



# Schedule Rating

The most common type of insurance program involves schedule rating. Specifically, schedule credits and premium credits are discretionary cost reduction devices offered by a number of insurance carriers. Knowing the credits exist and the criteria help policyholders negotiate for these cost reductions.



# General Information Regarding Schedule Rating Plans

Each carrier has a plan regarding schedule rating. The premium for a risk may be modified in accordance with the following — subject to a maximum modification of 25% — to reflect characteristics of the risk that are not reflected in its experience.

The use of schedule credits is *discretionary*. This information is provided to help you better understand some of the characteristics that are considered. Please address specific questions to your agent/carrier.

Characteristics	Range of Modification	
	Credit	Debit
<b>A. Premises — Conditions, Care</b>	10%	10%
Clean Work Area		Material Storage
Lighting		Aisle, Clear & Marked
Electrical Wiring		Fire Extinguisher
Building & Premises Maintenance		
Ventilation-Dust-Fumes		
<b>B. Risk/Class Hazard Relatively or Peculiarity</b>	10%	10%
<b>C. Management and Safety Practices</b>	10%	10%
Safety Program		Training Program
Plant Layout		First Aid Supplies
Material Handling		People Training (First Aid, CPR)
Safety Committee		People Properly Trained
Safety Director % of Time		Annual Hearing Conservation Program
General Maintenance Schedule		
<b>D. Employees — Selection, Training, Supervision</b>	10%	10%
Background Check		Job Orientation
Medical Review		Job and Safety Training
Pre-Employment Physical		Proper Training
Back Exam		Trained Supervisors
Drug Screen		Adequate Number of Supervisors
Carpal Tunnel Check		Hearing Pre-Employment
Chest X-Ray		
<b>E. Equipment Guarding and/or Safety Devices</b>	10%	10%
Machine Guards		Machines Well Maintained
Machines Properly Used		Personal Protective Equipment
Lock Out Procedure		

## PREMIUM CREDIT PLANS

Carriers/groups offer “premium credits” (*different from a premium discount*) to qualifying policyholders who practice certain loss prevention and cost containment activities. Keep in mind that these are discretionary! Some of the programs are also known by names such as “Work-Safe Program; Cost Containment Premium Savings Plan...” These workplace credits are in addition to schedule rating programs. It is important that you carefully review your carrier’s written program. Be sure to check with your carrier. Remember many carriers have a number of companies within their group. Just because your carrier is not listed here, does not mean that they have not instituted a program! Most importantly, get the documentation for the program! Some, but not necessarily all, of those programs are:

Carrier/Group	Criteria Used	Credit	Total
Accident Fund Ins. Cos. of America	Use of 800 no. to report indemnity claims within 24 hours of notification – express credit	3%	21%
	Health Care Credit – min. of 75% covered by health insurance statistical code 9880	5%	
	Use of designated health care providers for 10 days	3%	
	Association Discount	5%	
	Renewal Credit	5%	
AIG Group	Average mod of 1.10 or less over last 3 years	5%	25%
	Return-to-work program	5%	
	Pre-placement physical	5%	
	Pre-employment drug screening	5%	
	Existing formal safety program	5%	
	Use of 800 reporting service and 90% of injuries reported within 7 days	5%	
	Managed care program	5%	
	Group health plan in place with a least 75% participation	5%	
	Supervisor accident investigation	5%	
ACE Companies	50% or more of medical costs handled by designated provider	5%	15%
	Comprehensive Return-to-work program	5%	
	Adherence to specific drug and alcohol screening protocol	5%	
	Loss prevention, safety and claims management training	5%	
Acuity	Return-to-Work Program	10%	25%
	Active Safety Program	5%	
	Active Drug-Free Workplace Program	5%	
	Operate Claims Reporting Program	5%	
Allied Insurance Group	Return-to-work program	5%	25%
	Formal claims reporting within specified time	5%	
	Pre-employment/post-offer drug screening	5%	
	Pre-employment/post-offer physical	5%	
	Employee health benefits covering at least 75% of employees	5%	
	Employee assistance program	5%	

Carrier/Group	Criteria Used	Credit	Total
American Compensation Ins. Co.	Return-to-work program	4%	25%
	Active safety program in place	1%	
	Group health plan with at least 75% of employees	1%	
	Employee drug screening	1%	
	Written disciplinary policy	2%	
	Claim notification program	2%	
	Post-offer (2%)/pre-employment (2%) program in place	4%	
	Monthly Safety Committee Meetings	1%	
	Health (1%), Dental (1%), Life (1%) Insurance Plans	3%	
	Employer-sponsored Health Plan	1%	
	Conducts Accident Investigations	1%	
	Post-Accident Drug Screening	2%	
	Implemented All Required OSHA Programs	1%	
	Claims Notification within 24 Hours	3%	
	Insured Agrees with RTW's Terms and Philosophy	3%	
	Insured Provides Modified Duty	3%	
	Medical exam including functional capabilities	3%	
Amerisure	Average mod of less than 1.10 over last 5 years	5%	25%
	Pre-employment drug screening	5%	
	Return-to-work program	5%	
	Reporting 50% of claims within 7 working days of injury	5%	
	Comprehensive safety program and supervisor accountability	5%	
	Use of designated health care providers during first 10 days	5%	
Argonaut	All Supervisors Complete Argonaut's START Videotape	10%	25%
	All Supervisors Complete Argonaut's BEST Videotape	5%	
	All Supervisors Complete Argonaut's TRANSITIONS Videotape	5%	
	Use Argonaut-Approved Managed Care Program for Injured	10%	
	Use Argonaut-Approved Safety Policy with Enforcement Standards	10%	
Auto-Owners Insurance Cos.	Return-to-work program	5%	9.75%
	Safe workplace	5%	
Auto-Owners Insurance Cos. (add'l)	Group Discount	10%	10%
	Cumulative Multiple-Policy Discounts	2% - 18%	18%
Cincinnati Companies	Approved formal safety program	10%	20%
	Approved "light duty" return-to-work program	10%	

Carrier/Group	Criteria Used	Credit	Total
CNA Group	Drug Screening Program for Prospective Employees	5%	25%
	Claims Reporting System (50% within 7 days of injury)	5%	
	Return To Work	10%	
	Designated Health Care Provider	10%	
	Employee Assistance Program (EAP)	5%	
Crum & Forster	Post-offer or pre-employment drug screening	5%	25%
	Return-to-work program	5%	
	Employee Assistance Program	5%	
	Formal safety program	5%	
	Employer-Sponsored Health Plan (75%+ Enrollment)	5%	
EMC Insurance Companies	Return-to-work program	10%	25%
	Post-offer/pre-employment drug screening	6%	
	Post-offer/pre-employment physicals	6%	
	Employer sponsored health plan (at least 80% participation rate)	6%	
	Employee assistance program	5%	
	Use of EMC 800 claims reporting service	5%	
	Average mod under 1.10 or less over last 3 years	5%	
Everest National Ins. Co.	Workplace Safety Program (Written)	2%	10%
	Experience Mod. Factor 1.10 or less	2%	
	Carrier-Approved Health Care Provider	2%	
	Drug-Free Workplace Acceptable to Carrier	2%	
	No Serious/Willful OSHA Violations/Fines \$1,500+	2%	
	New Worker Safety Training and Regular Ongoing Safety Meetings	2%	
	In Business at Least 5 Years	2%	
	Comprehensive Health Plan (at least 80% participation rate)	2%	
Farm Bureau	Employer-Sponsored Health Plan (75% Participation)	5%	20%
	Formal Safety Program	5%	
	Employee Assistance program (medical exam & drug screening)	10%	
	Employee Assistance program ( <i>only one of the following can apply</i> ):		
	Without pre-employment medical exam or drug and alcohol screening	5%	
	With pre-employment medical exam	8%	
Farmers Insurance Group	Pre-employment physicals and drug screening	5%	13%
	Reporting 85% of claims within 24 hours of injury	3%	
	Employer Uses FARMERS' PPO to Treat at least 85% of Claims	5%	
	Multiple Policy Credit	5%	5%

Carrier/Group	Criteria Used	Credit	Total
Federated Insurance Group	Report All Claims within 24 hours of injury	5%	25%
	Pre-employment drug screening	5%	
	Return-to-work program	5%	
	Designated health care provider	5%	
	Safety program	5%	
Frankenmuth Mutual	Average mod of less than 1.10 over last 5 years	15%	25%
	Pre-employment drug screening	5%	
	Return-to-work program	5%	
Frankenmuth Mutual (add'l)	Group Discount	5% -10%	
	Employer Provides Health Insurance for 75% or more of Employees	5%	
	Mod Conversion Adjustment Plan	variable	
Fremont Mutual Ins. Co.	Average mod of 1.00 or less over last 5 years	15%	
	"Light Duty" program for recuperating employees	5%	
	Drug Screening	5%	
	Average tenure of employment for all employees is 3 years or more	5%	
General Casualty	Return to work program	10%	25%
	Post-offer/pre-employment drug screening	10%	
	Written safety program	10%	
	Reporting on the Claim Line 24 800 service number at least 80% of claims	5%	
Great American Ins.	Drug Free Work Program	5%	15%
	Safety Works Program	4%	
Hanover Insurance Group	Return-to-work program	10%	20%
	Employee Drug Screening	10%	
	MISC: Mod conversion adjustment plan		
Harleysville Insurance Cos.	Drug testing (potential and current employees, and/or post-accident)	2.5%	16.6%
	Return-to-work program	5%	
	Use of designated PPO and 800# to Report Claims within 24 Hours	10%	
Hastings Mutual	Drug Screening Program	5%	25%
	Light Duty Injury Recuperation Program	5%	
	Active Participation in Written Safety Program	5%	
	In Business at least 5 years; Mod Less than 1.0	10%	
	Multi-Policy Discount	5%	5%
	Renewal Credit	5%	5%

Carrier/Group	Criteria Used	Credit	Total
Hartford	Use of 800# to Report Claims (80% within 3 Days)	10%	25%
	Return-to-work program	5%	
	Cooperation with Insurer-Initiated Managed Care	10%	
	Approved injury Review/Accident Investigation Program	5%	
Liberty Mutual Group	Return to Work Program	5%	25%
	Employer sponsored health plan (at least 75% participation rate)	5%	
	Post-offer/pre-employment medical examination program	5%	
	Active safety program rated 2 grades better than Best Guide Rating	5%	
	Claims reporting program (at least 50% reported within 7 days)	5%	
	Use of Liberty Mutual's PPO Network (at least 20% utilization prior year)	5%	
	Drug-free workplace program	5%	
Lumbermen's Underwriting Alliance	Workplace Safety Program (very specific see filing)	5%	10%
	Drug-Free Workplace	5%	
Merchants Insurance	Return-to-work program	5%	9.75%
	Managed care program	5%	
Meridian Insurance Group	Drug free workplace	5%	15%
	Return-to-work program	5%	
	Safe workplace experience mod less than 1.05 for past three years	5%	
	MISC: Mod conversion/adjustment plan		
MI Construction Industry Mutual	Return-to-work program	9%	25%
	Post-offer/pre-employment physical	8%	
	Employee drug screening	8%	
	MCIM Safety Seminar participation	4%	
	Accident Investigation Program	6%	
	Employee Wellness Program	5%	
	MIOSHA Safety Program Participation	2%	
	Health Insurance Program (75% + Participation)		
	MISC: Mod conversion/adjustment plan	6%	
Michigan Millers Mutual	Post-offer/pre-employment drug screening	5%	15%
	Light-duty/return-to-work program	5%	
	Post-offer/pre-employment medical examination program	5%	
Michigan Millers Mutual (add'l)	Multiple Policy Credit	10%	10%
	PPOM Credit	10%	10%
Monroe Guaranty Ins. Co	Return-to-work program	5%	10%
	Employee drug screening	5%	

Carrier/Group	Criteria Used	Credit	Total
Ohio Casualty Group	Drug free workplace program	5%	20%
	Minimum Safety Program Requirements	4%	
	MISC: Cumulative Multi-Policy Discount	10%	10%
One Beacon Insurance	Drug Free Workplace	5%	25%
	Return to Work Program	10%	
	Employee Assistance Program	5%	
	Employer Sponsored Health Plan	5%	
Partners Mutual Ins. Co.	Co. has been in same business 5 years with a merit or exp. Mod of less than 1.00	10%	25%
	Drug screening program and/or post offer/pre-employment medical exam program	5%	
	Light duty program in place for recuperation from work comp injury	5%	
	Active participation in a written safety program	5%	
	Multi-policy program	5%	5%
	Renewal program (check on criteria used with your agent)	5%	5%
Retailers Mutual	Employer Sponsored Health Insurance	5%	25%
	Post-off/pre-employment physicals	5%	
	Employee drug screening	5%	
	Light duty return to work	5%	
	Business practices	10%	
	Active safety program	7%	
	Employee assistance program	7%	
SAFECO Companies	Loss ratio less than SAFECO underwriting standard	5%	20%
	In business over 5 years with net profit for 3 years	5%	
	Meet class acceptability standard in Work Comp Underwriting Guide	5%	
	Incidence of total claims and indemnity claims below expected number	5%	
	Loss control program and published safety policy and active safety committee	5%	
St. Paul Travelers	Pre-placement Physicals	5%	25%
	Employee Orientation Including Safety and Work Comp	5%	
	Post-Injury Program with Medical & Disability Mgt.	5%	
	Commitment to Report 80% of Claims within 72 Hours	5%	
	Operating Proactive Safety Program	5%	
Selective Insurance Companies	Return-to-work program	5%	20%
	Post-offer/pre-employment drug screening program	5%	
	Employee Assistance Program	5%	
	Active safety program	5%	

Carrier/Group	Criteria Used	Credit	Total
Secura Insurance	Return-to-work program	5%	15%
	Drug Policy/testing	5%	
	Managed care utilization	5%	
Sentry	Return-to-work program	10%	15%
	Report all Claims within 24 hours of Notification	5%	
Sompo Japan Ins. Co. of America	Designated Medical Provider	5%	15%
	Formal Drug Testing Program and Policy	5%	
	Active Return-to-Work Program	5%	
State Auto Insurance Companies	Drug Free Workplace	5%	15%
	Return-to-work program	5%	
	Safe workplace credit	5%	
Universal Underwriters	Substance Abuse Program	5%	25%
	Use of 800# to Report Claims	5%	
	Active Participation in Managed Care Program	5%	
	Return-to-Work Program	10%	
Wausau Group	Restricted/Light Duty Return-to-Work Program	5%	15%
	Post-Offer/Pre-Employment Drug Screening	2.5%	
	Uses Approved Health Care Provider and 800 Claims #	2.5%	
	Avg. Mod of 1.10 or less over the last 3 Years	5%	
Westfield Group	Pre-employment Drug Testing	5%	15%
	Return-to-Work Program	5%	
	Pre-Employment Medical Exams	5%	
	Mod conversion adjustment plan		
Westport Insurance Corp.	Approved safety program	10%	20%
	Drug free workplace program	10%	
XL Specialty	Written Return-to-Work Program	5%	10%
	Modified Work Opportunities	1%	
	Supervisory Involvement in RTW Program	1%	
	Formal Communications in Claims Management	1%	
	Pre-Hire Drug Screening	1%	
	Prompt Handling of Violations	1%	
Zurich	Return to work program	10%	25%
	Substance Abuse Program	5%	
	Use of 800# to Report Claims	5%	
	Managed care participation	5%	