

Exploring the mod to develop cost-saving solutions

ModMaster®

Mod Analysis for XYZ Company

Mod Impact

Mod Type	Mod Value	Premium
Current	1.30	\$130,000
Average	1.00	\$100,000
Minimum	1.00	\$100,000
Controllable	0.30	\$10,000

Loss Ratio

Effective date: 1/1/2018
Modification factor: 1.30

Frequency of Loss Analysis
Ratio of actual primary losses

Severity of Loss Analysis

Ratio of actual excess losses

Your Mod and Potential Premium Savings

Mod Type	Mod Value	Premium	Description
Current	1.30	\$130,000	Your actual mod and estimated premium.
Average	1.00	\$100,000	The average mod is always 1.00. This premium represents what the average competitor in your industry is paying.
Minimum	1.00	\$100,000	The lowest mod and premium you could achieve if you had zero losses in the experience rating period.
Controllable	0.30	\$10,000	The real point, and premium amount you could have saved if you had zero losses in the experience rating period.

Compared to your average competitor, your company is at a \$10,000 disadvantage.

More About the Minimum and Controllable Mod

The **minimum mod** is your mod and premium value if your company has zero losses; it is a real and attainable score. This value is unique to your company and may vary each year due to your unique payroll and industry.

The **controllable mod** is the difference between your current mod and the minimum mod. This value is a direct result of the losses your company has incurred during the experience period. By implementing good loss control practices, you can, over time, move your controllable mod to zero - and save the related premium costs.

*This mod has been adjusted in accordance with experience rating plan rules. Loss severity/mod impact analysis attempts to reflect mod adjustments but may be ambiguous.

ModMaster® Mod Analysis brought to you by **Aerosec Agency**

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XYZ Company - 5/1/2018
Mod (Strike) Date: 5/1/2018



What is ModMaster?

- Understand your experience rating—or mod—and how it impacts your bottom line
- Identify and analyze problem areas
- Develop targeted solutions to save money on your workers' comp premiums

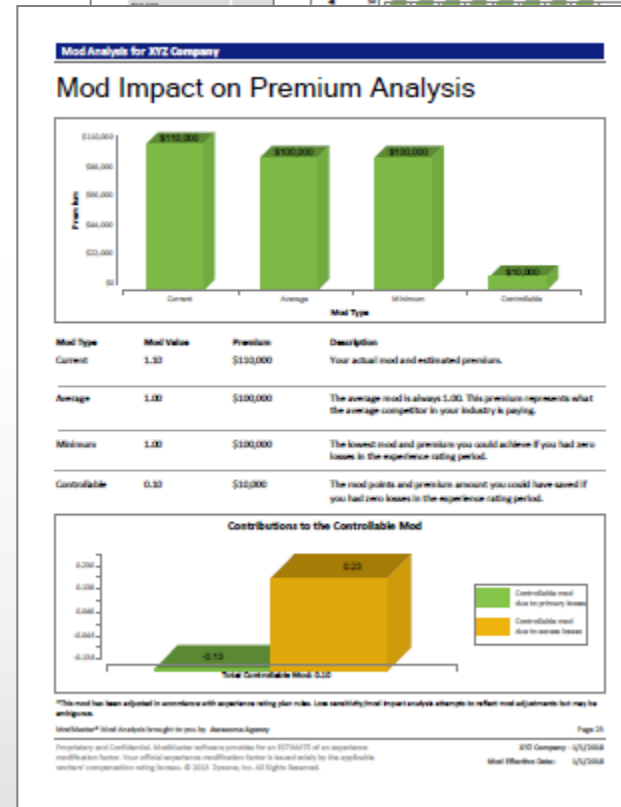
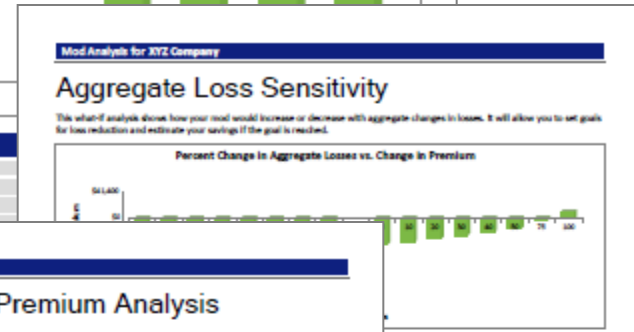
What Can You Learn From ModMaster?

- How do my workers' comp insurance costs compare to my competitors?
- Why did my mod go up or down this year?
- Which types of losses have the greatest impact on my mod?
- What is my minimum and controllable mod? What could I could be saving?



ModMaster® Understand the Mod

- Calculate and project costs associated with your mod
- Identify opportunities for improvement
- Analyze what specific losses cost in increased premiums
- Reveal cost drivers and the impact of the mod



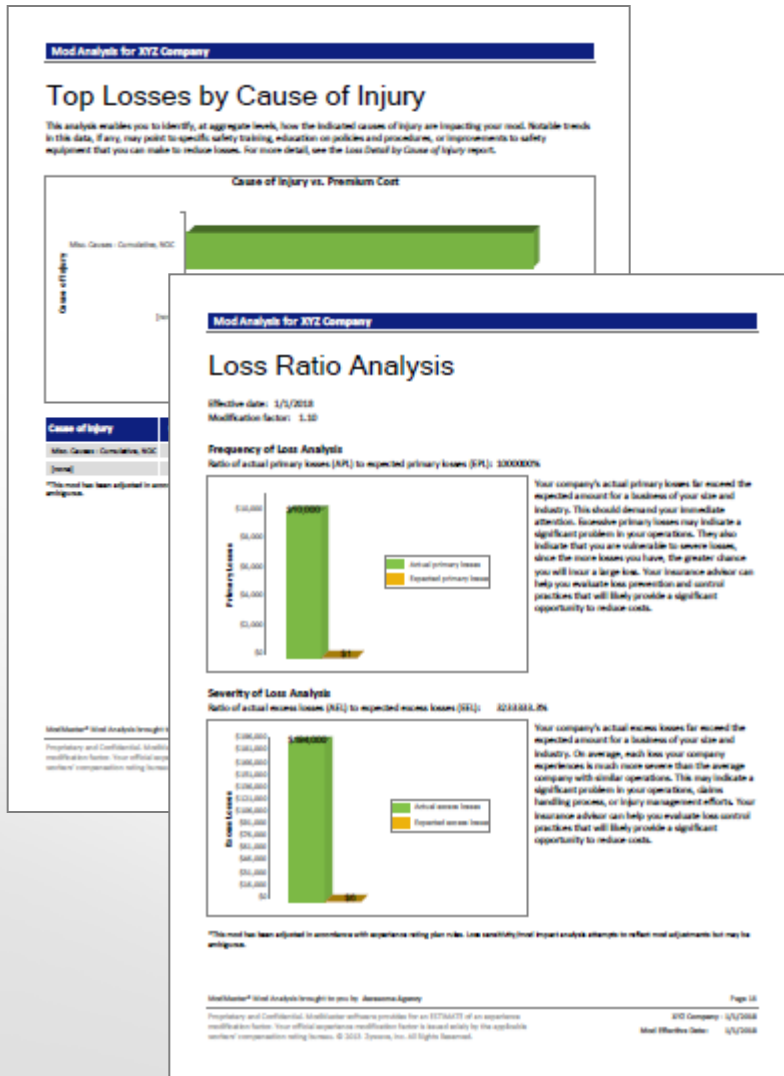
Change	Resulting Premium	Premium Change
0.97	\$107,000	\$97,000
0.98	\$108,000	\$98,000
0.70	\$100,000	\$70,000
0.65	\$175,000	\$65,000
0.59	\$108,000	\$59,000
0.54	\$104,000	\$54,000
0.49	\$109,000	\$49,000
0.46	\$106,000	\$46,000
0.43	\$103,000	\$43,000
0.41	\$101,000	\$41,000
0.38	\$100,000	\$38,000
0.33	\$100,000	\$33,000
0.27	\$107,000	\$27,000
0.22	\$100,000	\$22,000
0.17	\$107,000	\$17,000
0.09	\$100,000	\$9,000
(0.10)	\$100,000	(\$10,000)

through gradual improvements in your losses over time, decrease the premium you owe by \$33,000.
of impact analysis attempts to reflect mod adjustments but

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Mod Effective Date: 4/1/2014



ModMaster® Identify and Analyze



- Locate key factors affecting the mod
- Focus on problem areas, such as frequency or severity of injuries
- Examine loss trends for types of injuries, departments, etc.
- Isolate areas to target with loss control and risk management strategies

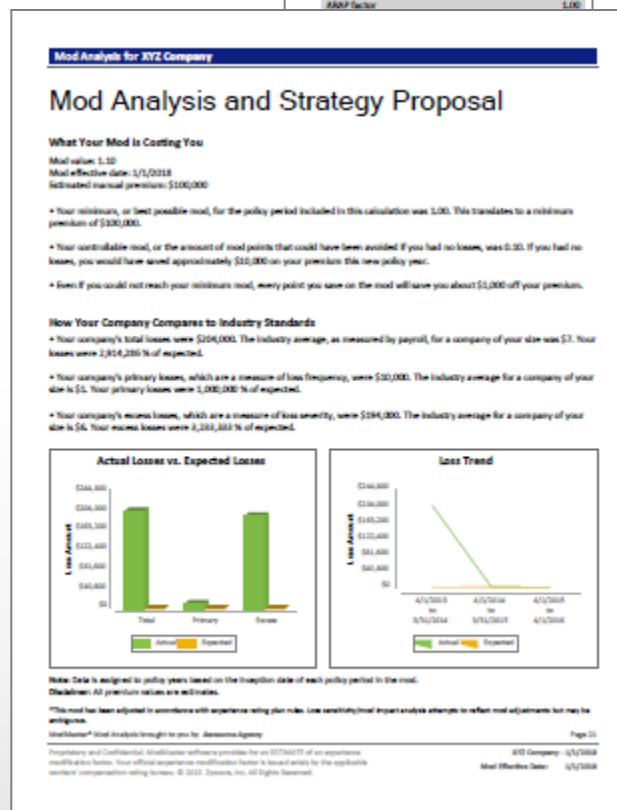
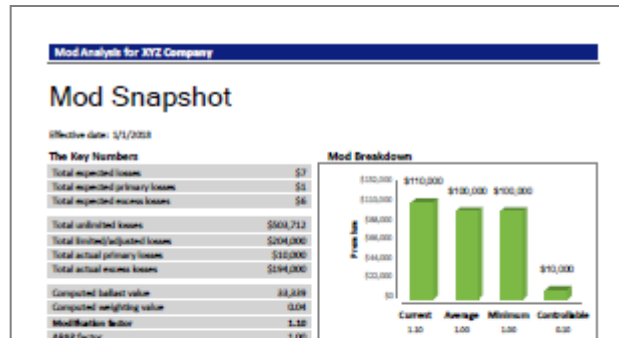


Stay Ahead of the Curve

- The Shropshire Agency, Inc. can help you:
- Forecast your mod for the next policy period
- Address concerns, such as significant changes in payroll or loss trends
- Increase the accuracy of cost allocation and risk management decisions

ModMaster® Develop Solutions

- Develop solutions to address your business's needs
- Direct your focus where it will make the most impact using solutions to act on the mod
- Make the mod part of your total risk management strategy



ANY QUESTIONS?

Talk to your The Shropshire Agency, Inc.
representative to learn more or get started
today!