

# Making The Grade

## E-Mods & Work Comp Premium

### LOSSES AFFECT YOUR MOD RATE

★ = policy effective date



POLICY YEAR 1



POLICY YEAR 2



POLICY YEAR 3



PRIOR YEAR



CURRENT YEAR

E-mod is based on 3 years' loss history, not counting the current and prior policy year.

### AN E-MOD DEFINED

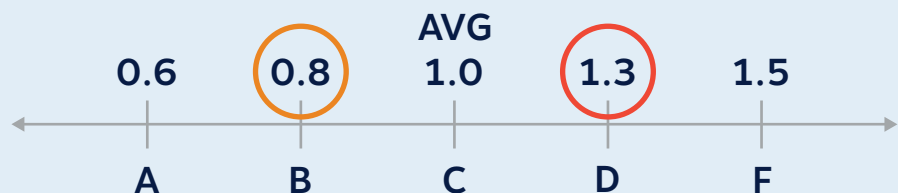
An experience modification factor, or e-mod, is a calculation that uses your past loss experience to predict your future losses. It also compares your company's losses to the losses of the average company in your industry.

Your business may not have an e-mod. To qualify in Missouri, you must:

- have premium of at least \$7,000 for one year or at least \$3,500 for two or more years, and
- be an established business for at least three years.

Your e-mod takes time to change. Understand and control it now.

### Understanding The E-Mod



#### SAVING MONEY

An e-mod of 0.8 means your loss experience is 20 percent better than others in your industry. You could receive a **premium discount of 20%** due to anticipated losses lower than others in your industry.

#### LOSING MONEY

An e-mod of 1.3 means your loss experience is 30 percent worse than others in your industry. You could pay a **premium surcharge of 30%** to cover anticipated losses higher than others in your industry.

You can improve your e-mod over time by maintaining safe and healthy workplaces and managing claims costs.