

2013: Experience Rating Split Point Change

For the first time in two decades, the NCCI has approved an experience rating split point change calculation from \$5,000 to \$10,000 in 2013. With the average claim increasing 300%, the change is overdue.

Overview:

- The next year the split point will be \$13,500, the third year the split point will be \$15,000 trended two years for inflation
- Generally, employers with favorable loss experience should receive larger credits
- Adversely, employers with less favorable loss experience will receive larger debits
- Overall statewide premium will not be impacted
 - Individual employer mods will be impacted based on individual employer payroll and loss experience
- The split point separates actual losses into primary and excess components
 - Primary losses emphasize claim frequency
 - Excess losses emphasize claim severity

Worried about your rate? Find useful topics below and as always, seek advisement from your agent.

What is an experience rating? Experience rating is the method in which the actual loss experience of the insured is compared to the loss experience that is normally expected by other risks in the insured's rating class. The resulting experience modification rating, or EMOD factor, is then applied to the premium of the insured..

How can I improve my EMOD? The EMOD rating is influenced by the number of accidents in a year, cost of accidents and size of premium for your policy. To obtain a perfect EMOD utilize risk management and loss control which results in minimal workplace injuries and illness.

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