to achieve your target!" with a numbered list from 1 to 5 and blank lines for input. The worksheet features illustrations of a worker in a hard hat and a man in a suit holding a megaphone. The ICW Group logo and website are at the bottom.

What is Your Plan to Increase Safety, Lower Your Ex-Mod & reduce costs?

Complete your personal Ex-Mod worksheet. Review the "10 Things You Should Know to Lower Your Ex-Mod & reduce costs". What do you plan to do from this list to make an impact to long-term savings?

Your current Ex-Mod: _____

Your target Ex-Mod: _____

List at least 5 things you'll do to achieve your target!

- 1
- 2
- 3
- 4
- 5

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Complete your personal Ex-Mod plan to make an impact on your long-term savings.

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What is an Ex-Mod and Why Should I Care Flyer

High Ex-MoUs drive up your premiums. With a culture of safety, all employees can work together to achieve long-term savings.

Ex-MoU = Experience Modification Factor

Ex-MoU is issued by your state insurance bureau from statistical data. Its industry benchmark is formulated based on general and basic data (injuries and claims) submitted by each company. That's used to compare your losses to the "average industry" against others in your industry.

Ex-MoU Calculation

Ex-MoUs are calculated based on a full 3-year period starting 8 years before your current policy effective date. Injuries (combined, so let's break it down a bit) in the Illustrative Below, you'll see that the current year (the example, 2018) is ignored because it's a new policy. The prior year (2017) is ignored, because claims are still developing. Thus, your Ex-MoU calculation is focused on the 3 years before that – in this case, 2016-2018.

3-year period calculated for 2020 Ex-MoU			Current and last year not included	
2016	2017	2018	2019	2020
Period of experience used to determine your Ex-MoU			Last year NOT used	Current Policy Year

How Ex-MoU Impacts Your Costs

Your Ex-MoU increases or decreases your work cost premiums. The higher your Ex-MoU, the higher your insurance cost. For example, if your base premium is \$100,000 and your Ex-MoU is only 75% (.75), you'll pay \$75,000. But, if your Ex-MoU is as high as 125% (1.25), you are \$125,000. Now, that's quite a difference!

What you can do to lower your costs

Partner with your CWG Group Risk Management consultant. Our safety and risk management services are included as part of your policy. They'll help you establish an effective safety program, train your employees, ensure workers to identify risks, investigate near-misses and injuries thoroughly, and grow your culture of safety.

If an accident does happen, CWG Group's Claims Team will help you take a proactive approach to managing the claim. In just a few short years, you'll have a much lower Ex-MoU!

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ABCs of Experience Rating

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ACCI designed this document to further your understanding of experience rating and how it affects your workers' compensation costs.

What Is Experience Rating Plan Based on Workers' Compensation and Employer's Liability Insurance (WCB)?

Experience rating is a method of allocating the cost of workers' compensation. It is a strategy for taking the cost of insurance to the characteristics of an employer. It gives an employer the incentive to manage its own exposures through reasonable and meaningful cost saving programs.

Experience rating recognizes the differences among qualifying employers with respect to safety and loss prevention. It does this by comparing the experience of individual employers with the average experience in the same classification. The differences are reflected in an experience rating modification (load), based on individual employer loss records which may result in an experience increase or no change in experience.

While the underlying concepts are complex, this document will help you clarify the application of these concepts.

What Does Experience Rating Do?

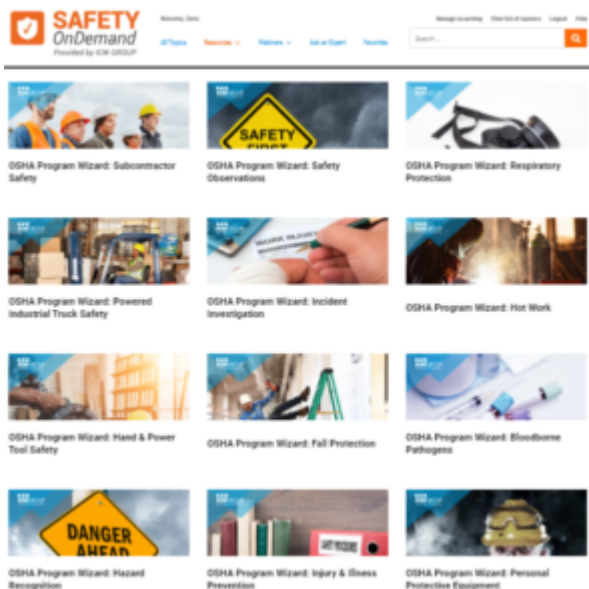
Experience ratings, or plans, take the cost of a loss and members of a group into account to determine similar losses. While the cost, and probability of injury, for the whole group can be predicted with a fair degree of accuracy, it is impossible to determine which member of the group will actually be responsible for these costs.

This is why experience ratings, if established, are perfect. The members of the group that do not expect to experience a loss would have no incentive to reduce their exposure, while the premium charge for the members that will experience the loss would need to include this value of the loss. Effectively, you know your individual injuries generally are more and the cost could be reduced. You know your amounts to millions of dollars.

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Safety OnDemand's OSHA Program Wizards



Shown in webinar: Choose 1 Safety OnDemand “wizard” plan before having to login.

[Download Word](#)

Accident Investigation Form

 The image shows a screenshot of the 'S.T.E.P. UP TO A SAFER WORKPLACE' Accident Investigation Form from the IOW Group. The form is divided into several sections:

- Header:** IOW GROUP logo and title 'S.T.E.P. UP TO A SAFER WORKPLACE Accident Investigation Form'.
- Report Information:** Fields for 'Report completed by' (Name, Title, Date), 'Report type' (Death, Sickness, Injury, Property, Other), and 'Reported by' (Employee, Supervisor, Safety Committee, Safety Manager, Other).
- Step 1: Report completion (Complete this part for each reported employee):**
 - Employee name, Date of birth, Gender, Job title, Department, Original hire date, Years in current job, Staff levels, Job category, Injury description.
 - Area of body injured: Diagrams of a person showing injury locations for Head, Neck, Shoulder, Arm, Hand, Wrist, Forearm, Elbow, Hip, Knee, Ankle, Foot, Toe.
- Step 2: Accident description:**
 - Location occurred, Date and time, Part of workplace, How reported, PPE worn at time of accident, Equipment involved.

After reporting your claim, document the investigation for your records.

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Safety Sound Off Podcast

Check out the latest in this audio series.

Take Control of Your Mod

Frustrated with your Ex-mod? Learn about ways you can impact your mod through strategies like connecting with your adjuster and

taking a second look at how your safety program really functions. Being proactive is key!

[Download the Take Control of Your Mod podcast \(MP3\)](#)

Ex-Mod 101

New to work comp? Looking for basic information? This podcast will run through the primary components of the x-mod calculation, including how to know if you have a better than average mod and how long a large claim can impact your company.

[Download the Ex-Mod 101 podcast \(MP3\)](#)

Additional resources to help you learn more about your Ex-Mod

- [California's Experience Rating System, explained in WCIRB's Learning Center](#)
- [2020 Experience Modification Estimator, available on WCIRB.com](#)