

Q&A

As Maryland's leader and expert in workers' compensation insurance, IWIF professionals are available by phone, e-mail and in person to help answer your questions. We also encourage you to contact your agent partner and to visit our website, www.iwif.com, for more frequently asked questions and answers.

Q: As a business owner in today's difficult economy, how can IWIF help save me money on my workers' comp premium?

A: In terms of your premium, probably the biggest area that you as a policyholder have control over is your "experience rating," which is also known as your "experience mod," or "e-mod." The e-mod is calculated using the base premium (payroll by applicable class codes pertaining to your business, multiplied by the base rate for that class) applied to your particular company's losses (the frequency and severity of your claims).

Policyholders whose loss experience has been worse than average tend to have higher e-mods than those whose loss experience is better than average.

Your e-mod is based on a 3-year period of loss history, not including the most recent year. So, for example, if your policy will be up for renewal in 2012, the number of claims you had, along with their severity, in 2010, 2009, and 2008 are used in promulgating your upcoming renewal term e-mod. The outcome of the mod has an impact on how high or low your premium can go.

Maintaining a trend of accident-free behavior over a period of time will help your future experience mods. In controlling your losses, you should begin to see your e-mod trend downward, as a credit is applied to your premium. That's why it's so important to maintain a safe workplace – not only because it helps prevent accidents to employees, but also because it literally can help you save money on your workers' comp insurance.

IWIF's Underwriting and Loss Control departments will work with you and your agent to recognize you for safety-conscious behavior.

Marty Balenger,
IWIF Underwriting
Technical Specialist,
AINS, AU



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section for more Frequently Asked
Questions and Answers.

Q: Why are Loss Control recommendations so important?

A: For Loss Control, the recommendations process, though crucial, represents just one area of IWIF's partnership with policyholders. The consultant's observation and understanding of a business' policies, safety programs, and the health and safety at its worksites, help generate our recommendations. This brings a proactive approach to managing risk.

We know that prevention efforts help to keep injuries down, which, in turn, help to reduce workers' compensation claims, insurance premiums, and possible state and federal safety and health citations. All of this has a positive influence on the insured's bottom line.

Internally here at IWIF, Loss Control recommendations help our Underwriting department make fair pricing decisions based on a business' commitment to safety and compliance with our expert advice.

Howard Thomas,
IWIF Loss Control
Supervisor