

Labor and Industries' Proposed 2021 Experience Rating Calculations

Are you paying too much in workers' compensation premium? Each year, L&I provides you with an experience factor based on your individual performance compared to all businesses in the same risk classification. Your experience factor is a prediction of how your future claim costs will compare to the industry average and is based on a 3-year experience period. If your actual claim losses are less than your expected claim losses in this period, you will pay less premium than the industry average. However, if your actual losses are greater than your expected losses in this period, you will pay more premium than the industry average. Controlling your workers' compensation costs is key to controlling your L&I premium.

Labor and Industries has published Proposed 2021 Experience Rating Calculations for LeadingAge Washington Retro members. The 3-year experience period for 2021 Rates includes fiscal years 2017, 2018, and 2019, or from 7/1/16-6/30/19. For 2021, the medical only discount is \$3,340. If you have a claim that is medical only, meaning no indemnity paid, i.e. time loss or permanent partial disability, the first \$3,340 in claim costs will not be included in the comparison of actual losses to expected losses, reducing your experience factor and the premium you pay. Additionally, if you have no claims with indemnity paid in the 3-year experience period, you qualify for a Claim-Free Discount. The Claim Free Discount depends on your premium size but ranges from 10% - 40%.

Please reach out to Scott DeHem, VP of Claims at Risk Finance, at scott@riskfinance.net for a copy of your Proposed 2021 Experience Rating Calculations and a free financial analysis to see how you can save money on your L&I premiums.