

Labor and Industries' Proposed 2022 Experience Rating Calculations

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 2022 Experience Rating Calculations for LeadingAge Washington Retro members. The 3-year experience period for 2022 Rates includes fiscal years 2018, 2019, and 2020, or from 7/1/17-6/30/20. For 2022, the medical only discount is \$3,450. If you have a claim that is medical only, meaning no indemnity paid, i.e., time loss or permanent partial disability, the first \$3,450 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 your assigned Claims Consultant or Scott DeHem, VP of Claims at Risk Finance, at scott@riskfinance.net for a copy of your Proposed 2022 Experience Rating Calculations. We are happy to explain the calculation to you and help you develop strategies for lowering your rates in the future.