

NCCI Changes

NCCI has recently introduced a new methodology for ratemaking, the process which ultimately affects the "manual rate" you pay on your workers comp premium. This new ratemaking methodology does not impact the actual experience mod formula. However, for some class codes, significant changes in the filed loss costs, driven by the new ratemaking methodology, will lead NCCI to also adjust expected loss rates (ELRs) and D-ratios by class code. This in turn may cause your mod to change, even if all other data (payroll and losses) stayed the same.

Although the overall intent of these changes is to keep most mods – and the premium you pay - at about the same level, the exact impact on your mod - either positive or negative - won't be known until NCCI's filings for the state(s) you do business in are published. **Businesses which are required to have a mod of 1.0 (or other value) in order to bid on jobs will want to be especially careful to anticipate this change and minimize any losses that do occur through good injury management and claims management efforts.**