

# Taking Control of your Workers' Compensation Costs

## Experience Modifier Review

An Experience Modifier is a factor used to adjust an organization's premium for Workers' Compensation based on the losses your company has experienced. Experience modifiers are normally recalculated for an employer annually by using experience ratings.

An Experience Mod factor has a direct impact on the Workers' Compensation premium that you pay. If losses increase, the factor increases, and you pay more in premium. Conversely, you are rewarded for favorable loss experience and can enjoy the benefit of a lower Experience Mod and even receive a credit in your premium calculation.

Alera Group has the expertise and resources to assist your organization in identifying and evaluating the leading factors driving your Experience Mod factor. In addition to reviewing the calculation, our team will:

- Analyze payroll audits and claims data for prior years
- Correct the modifier which directly impacts the premium
- Project future Experience Mod scenarios based on claims trends
- Develop a loss control plan that can assist in the mitigation of claims' frequency and severity

## Why review an Experience Mod?



Correcting or improving your Experience Mod can reduce your fixed Workers' Compensation costs by as much as 30%.



The calculation is complicated, and errors are routinely discovered.

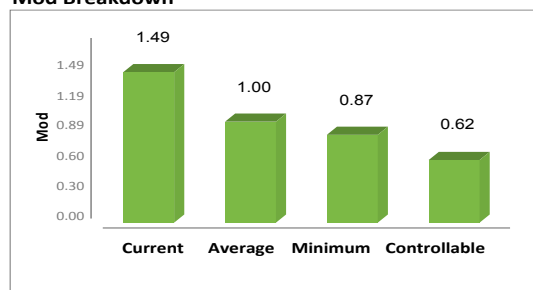


A poor or debit Experience Mod can negatively impact a company's opportunity to bid on contracts.

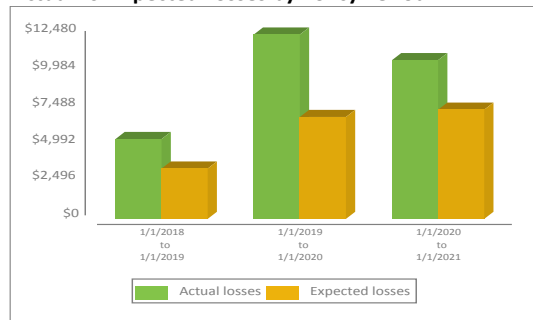


Identifying cost drivers can allow a business to create and implement targeted loss control and claims processes to reduce the Experience Mod.

**Mod Breakdown**



**Actual vs. Expected Losses by Policy Period**



**Take control of your Workers' Compensation program by contacting an Alera Group representative today!**