

What is an Ex-Mod and why should I care?

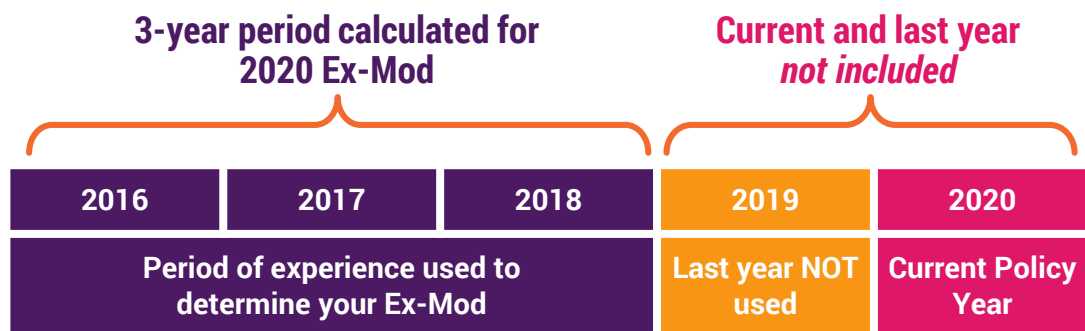
High Ex-Mods drive up your premiums. With a culture of safety, all employees can work together to achieve long-term savings.

Ex-Mod = Experience Modification Factor

An Ex-Mod is issued by your state insurance bureau from statistical data. An industry benchmark is formulated based on payroll and loss data (injuries and claims) submitted by each company. That's used to compare your losses to the "average history" against others in your industry.

Ex-Mod Calculation

Ex-Mods are calculated based on a full 3-year period starting 4 years before your current policy effective date. Sounds complicated, so let's break it down a bit! In the illustration below, you'll see that the current year (for example, 2020) is ignored because it's still underway. The previous year (2019) is ignored, because claims are still developing. Thus, your Ex-Mod calculation is focused on the 3 years before that – in this case 2016-2018.



How Ex-Mod Impacts Your Costs

Your Ex-Mod increases or decreases your work comp premiums. The higher your Ex-Mod, the higher your insurance cost. For example, if your base premium is \$100,000 and your Ex-Mod is only 75% (.75), you pay \$75,000. But, if your Ex-Mod is as high as 125% (1.25), you pay \$125,000. Now, that's quite a difference!

$$\begin{array}{r} \text{Base premium} \\ \$100,000 \\ \times \\ \text{Ex-Mod } 75\% (.75) \\ \hline = \$75,000 \end{array}$$

What you can do to lower your costs

Partner with your ICW Group Risk Management consultant. Our safety and risk management services are included as part of your policy. They'll help you establish an effective safety program, train your employees, observe workers to identify risks, investigate near-misses and injuries thoroughly, and groom your culture of safety.

If an accident does happen, ICW Group's Claims Teams will help you take a proactive approach to managing the claim. **In just a few short years, you'll have a much lower Ex-Mod!**