WCIRB Experience Modification Estimator
Shortcut Sheet

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Experience Modification Estimator

A Tips

The approved 2019 eligibility threshold to qualify for an experience modification is $10,000. The threshold typically varies on an annual basis.

The data needed to complete this page can be found on an insurer's final audit and loss runs and/or a prior ratesheet.

B Determining an Experience Period

The rating effective date determines the experience period and the effective date of your experience modification. To determine the experience period and applicable years of data to use in an experience modification, click here.

For example, a rating effective date of 1/1/2019 will have an experience period of 4/1/2014 - 4/1/2017.

C Reset Button

Click the Reset button to clear all of your entries and start over.

D Calculate Mod Button

After data is entered below, click the Calculate Mod button to generate the results.

E Class Code(s)

Enter the 4-digit classification code(s) applicable to the employer's operations.

F Payroll

Enter payroll for each classification code entered in Column 2. For each classification, payroll can be a total for the experience period or segregated by year in the experience period.

G Class Code Validation

Only classifications from the Standard Classification System can be used. For a list of Standard Classifications, click here.

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A How to Use this Calculator

- The eligibility threshold to qualify for an experience modification is $10,000
- B Experience rating eligibility is determined based on applying the expected loss rate to the payroll developed over the experience period for the applicable classification
  - Click here to learn more about experience rating eligibility
- Do not skip rows
- You may enter notes for your own informational purposes only in the columns indicated
- Refer to the **Help Guide** for additional help (click the icon below to access it in Adobe Reader/Acrobat)

[PDF Adobe]

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Reset C   **Calculate Mod** D

Payroll and Expected Losses

Directions: In this section, enter the payroll developed over the experience period. You must enter payroll for at least one classification. Enter the 4-digit class code in Column (2) and the corresponding payroll for that classification in Column (3). You may enter payroll by class code for each year individually, or enter the total combined payroll for all years by class code.

Claims and Actual Losses

Directions: In the fields below, enter information for any claims incurred over the experience period. Leave this section blank if there are no claims to report. Enter each claim individually on each row. To report an exception claim (such as subrogation, joint coverage, S-case) claim type in Column (6) and enter the percentage of actual to gross losses in Column (7).

(1) Notes (Optional)	(2) Class Code	(3) Payroll	Class Code Validation	(4) Notes (Optional)	Number of Claims (Single claim only)	(5) Individual Claim Value	(6) Claim Type ("Non-exception" claim type by default)	(7) Percentage of Actual to Gross (100% by default)
	9079	1,301,245	Y		1	150	Non-exception Claim	100%
	8742	241,368	Y		1	8,612	Non-exception Claim	100%
					1	52,374	Non-exception Claim	100%
	E	F	G					

X-Mod Calculation Inputs

Experience Modification Estimator
(…continued)

H   Number of Claims

Beginning with 2019, the first $250 of each claim is not used in the experience modification calculation. As such, individual claims need to be listed separately. This X-mod Estimator does not allow claims to be entered on a combined basis nor does it automatically group smaller claims in the two Results tabs. The Number of Claims is set to "1" for each claim entered in Column 5.

I   Individual Claim Value

Enter the total claims value separately for each claim. This value may be a closed actual loss value or the current paid value plus reserves established for open claims by an insurer (incurred losses).

J   Claim Type

For exception claims, click into each cell in this column to select the Claim Type from the drop down list. By default "Non-exception" claim will be used.

K   Percentage of Actual to Gross

This column appears only if a non-death exception Claim Type is selected in Column 6. Enter the net percentage for the non-death exception claim selected. This value is the reduced loss amount the insurer is liable for, expressed as a percentage of the gross amount the insurer would have been liable for had it not been filed as an exception claim.

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Reset   **Calculate Mod**

Payroll and Expected Losses	Claims and Actual Losses
Directions: In this section, enter the payroll developed over the experience period. You must enter payroll for at least one classification. Enter the 4-digit class code in Column (2) and the corresponding payroll for that classification in Column (3). You may enter payroll by class code for each year individually, or enter the total combined payroll for all years by class code.	**Directions:** In the fields below, enter information for any claims incurred over the experience period. Leave this section blank if there are no claims to report. Enter each claim individually on each row. To report an exception claim (such as subrogation, joint coverage, S-case) claim type in Column (6) and enter the percentage of actual to gross losses in Column (7).

(1) Notes (Optional)	(2) Class Code	(3) Payroll	Class Code Validation	(4) Notes (Optional)	Number of Claims (Single claim only)	(5) Individual Claim Value	(6) Claim Type ("Non-exception" claim type by default)	(7) Percentage of Actual to Gross (100% by default)
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	8742	241,368	Y		1	8,612	Non-exception Claim	100%
					1	52,374	Non-exception Claim	100%
					H	I	J	K

X-Mod Calculation Inputs

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"X-Mod Results" Tab

L Primary Threshold

Beginning with 2017, the primary threshold varies by the size of the employer's expected losses, rather than fixed at $7,000 for all employers.

M Total Actual and Total Actual Primary Losses

Beginning with 2019, the first $250 of each claim is not used in the X-mod calculation. In this example, of the risk's actual losses of $61,136, only $17,612 are considered primary losses, where $17,612 is ($0 from the first claim) plus ($250 less $8,612 from the second claim) plus ($250 less the $9,500 primary threshold for the third claim).

N Experience Modification

The estimated experience modification is based on payroll and loss data entered by the user, the Expected Loss Rates and D-ratios by classification codes, and the primary threshold from the table of primary thresholds.

Experience Modification Calculation Results

Primary Threshold Used	=	9,500	**L**	Experience Modification	=	154%

Expected Losses

Class Code	Payroll (a)	Expected Loss Rate (b)	Expected Losses (c) = (a)*(b)/100	D-Ratio (d)	Expected Primary Losses (e) = (c)*(d)	Expected Excess Losses (f) = (c) - (e)	Notes from User Input page (if any)
9079	1,301,245	1.57	20,430	0.306	6,252	14,178	
8742	241,368	0.16	386	0.234	90	296	

Total Expected Losses (g)	Total Expected Primary Losses	Total Expected Excess Losses (h)
20,816	6,342	14,474

Adjusted Losses

Claim Type	# of Claims	Actual Losses	Actual Primary Losses	Notes from User Input page (if any)
Non-exception Claim	1	150	0	
Non-exception Claim	1	8,612	8,362	
Non-exception Claim	1	52,374	9,250	

Total Actual Losses	Total Actual Primary Losses (i)
61,136 **M**	17,612

Estimated Experience Modification

(	Total Actual Primary Losses (i)	+	Total Expected Excess Losses (h)	) /	Total Expected Losses (g)	=	Experience Modification [(i) + (h)]/(g)
	17,612		14,474		20,816		154% **N**

Loss-Free Rating	70%

The estimate shown above is for informational purposes only. It is an estimation calculated using payroll, classification and claims information supplied by you. It is not an experience modification. Actual...

X-Mod Calculation Inputs   **X-Mod Results**   X-Mod Results-incl. First $250

"X-Mod Results-incl. First $250" Tab

NOTE: For comparison, the computation on this page is the same as the one in the "X-Mod Results" tab with the exception that the exclusion of the first $250 of each claim is not reflected, which is consistent with the 2018 experience rating formula. The Expected Loss Rates and D-Ratios used below contemplate the use of the first $250 of each claim in the computation.

O Total Actual and Total Actual Primary Losses

For comparison purposes only, the "X-mod Results-incl. First $250" tab hypothetically estimates the X-mod without excluding the first $250 of each claim in the X-mod calculation per the Experience Rating Plan change in 2019. In this example, of the risk's actual losses of $61,136, $18,262 are considered primary losses, where $18,262 is ($150 from the first claim) plus ($8,612 from the second claim) plus (the $9,500 Primary Threshold for the third claim).

P Experience Modification

The estimated experience modification on this tab is based on payroll and loss data entered by the user. It is also based on hypothetical Expected Loss Rates and D-ratios by classification codes, and the primary threshold from the table of primary thresholds that would have been developed if the first $250 of each claim is not excluded from the X-mod calculation. Furthermore, the experience rating formula shown here is the pre-2019 formula.

Experience Modification Calculation Results (First $250 of Each Claim Included)

Primary Threshold Used = 9,500

Experience Modification = 153%

Expected Losses

Class Code	Payroll (a)	Expected Loss Rate (b)	Expected Losses (c) = (a)*(b)/100	D-Ratio (d)	Expected Primary Losses (e) = (c)*(d)	Expected Excess Losses (f) = (c) - (e)	Notes from User Input page (if any)
9079	1,301,245	1.61	20,950	0.325	6,809	14,141	
8742	241,368	0.16	386	0.246	95	291	

	Total Expected Losses (g)	Total Expected Primary Losses (h)	Total Expected Excess Losses (i)
	21,336	6,904	14,432

Adjusted Losses

Claim Type	# of Claims	Actual Losses	Actual Primary Losses	Actual Excess Losses	Notes from User Input page (if any)
Non-exception Claim	1	150	150	0	
Non-exception Claim	1	8,612	8,612	0	
Non-exception Claim	1	52,374	9,500	42,874	

Total Actual Losses	Total Actual Primary Losses (j)	Total Actual Excess Losses (k)
61,136	18,262	42,874

O

Estimated Experience Modification

	Credible Primary Loss				Credible Excess Loss			
[(Total Actual Primary Losses (j)	x Credibility Primary (l)	) + (Total Expected Primary Losses x (h)	(1 - Credibility Primary) (m) = 1 - (l)	)] + [(Total Actual Excess Losses (k)	x Credibility Excess (n)	) + (Total Expected Excess Losses x (i)	(1 - Credibility Excess) (o) = 1 - (n)	)]
18,262	1.00	6,904	0.00	42,874	0.00	14,432	1.00

	Total Adjusted Losses (p) = [(j)x(l) + (h)x(m)] + [(k)x(n) + (i)x(o)]	/	Total Expected Losses (g)	=	Experience Modification (q) = (p)/(g)
	32,694		21,336		153%

P

Loss-Free Rating: 68%

The estimate shown above is for informational purposes only. It is an estimation calculated using payroll, classification and claims information supplied by you. It is not an experience modification. Actual classifications, payroll and claims amounts used by the WCIRB to calculate an experience modification may be different.

| X-Mod Calculation Inputs | X-Mod Results | **X-Mod Results-incl. First $250** | |