

EXPERIENCE MODIFIER- WHAT IT MEANS AND HOW TO MAKE IT WORK FOR YOU



Did you know the cost of your workers compensation expense is directly influenced by your Experience Rating Modifier?

Let's explore what that means, how to reduce those costs and improve your outcomes.

EXPERIENCE MODIFIER- WHAT IT MEANS

Your experience modifier, or often referred as experience mod, is a number used by insurance companies to compare workers' comp claims history with similar businesses in your industry. It is determined by the National Council on Compensation Insurance (NCCI) and used as your operations performance rating related to workers compensation costs. It's important to know your rating and how it affects your bottom line.

- **1.0** is considered the industry average.
- **Below 1.0** means you're safer than average — and may qualify for lower premiums.
- **Above 1.0** means you've had more claims than average, which increases your costs

Typically, it is used by owners and CFOs with their insurance partners, and plays a big role in what you pay for workers' comp coverage. The lower your experience mod the better your comparison, and potentially the better the savings and costs for your operations.

Every point above or below 1.0 directly affects your workers' comp premium. Having a safer than average environment can potentially give significant savings to your operation.

[Read the full NCCI article: ABCs of Experience Rating.](#)

Lowering your Experience Modifier isn't about one big change — it's about consistent, small improvements in safety, training, claim handling, and proactive policy review. Making small steps with daily routines and team conversation can enhance quality outcomes. Which can also reduce your costs. It brings a risk management focus to everyday tasks.

Watch for your next Risk Resources on specific steps and tips to reduce your experience mod, save dollars, and improve your work environment.



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ABOUT THE AUTHOR

Tiffany Stevens has a unique expertise of marketing for senior living facilities and direct work within the insurance industry. She adds value by simplifying insurance decisions, lowering risk, and helping clients find coverage that fits their needs and budget.