

What Is An EMR Rating or Experience Modification Rate?

What Is A Good EMR Rating?

EMR is based on real information and actual insurance claims. The average EMR is calculated from this data...



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The Experience Modification Rate Formula Factors

- A – Payroll (12 months of real wages only)
- B – Job Classification Rate (Found at NCCI)
- C – Discounts, Penalties & Assessments (Decided at the final stage for your premium)
- D – Actual Loss (Total Actual Incurred Losses)
- One large contractor 77 losses. 50% hand injuries.



The Experience Modification Rate Formula Factors

- E – Actual Primary Loss (Actual Loss below the amount of \$17,000)
- F – Actual Excess Loss (D – E)
- G – Expected Primary Loss (K x J)
- H – Expected Excess Loss (K – G)
- I – Expected Loss Rate (Found at NCCI)
- J – Discounted Ratio (Found at NCCI)
- K – Expected Loss (A x I) / 100
- L – Actual Rate (E+F(H))
- M – Expected Rate (G+H(H))
- EMR Formula
- ACTUAL RATE (L) = E + F X H
- Expected Rate (M) = G + H X H
- Experience Modification Rate = L / M

EMR

- When a contractor is not more or less at risk than the majority of others in their industry, the EMR is 1.0.
- Below 1.0 is generally considered a “good EMR”.



2018 Company

- \$1.7 million insurance drop when 0.65 to 0.54
- Doctor and Clinics on Retainer
- Physical Therapist makes routine visits to see if anyone has early issues
- Lost time - cradle to grave
- Job Briefs / Hazard Analysis prior to starting each day
- Everyone from Foremen to Executives visit jobsites in order to determine how we are performing.

	EMR
2010	0.98
2011	0.91
2012	0.73
2013	0.61
2014	0.61
2015	0.71
2016	0.73
2017	0.68
2018	0.65
2019	0.54
2020	0.49

What Is An EMR Rating or Experience Modification Rate?

Why Does Experience Modification Rating Matter?

1. Getting the "edge" in the Bidding Process.
2. Being kind to your bottom line



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Feb 2024

- General Contractor VP to subcontractor president.
- "I see your EMR is 1.02.
- You need to get serious about safety or I see no need to hire your company ever again."



Impact of Six Losses

Example:

Claim #	Total Loss	One Year Premium Impact	Three Year Premium Impact
Claim 1	\$ 7,500	\$ 3,661	\$ 10,983
Claim 2	\$ 500	\$ 352	\$ 1,056
Claim 3	\$ 9,000	\$ 3,768	\$ 11,304
Claim 4	\$ 3,345	\$ 2,331	\$ 6,993
Claim 5	\$ 4,125	\$ 2,874	\$ 8,622
<i>Total</i>	<i>\$ 24,470</i>	<i>\$ 12,986</i>	<i>\$ 38,958</i>

Claim #	Total Loss	One Year Premium Impact	Three Year Premium Impact
<i>Claim 6</i>	<i>\$ 110,000</i>	<i>\$ 10,815</i>	<i>\$ 32,445</i>

The total three year cost of premium for the largest claim, Claim 6, is \$32,445. The total three year cost of premium for the 5 smaller claims, Claims 1-5, is \$38,958.

EXPERIENCE MODIFICATION FACTOR IMPACT

- | | |
|----------------------------|------------------------------|
| • <u>COMPANY A</u> | • <u>COMPANY B</u> |
| • \$500,000 PAYROLL | • \$500,000 PAYROLL |
| • \$12.70/\$100 | • \$12.70/\$100 |
| • $\$500,000/100=\$5,000$ | • $\$500,000/100=\$5,000$ |
| • \$5,000 X | • \$5,000 X |
| • $\$12.70=\$63,500$ | • $\$12.70=\$63,500$ |
| • \$63,500 (WC PREM.) X | • \$63,500 (WC PREM.) |
| • .75 MOD= \$47,625 | • X 1.2 MOD= \$76,200 |

The \$12.70 is for one trade. Hazardous trades will pay more.

Feb 2018

- \$5 million dollar payroll in highway construction.
- Annual premium.
- \$428,000 EMR 1.0
- \$238,000 EMR 0.8
- \$635,000 EMR 1.3
- Indiana 44% lower.



2024

- 2023 and 2022 no lost time
- EMR – 0.64
- Daily job brief
- Weekly talks
- Monthly audits
- Extensive Safety manager training. 200 hours in 4 years.



EMR 0.64

- Premium with 2023 rates \$713,550
- Blanket Waiver of Subrogation \$717,150
- Increased Limits \$724,999
- Medical Deductible \$707,874
- EMR 0.65 \$460,118
- Scheduled Credit \$368,094
- IL CCPAP Credit \$239,261
- Premium Discount 0.925 \$221,317
- Terrorism Coverage \$225, 807
- State taxes \$228,090
- Expense Constant **\$228,250**



EMR Comparison

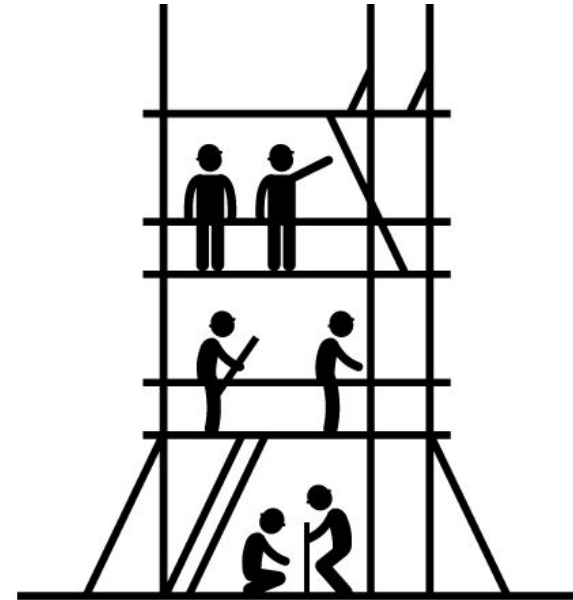
- 0.64 = \$228,250
- 1.02 = \$589,501
- 1.30 = \$1,044,617



What Is An EMR Rating or Experience Modification Rate?

How To Improve Your EMR Safety Rating!

Creating a Safe Work Environment = Reduction in EMR



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Monthly Training for Managers



Daily Job Briefings

Location: (1501) 42113

Brief conducted by: Joe Delgado JR

1. Describe the task(s) to be conducted: Trenching manhole install Time: 7:00

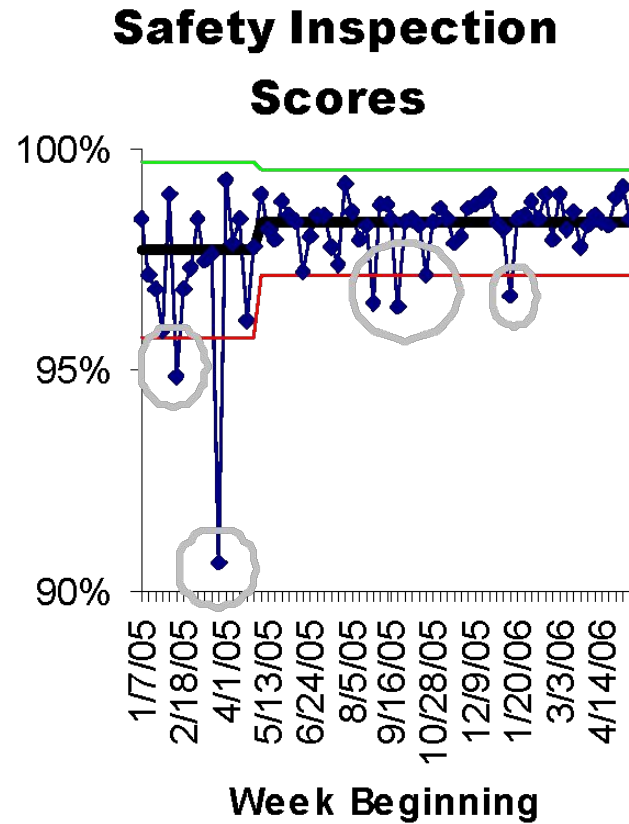
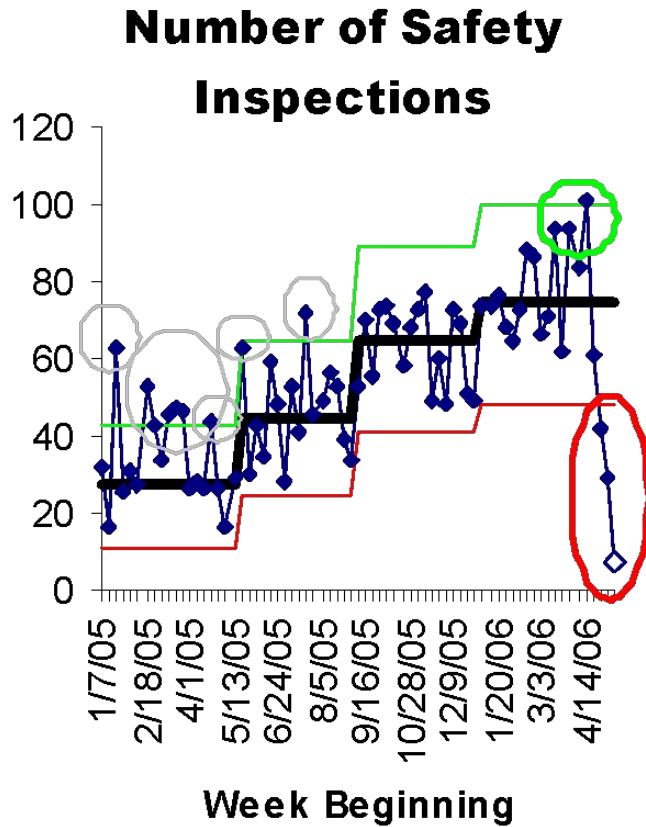
2. Address the following "Key Questions":

Critical Work Activities?	Hazards/Error Likely Situations?	Defenses/Controls?
trenching	struck by/caught between	visual contact w/ op
crossing utilities/fiber	utility hits	marks in place/hand d
work in/near trench	trips, slips, falls	use caution upon enter
work near rt. 45	vehicle damage/accidents	stay clear of roadway

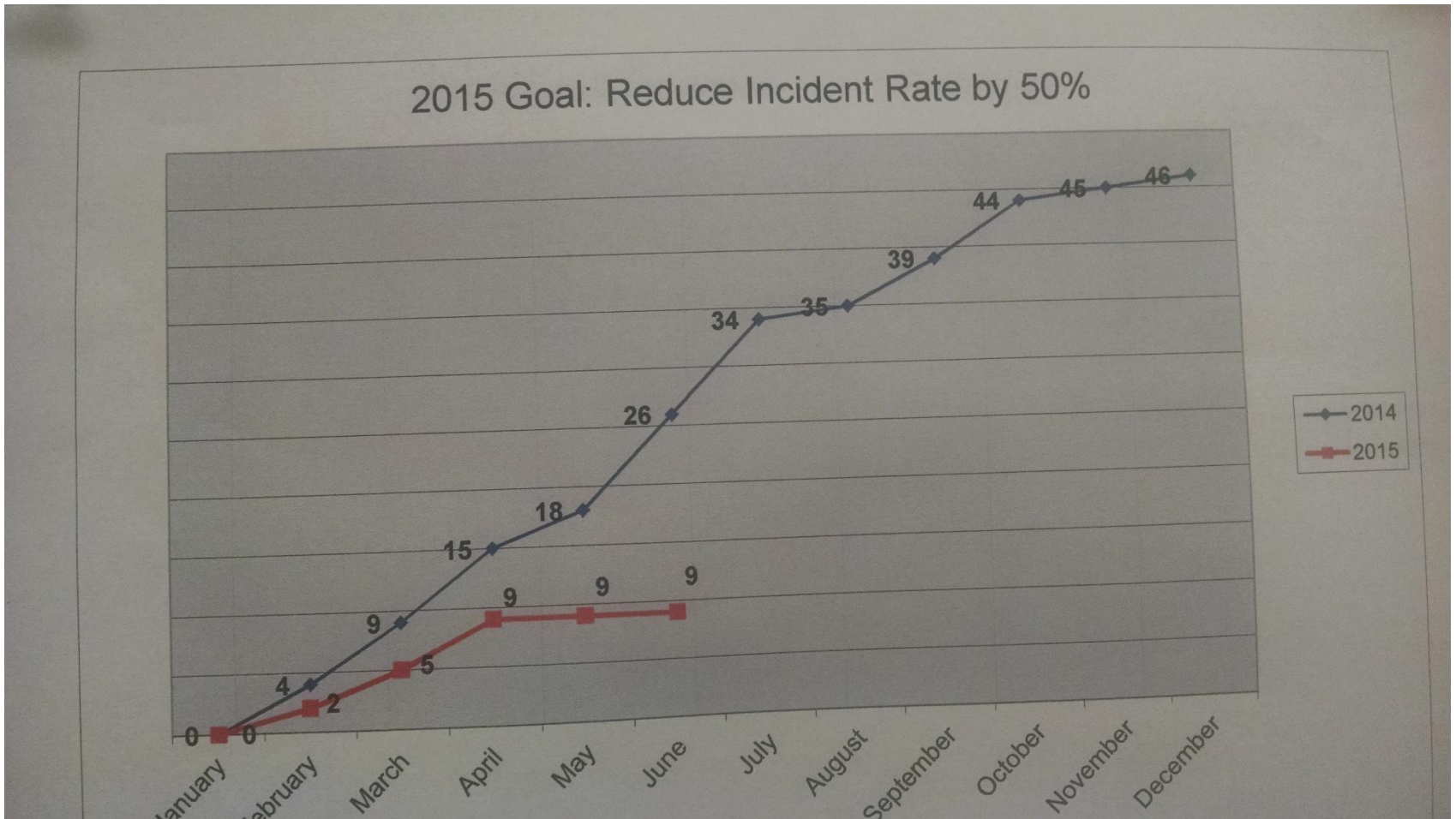
3. List additional equipment, PPE and or controls/barriers utilized to perform job safely and to protect workers.

Hard hats, Boots, Safety glasses, gloves, vests,

Audits



2015



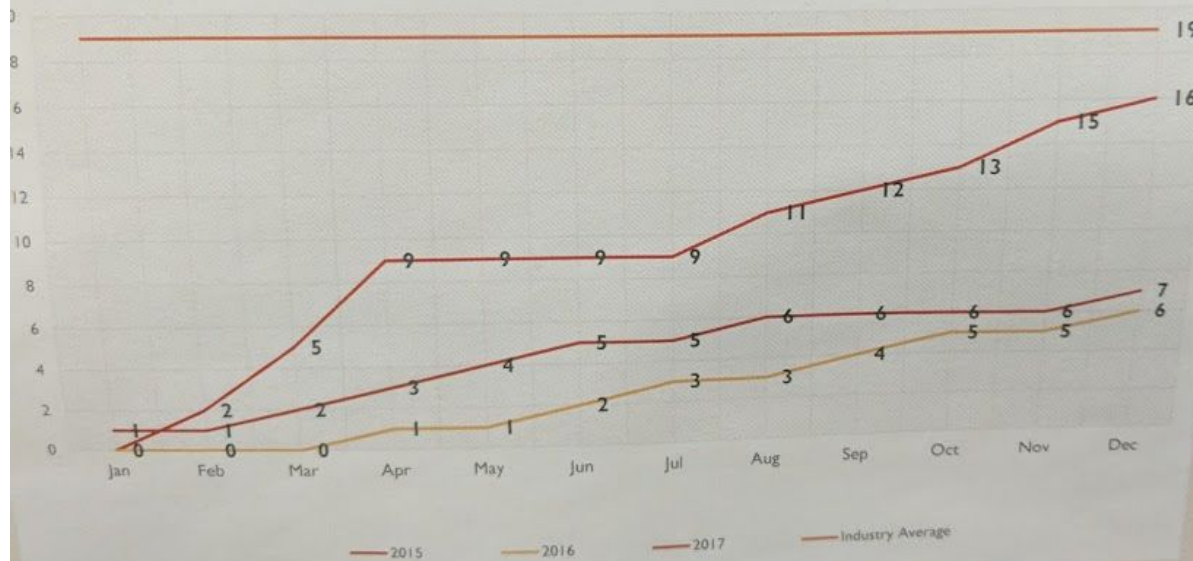
March 2017



Lost days went from 400 to 38 to 5.

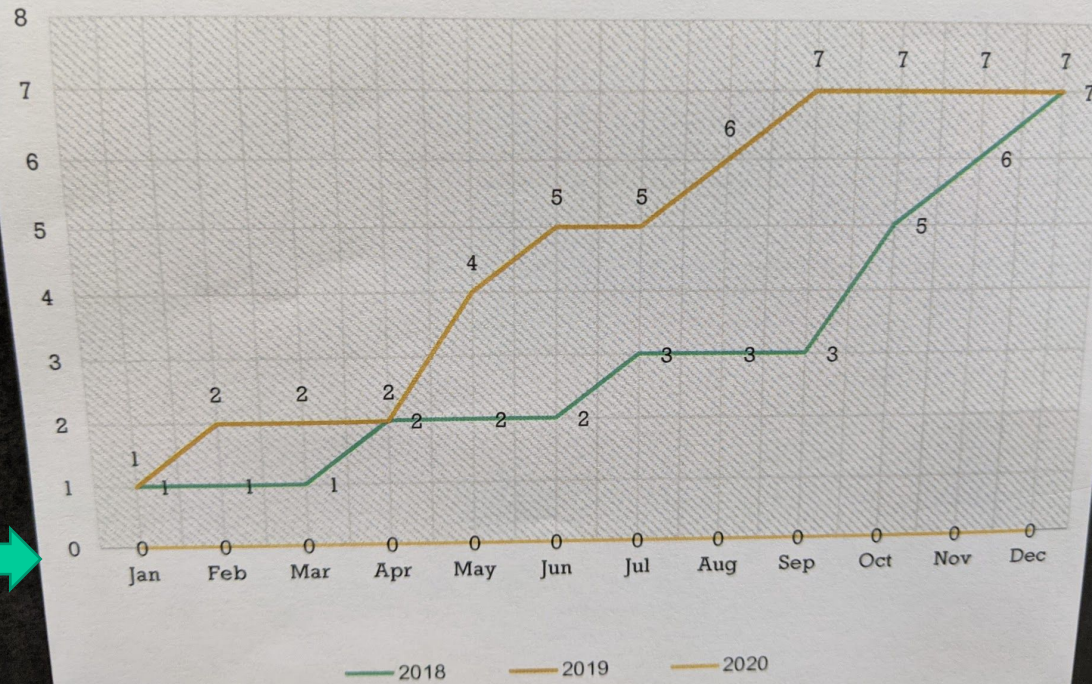
Jan 2018

ROAD TO ZERO: 2017 INCIDENTS



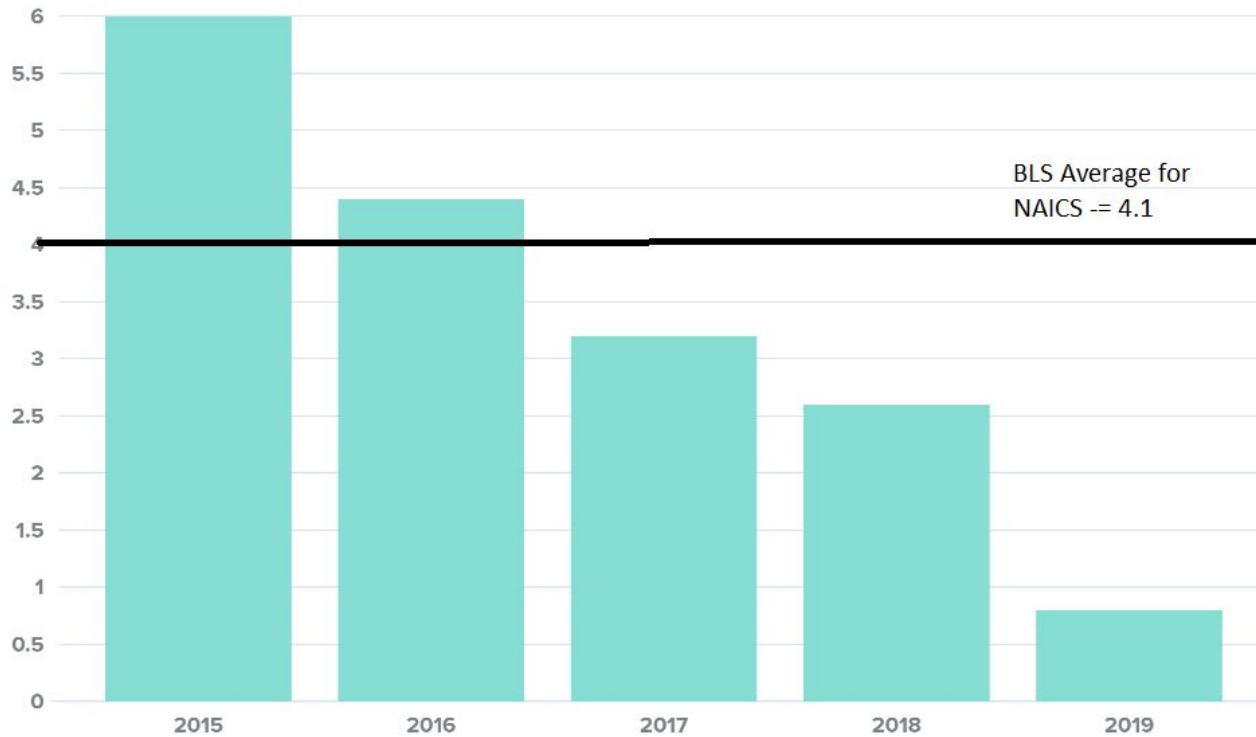
Goal 2020!!!

SSAS' (Phoenix) Journey to Zero: 2020 Incidents



Benchmarking

Recordable Rate



2022 IR = 0.7

Industry IR - 4.0

Incident Rate Comparison

- BLS IR 2022
- Health Care 4.5
- Mining 1.4
- Construction 2.4
- Manufacturing 3.2
- Education 2.0
- Warehousing 5.3
- Utilities 1.7
- Agriculture 4.1

Wood Products Manufacturers:

- IR 5.3

Other Wood Mfr:

- IR 5.7



Is This Your Company

SOMETHING WENT WRONG



Failure

Incident

NOTHING WENT WRONG



Success

No incident

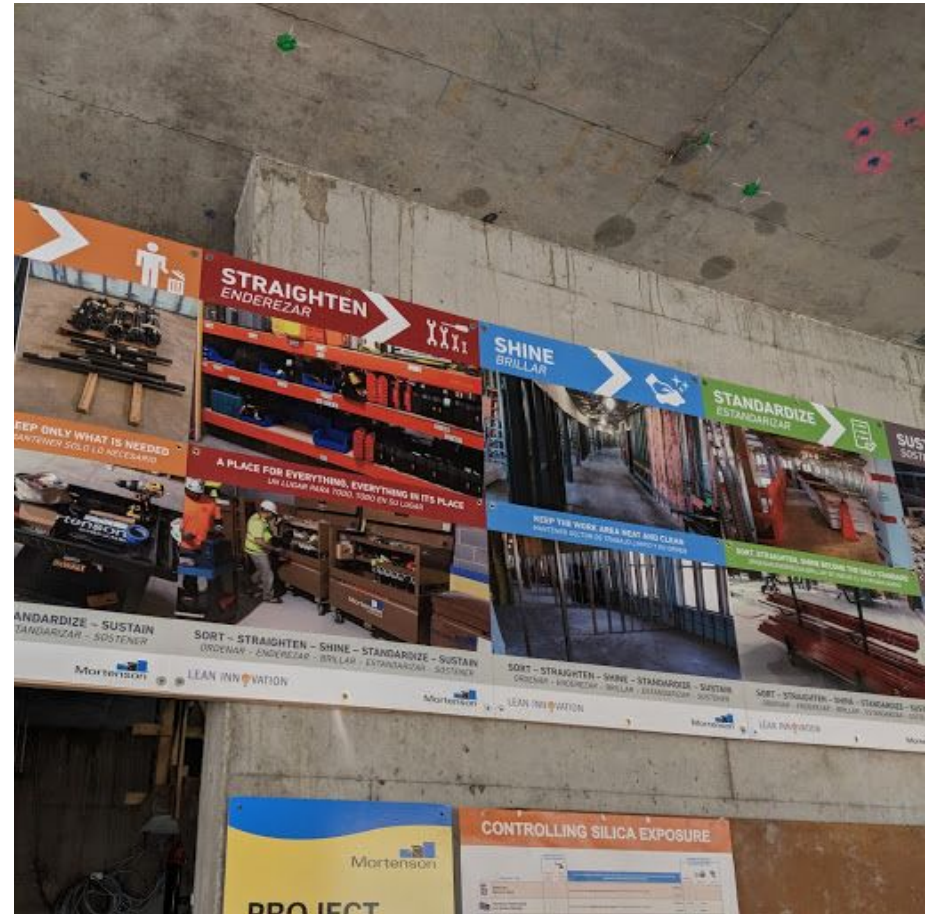
Lean 5s

- Poster showing employees and facility doing Lean 5S
- Sort
- Set in Order



Lean 5s

- Poster showing employees and facility doing Lean 5S
- Straighten
- Shine
- Standardize



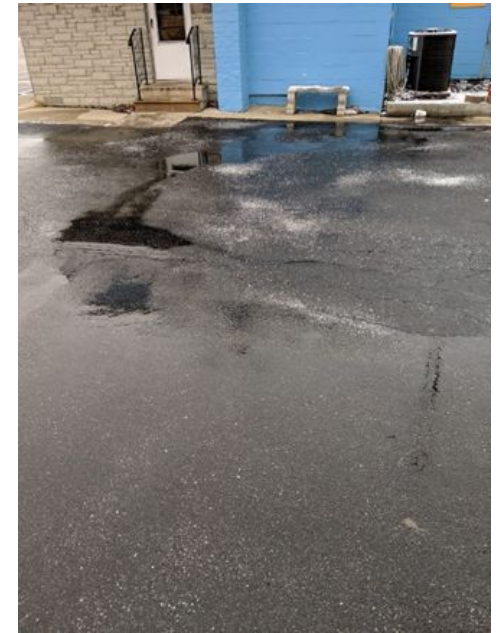
Costs per Type

- According to the latest Workplace Safety Index, the 10 leading causes, and direct costs, of the most disabling workplace injuries in 2020, included:
- Overexertion involving outside source - \$13.3 billion
- **Falls on same level** - \$10.58 billion
- Falls to lower level - \$6.26 billion
- Struck by object or equipment - \$5.61 billion
- Other exertions or bodily reactions - \$4.71 billion
- Roadway incidents involving motorized land vehicle - \$3.16 billion
- Slip or trip without fall - \$2.52 billion
- Caught in/compressed by equipment or objects - \$2.01 billion
- Repetitive motions involving micro-tasks - \$1.66 billion
- Struck against object or equipment - \$1.2 billion

Safety Pays

Total costs:

- Amputation - \$138,881
- Foreign Body in eye - \$40,494
- Fracture - \$112,261
- Puncture - \$53,575
- Strain - \$69,213



2024

- 2021 EMR 1.05
- IR 10.6

- **2022 EMR 0.97**
- IR 5.6

- 2023 EMR 0.92
- IR 3.2



\$90,000,000

- Wise Morrissey wins Highest Contested Liability Personal Injury Settlement for one person in Illinois history.
- Multiemployer



Casino Collapse

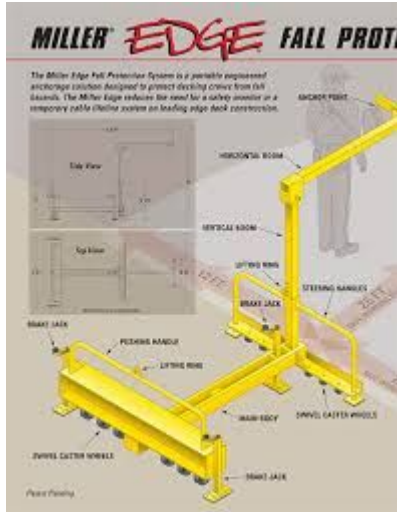


May 2017

- Laying grating
- Fell 8 feet
- Broke vertebra in back



Leading Edge



\$64 Million

- December 2007:
Ronald Bayer, age 36, sued Panduit on for negligence, claiming to have been severely injured (paralyzed) in a workplace.
- Plaintiff claimed that studs placed in iron beams he was walking on caused him to trip, and proper harnessing equipment to prevent the fall had not been installed.
- November 2012:
The jury, however, ruled that Panduit was 80 percent responsible for the accident, and Bayer was only 20 percent responsible.



1999

Worker awarded \$20.9 million for severed arm

BY CARLOS SADOVI
Staff Reporter

A Cook County jury has awarded an ironworker nearly \$21 million after the man's arm was severed in 1999 by a plummeting 500-pound beam.

Rick Blaisdell, 38, of East Dundee was working at Benedictine University in Lisle on buildings being erected by Frederick Quinn Co. of Addison.

The heavy beam fell as it was being hoisted over the heads of the workers, severing Blaisdell's left arm, said his lawyers, Daniel V. O'Connor and Marc Taxman of Anesi, Ozmon, Rodin, Novak and Kohen Ltd.

"The beam was being lifted by a crane 45 feet in the air over the heads of the ironworkers; the cardinal rule is that you do not lift over the heads of people," Taxman said.

After hearing testimony in a civil

trial that began Sept. 18 in front of Judge Irwin Solganick, a jury agreed Friday with Blaisdell's lawyers that the general contractor was negligent and awarded the \$20.9 million, which could be a state record.


Since the accident, Blaisdell's arm has been reattached but has lost mobility, his lawyers said.

Representatives of the contractor could not be reached. Appeals in these types of cases, however, are common.

\$50,000,000

- This settlement includes \$50 million to the wife of a worker who died, represented by Romanucci & Blandin
- Multiemployer



 WARNING	
Arc Flash and Shock Hazard Appropriate PPE Required	
42 inch 3.5 cal/cm ² Category 4	Flash Hazard Boundary Flash Hazard at 18 inches FR Shirt & Pants + Arc-Rate Face Shield & Hearing Protection
460 VAC 00	Shock Hazard when cover is removed Glove Class
42 inch	Limited Approach
12 inch	Restricted Approach
1 inch	Prohibited Approach
NFPA 70E 2015	

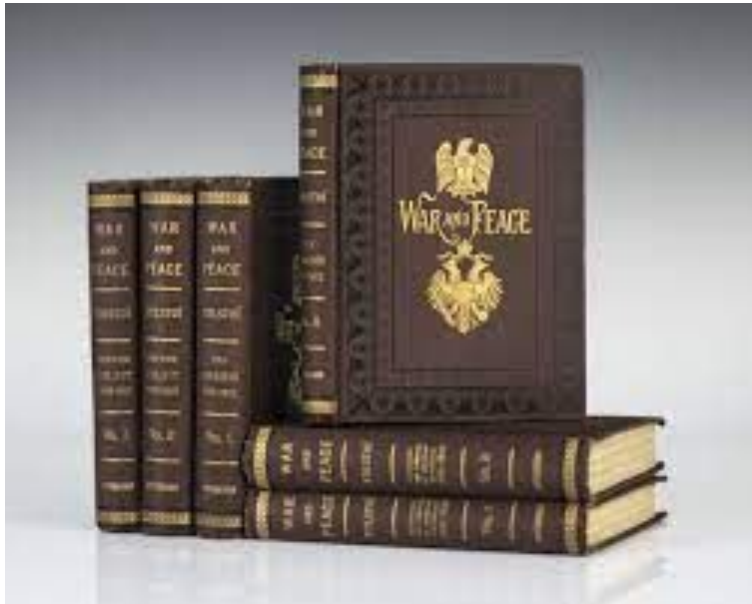
\$6,000,000 Settlement- Work Injury



- A union plumber was assigned to a construction site where an add-on was being built at an existing industrial building.
- In January of 2011, the plaintiff was on the jobsite completing interior plumbing work when he was told by the general contractor to complete some work requiring him to go to the roof.
- When he got outside, he encountered a snow and ice covered TPO roof. Within minutes of stepping on the roof, our client slipped and fell, significantly injuring his back, resulting in a laminectomy and fusion, and ultimately ending his career.
- The case settled against the general contractor for \$5 million dollars and for \$1 million dollars against the employer. The employer also waived their \$945,133.99 Workman's Compensation Lien.

2021

- War and Peace



Nov 2022

- \$6,785,000.
- While his crew were working on the masonry repair, a 70 lb sheet of plywood fell out of a second story window of the building striking the foreman on the top of his head and fracturing his C6 vertebrae requiring a C5-C7 double level fusion surgery with plates.



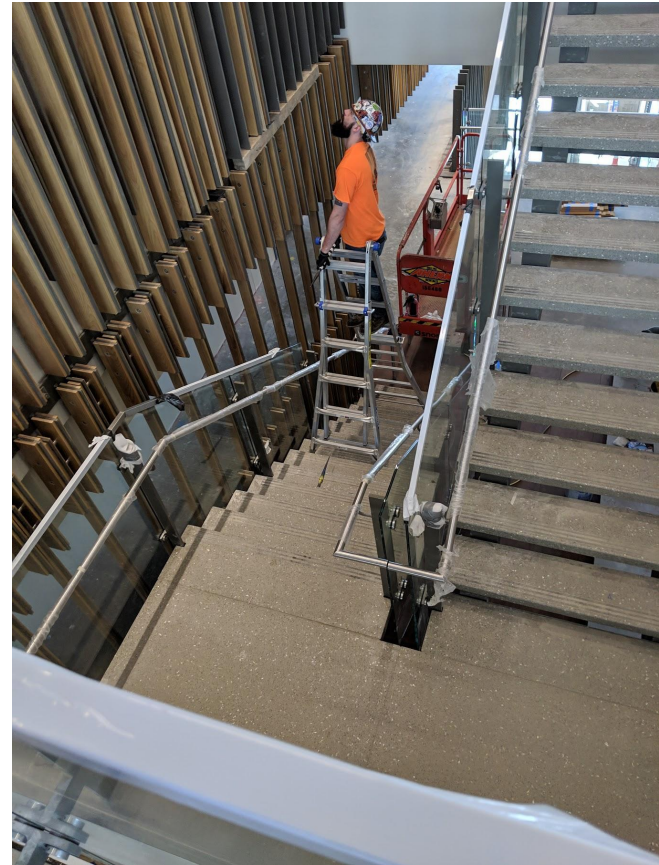
Nov 2022

- Do you have a scaffold tag system and a competent person that inspects the scaffold?
- The Law Offices of Parente & Norem, P.C, obtained a **\$6 million** settlement for a Local 13 carpenter who injured his back when he slipped on scaffold stairs at work.
- Again OSHA multi-employer case.



Summary

- Need to check site everyday
- Competent person excavation, silica, scaffolds, hot works, confined spaces, overall construction
- Weekly meetings on Safety
- Subs provide SDS, training records



Questions

