

E-MOD

EXPERIENCE MODIFICATION FACTOR

WHAT IS E-MOD?

A rating calculated by NCCI (National Council on Compensation Insurance) referred to as the Experience Modification Factor. The purpose of the E-MOD is to provide a financial incentive for safety.

HOW DOES IT WORK?

Policyholders must qualify for an experience rating by reaching a state premium threshold. Once qualified, an experience rating must be applied to the policy.

It reflects your company's workers' comp accident history as compared to others within the same industry and state. The calculation provides added weight to claims' frequency over severity (large claims values are limited/ capped). Frequency indicates trends more accurately than severity.



THE E-MOD SERVES TWO PURPOSES:

1 Estimates the premium needed to cover potential claims

2 Acts as an incentive for safety programs

THINGS A POLICYHOLDER CAN DO TO HELP DECREASE THEIR E-MOD

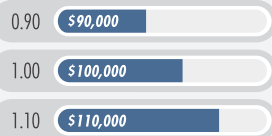
- Contact LUBA's Loss Control team to help avoid accidents
- Utilize Post Hire Medical Questionnaires
- Implement a written Drug & Alcohol Policy (Sample can be found at lubawc.com)
- Report claims promptly
- Establish a Return to Work program
- Provide detailed information at premium audit to ensure proper payroll and class code allocations
- Review your annual E-MOD worksheet from NCCI for accuracy

The Base line or Unity Factor is

1.00

A credit or debit E-MOD will impact the amount of premium a policyholder will pay.

PREMIUM EXAMPLE
\$100,000 Base Premi



E-Mod is effective for one policy year using 3 years of prior audited premium and claims data with the most current expiring term policy data excluded.



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WORKERS' COMP
A CASUALTY INSURANCE COMPANY

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