WORKERS' COMP PROGRAM SCORECARD · PREPARED FOR PARITY CHECK MANUFACTURING

Your program scored 39 out of 100

39/100

REACTIVE

Your program runs on individual judgment. Outcomes depend on which supervisor is on shift.

ESTIMATED ANNUAL SAVINGS OPPORTUNITY

$243,750

Conservative range $187,500 to $300,000 · $305 per employee per year · $17,411 per location per year

At a 6 percent net margin, this is the equivalent of **$4,062,500 in revenue** your company has to produce to cover it.

Estimated annual premium $750,000, midpoint of your selected range · Current mod 1.34 · Loss free minimum 0.62

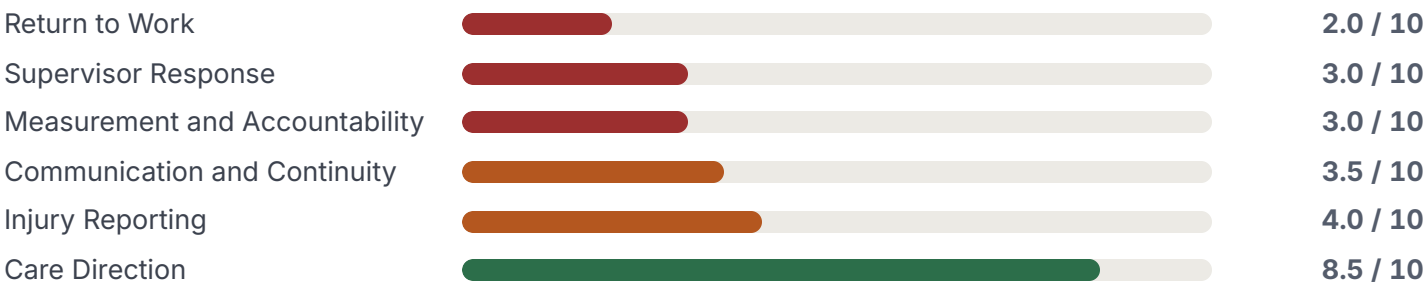
Minimum mod you supplied + estimated premium range

MAXIMUM THEORETICAL SAVINGS OPPORTUNITY

$402,985

The maximum shows the estimated premium difference between your current mod and your loss free minimum mod. It represents the theoretical upper end of the opportunity, not what we expect you to save.

WHERE YOUR PROGRAM STANDS, BY AREA



YOUR SINGLE BIGGEST LEAK · RETURN TO WORK · $77,228 PER YEAR

You told me placement is settled case by case by the manager and the location, which means an injured employee's return date rests on who is responsible for them rather than on anything the program holds.

Every day an employee sits at home instead of doing modified work is indemnity paid, duration added, and severity built into your mod for the next three years. It is also the gap that is fastest to close, because it requires structure rather than budget.

Ranked by dollar impact rather than by score, so this is not always your lowest scoring area. A weaker score in a lower cost area moves less money.

WHAT YOUR LOCATIONS ARE COSTING YOU

You are running 14 locations with no common injury response. That is not one program with problems. That is 14 different programs, and your cost is being set by your worst one.

ONE DISTINCTION WORTH NAMING

You told me you hold a claim review rather than an execution review. Most sophisticated employers pick that answer believing it is the right one, so it is worth being precise about the difference.

A claim review looks at outcomes after the fact. It asks what happened on this file and what it will cost. An execution review looks at behavior while it can still be changed. It asks whether the first hour was handled the same way at every location last month, and who owns it where it was not.

The first is accounting. The second is the only one that changes next year's number.

WHAT YOU CURRENTLY CANNOT PROVE

- Claims rate
- Average lag time
- Indemnity rate
- Litigation rate

You reported that you cannot currently see and review these from your own reporting without asking your carrier or broker to build the analysis. That makes it harder to spot variation, demonstrate improvement, and get leadership support where it is needed.

THREE MOVES, IN COST PRIORITY ORDER

1. Build a written modified duty job bank with at least ten real tasks, and put it in the hands of your treating provider before the next injury.
2. Set a same shift reporting standard with one defined route, name one owner per location, and start measuring your average lag time this month.
3. Document the first hour. One page, same steps at every location, and make the first hour a reviewed behavior rather than an assumed one.

HOW THIS NUMBER WAS CALCULATED

This starts from the midpoint of the premium range you selected, $750,000. Dividing it by your current mod of 1.34 gives an estimated mod rated premium basis of $559,701. That is an estimate rather than a manual premium: your actual policy premium can include schedule credits and debits, expense components, and carrier pricing adjustments that sit outside the experience mod. You supplied a minimum or loss free mod of 0.62. We used the value you gave us rather than calculating one, so this figure rests on your number. Against your current mod of 1.34, that is $402,985, which we calculate by comparing the premium at your current mod with the premium at your minimum mod. Your score places you in the Reactive band, which carries a modeled savings rate of 25 to 40 percent. Applying that rate to your annual premium of $750,000 produces an estimated annual opportunity of $187,500 to $300,000, with a midpoint of $243,750. Because that estimate sits below the $402,985 theoretical ceiling your mod and loss free minimum imply, the score based estimate is the one used. Your loss runs and rating data would replace more of these assumptions with actual figures, and would let us test this estimate against your real claim experience.

One note on the method. The score that selects this recovery range includes how well you can measure your own program, while the split of dollars across areas below deliberately excludes it, because not measuring something does not itself cost money. Measurement is in the rate and out of the attribution, on purpose.

Validate this against your actual claim data

This assessment identifies areas where additional structure and consistency may improve financial results. A Program Diagnostic Review uses actual claim and rating data to validate the opportunity, identify where the current system can provide stronger support, and prioritize the changes with the greatest financial impact.

The next step is a review of the claim data with Insurance Office of America.