

# Employer's Guide

## For Your ND Workers' Compensation Account

Workforce Safety & Insurance (WSI) is the sole provider and administrator of the workers' compensation system in North Dakota. WSI is an exclusive, employer financed, no-fault insurance state fund covering work-related injuries, disease, and death. North Dakota Workers' Compensation law, with limited exceptions, requires all employers to insure all employees including full-time, part-time, seasonal, and occasional workers. WSI insures more than 24,000 employers.

### North Dakota based workers working out of state

North Dakota employers who carry workers' compensation coverage with WSI face unique challenges when they take their North Dakota based workers outside of the state of North Dakota. As a state agency, and not an insurance company, WSI cannot write coverage for exposure outside the state. We may be able to provide limited coverage for temporary or incidental exposure (defined as less than 30 consecutive calendar days) outside the state of North Dakota. Contact your WSI Underwriter with questions.

### Manual premium calculation

The WSI classification system groups together businesses of similar types to ensure that costs are distributed fairly. A rate is calculated for each classification based on the premium and loss experience of all insured North Dakota employers in each occupational classification.

The manual premium is calculated by multiplying the rate (per \$100 of payroll) and the amount of payroll (subject to the annual statutory wage cap). This wage cap changes each year with the state's average weekly wage calculation. For the period July 1, 2017 through June 30, 2018, each employee's wages will be capped at \$35,100.

The annual minimum premium charge is \$250. The initial minimum payment due at the time of application/renewal may not be less than \$250 unless the balance owing is less than \$250.

### Net actual premium

The net actual premium calculation is a result of applying the experience rating or small account credit/debit and safety discounts to the manual premium. This represents each employer's unique exposures, loss experience, and active participation in approved safety programs.

### Experience Rating or Small Account Credit/Debit Programs

After the manual premium is determined, an account's individual loss history is analyzed to determine whether any discounts or surcharges are applicable. The experience rate or small account credit/debit is applied after the manual premium is calculated. These programs are available to employers in their fifth year of operations in North Dakota.

- The purpose of experience rating and small account credit/debit programs is to provide incentive for employers to participate in safety programs.
- The adjusted premium for each employer reflects that employer's claims experience. This is a better indication of the cost of future losses.

#### Experience Rating

Experience rating is a procedure which uses each individual employer's own loss experience to recognize differences between the employer and the average risk in the assigned manual classes. Employers must have a minimum aggregate premium of \$15,000 over the 3-year experience rating period. Surcharges have no limits.

#### Small Account Credit/Debit

This program is available to policyholders that have less than \$15,000 in aggregate premium over a 3-year period. If there are no claims over \$250, the account will receive a 10% discount (credit). If there is one claim over \$250, no discount or surcharge will be applied. All additional claims over \$250 will result in a debit (surcharge) of 5% per claim up to a maximum of 25%.

## Premium Dividend

WSI may offer premium dividends to eligible North Dakota employers. Dividends are governed by North Dakota Century Code § 65-04-02. Eligible employers renewing coverage beginning July 1, 2017 through June 30, 2018 may receive a 50% premium dividend. The premium dividend credit will not apply to minimum premium accounts or accounts that are delinquent, noncompliant, or unsatisfactory as determined by WSI. The premium dividend credit will not apply to the large deductible aggregate excess premium component.

## Safety discounts

WSI believes that every North Dakota employee deserves a safe work environment and every employer deserves to have healthy employees on the job. WSI highly encourages employers to implement safety programs at their workplace. If successfully implemented, these programs can further reduce a qualifying employer's premium up to a maximum of 25%. Employers must make application before the beginning of the premium period to participate in the WSI safety incentive programs.

### Safety Management Program (SMP)

The SMP is designed to assist employers in developing or improving current safety management systems. A WSI Safety Consultant will conduct assessments based on the SMP requirements and develop plans to assist employers in making improvements. Employers who successfully participate in WSI's SMP can receive a maximum premium discount of 10%.

Criteria for a successful SMP include:

- Management commitment to safety
- Safety training
- Hazard recognition
- Accident investigation
- Annual safety and/or claims management seminar

### Safety Action Menu Program (SAM)

The SAM program is designed to provide employers with options that allow them to choose and implement the most beneficial safety improvement programs. Employers can receive a 15% premium discount by successfully participating in the SAM programs. Each individual SAM program can provide a 5% discount up to a maximum of 15%.

Current SAM items include:

- Safety committee
- Drug free workplace
- Safety orientation
- Certified safety management systems
- Learning Management System (LMS)
- Return-to-work (RTW)/Designated Medical Provider (DMP)
- Safe driver
- Safe lift

## Medical Assessments

An employer is responsible for the first \$250 or \$350 of medical expenses for each worker's compensation claim filed with WSI. Employers are billed monthly for assessable claims costs paid during the previous month. WSI offers an early reporting incentive and may waive the assessment charge.

### WSI Waives Assessment Fee

- If a claim is filed with WSI by midnight (Central Time) of the next WSI business day following the injury date.
- **Incident Report:** If a worker reports an incident, but does not seek immediate medical attention, the employer should file an Incident Report online on WSI's website. In order to qualify for the \$250 waiver, the Incident Report should be filed by midnight (Central Time) of the next WSI business day following the injury date. If that worker later seeks medical attention and a claim is received by WSI within 14 calendar days of the incident, the \$250 assessment charge will be waived. Without the filing of the Incident Report, the \$250/\$350 medical assessment will still be charged if a claim is eventually filed.

### Employer Pays \$250/\$350

If an injury occurs and the claim is received by WSI within 2-14 calendar days after the injury date, the employer is responsible for the first \$250 of medical expenses. If an injury occurs and the claim is received by WSI more than 14 calendar days after the employer notification date, the employer will be charged the first \$350 of medical expenses.