



North Dakota Workforce  
Safety & Insurance

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# Employer's Guide To Your ND Workers' Compensation Policy

Workforce Safety & Insurance (WSI) is an exclusive, employer financed, no-fault insurance state fund covering work-related injuries, disease, and death. WSI is the sole provider and administrator of the workers' compensation system in North Dakota. Approximately 25,000 North Dakota employers are insured by WSI. The following will provide you with valuable information regarding your workers' compensation account and premium billing statement.

## 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, 2014 through June 30, 2015, each employee's wages will be capped at \$33,600.

EXAMPLE:

Class	Description	Rate	Gross Payroll	Net Taxable Payroll	Premium
8805	Clerical	\$ .37	\$12,000.00	\$12,000.00	\$ 44.40
3630	Auto Body Repair	\$5.09	\$42,000.00	\$33,600.00	\$1,710.24
Total Manual Premium					\$1,754.64

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.

## 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.

- 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	Small Account Credit/Debit
<p>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.</p> <p>Applies to policies with \$15,000 or more in aggregate premium over 3 years.</p> <ul style="list-style-type: none"> <li>• Discounts are limited to -75%</li> <li>• Surcharges have no limits.</li> </ul>	<ul style="list-style-type: none"> <li>• This calculation applies to policies with less than \$15,000 in aggregate premium over 3 years.</li> <li>• If there are no claims over \$250, the account will receive a 10% discount (credit).</li> <li>• If there is one claim over \$250, no discount or surcharge will be applied.</li> <li>• All additional claims over \$250 will result in a debit (surcharge) of 5% per claim up to a maximum of 25%.</li> </ul>

## 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 annual premium. This represents each employer's unique exposures, loss experience and active participation in approved safety programs.

## Safety Discounts

WSI believes that every ND employee deserves a safe work environment and every employer deserves to have healthy employees on the job. That is why WSI is dedicated to "Putting Safety to Work" by encouraging employers to implement one or more safety programs at their workplace. If successfully implemented, these programs can further reduce a qualifying employer's premium up to a maximum of 25%.

Safety Management Program	Safety Action Menu Program
<p>The Safety Management Program (SMP) is designed to assist employers in developing or improving current safety management systems. Employers who successfully implement and maintain the selected SMP will receive up to a maximum of 10% discount for the premium year selected. Criteria for successful implementation of the SMP include:</p> <ul style="list-style-type: none"><li>• Management Commitment to Safety</li><li>• Safety Training</li><li>• Hazard Recognition</li><li>• Accident Investigation</li><li>• Annual Safety and/or Claims Management Seminar</li></ul>	<p>The Safety Action Menu (SAM) program is designed to provide employers with options to implement safety improvement programs. The employer has the option of choosing the programs that will be most beneficial. Employers can receive up to a 15% premium discount by choosing to participate in a variety of SAM items. Each item provides a 5% discount up to a maximum discount of 15%. Current SAM items include:</p> <ul style="list-style-type: none"><li>• Safety Committee</li><li>• Certified Safety Mgmt Systems</li><li>• Drug Free Workplace</li><li>• LMS</li><li>• Safety Orientation</li><li>• RTW/DMP</li><li>• Safe Driver</li><li>• Safe Lift</li></ul>

## Premium Dividends

WSI may offer premium dividends to eligible North Dakota employers. Dividends are governed by North Dakota Workers' Compensation Law, Century Code § 65-04-02. Eligible employers renewing coverage beginning July 1, 2014 through June 30, 2015 may receive a 39% dividend.

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.

## Medical Assessments

The employer is responsible for the first \$250 of medical expenses on each workers' compensation claim filed with WSI. However, WSI does offer early reporting incentives.

**Medical Treatment sought after injury** - Employer or Employee files a "claim" (First Report Injury Form).

**Medical Treatment not sought immediately after an injury** - Employer files an "incident report" (on-line only).

### **WSI Pays \$250:**

WSI will pay the first \$250 if an "Incident Report" is filed online with WSI **by midnight** (central time) of the business day following the date of injury or accident, AND if the claim is filed with WSI within 14 days of the "incident".

### **Employer Pays \$250:**

Employer will pay the first \$250 if an "Incident Report" is filed online with WSI **within 2 to 14 calendar days** after the "injury date".

### **Employer Pays \$350:**

Employer will pay \$350 if an "Incident Report" is filed online with WSI **no more than 14 calendar days** after "employer notification date".

WSI provides many resource materials to help both employees and employers become more familiar with WSI. Brochures, fact sheets and manuals are available online at: <http://www.WorkforceSafety.com>