

One Deadline Down, One Still to Go. Mark Your Calendars for June 1st – A Recurring Workers Compensation Deadline Every Year

Retrospective rating performance evaluation or “Freeze date” happens on or about April 1st of every year for the LeadingAge retro group and other retro groups who have elected the same retro plan year; July 1 – June 30. While we worked very hard with the Leading Age members to close and mitigate claim costs leading up to this year’s 4/2/21 “Freeze date,” and while we await L&I’s final calculations and assessment of the group’s performance, we cannot and should not take our eyes off the ball or foot off the accelerator in terms of L&I’s next deadline. The next deadline for all Washington State employers occurs on June 1st - of every year. It is the snapshot L&I takes of each Washington State employers’ claim history to determine what the company’s workers’ compensation premium rates are to be for the coming year.

On June 1st L&I will take a snapshot or slight distant look backwards to your claim experience for a three year period. They then take the financials from that “snapshot,” using the actual costs for closed claims and the actuarially “reserved” costs for any remaining open claims. These costs figures will determine your company’s future premiums. It’s a complicated actuarial process which your Risk Finance/CRM Representative can talk you through in detail. The simple message here is, please work with you Risk Finance/CRM representative quickly, to do what you can to close all open workers compensation claims and/or take steps necessary to mitigated open claims’ costs (pay retroactive Kept-On-Salary, bring injured works back to light duty work, convert temporary light duty to permanent light duty to avoid need for vocational costs, etc.) so that we have a basis to request reserve reductions ahead of the upcoming 6/1/21 snapshot date.

L&I calculates premium rates for an individual business based on:

- Risk classifications assigned to the business
- Base rates for each risk classification
- **Experience factor for the business – Snapshot taken every June 1st of claim costs of open/closed claims. *This the part of your premiums you can control.**

Risk Finance/CRM is here to share our ideas and help you solve problems with any and every step of the workers’ compensation process. We are proud and grateful for the opportunity, so please reach out. AND, mark your calendars for these “recurring” dates: 04/1/XX & 06/1/XX.