

Retro Advisory Committee Quarterly Meeting

December 14, 2023

Jessica Nau, Program Manager
for Retrospective Rating



Washington State Department of
Labor & Industries

RAC ‘Virtual Meeting’ Guidelines & Expectations

- Upon logging into the meeting, list your full name and organization in the participant details.
- To minimize bandwidth issues, we recommend using **audio only** by turning off your camera once Zoom has started.
- Keep your **microphone muted** unless speaking.
- Please hold questions until the Q&A period for each topic/speaker (questions can also be submitted through the chat feature).
- Use the ‘raise hand’ feature when you have a question or comment, and **wait for a moderator** to recognize you before speaking.
- Unmute, lower your hand, state your name, and speak slowly. Using a headset produces the best audio quality.

We ask for your patience and understanding as we work through any technical issues that might occur. Thank you.

RAC Committee Members

- **Lauren Gubbe**, Associated General Contractors
- **Victoria Montrose**, Washington Hospitality Association
- **Tim Lundin**, Archbright
- **Maria McClain**, Association of Washington Business
- **Rose Gundersen**, Washington Retail Association
- **Luis Sanchez**, Grant County Public Utility District No. 2
- **Tom Walrath, Jr**, T. E. Walrath Trucking, Inc.
- **John Cichosz**, DJ's Electrical
- **Jessica Nau**, Department of Labor & Industries (*Chair*)

Agenda

Time	Topic	Presenter(s)
9:30 – 9:40	Welcome <ul style="list-style-type: none">• Introductions• Safety Message	Jessica Nau Tyler Langford
9:40 – 10:00	Legislative Updates	Brenda Heilman
10:00 – 10:50	Trends Affecting Retro Firms	Bill Vasek
10:50 – 11:00	BREAK	
11:00 – 11:30	Operational Updates & Program Trends	Jessica Nau Tyler Langford
11:30 – 11:40	RAC Workgroup Updates	Workgroup Leads
11:40 – 11:50	Closing Comments & Adjourn	Jessica Nau

Safety Message: Tips for Better Sleep

- Consistently go to bed at the same time each night and wake up at the same time every morning.
- Make sure your bedroom is dark, quiet, and a comfortable temperature.
- Remove electronic devices (TVs, computers, smart phones) from the bedroom.
- Be physically active during the day.

Source: https://www.cdc.gov/sleep/about_sleep/sleep_hygiene.html

2024 RAC Meeting Dates Poll

Option 1:

- Q1: 2/22/2024
- Q2: 5/16/2024
- Q3: 9/19/2024
- Q4: 12/12/2024

Option 2:

- Q1: No meeting
- Q2: 4/18/2024
- Q3: 9/19/2024
- Q4: 12/12/2024

All meetings held from 9:30 AM to 12:00 PM.

Legislative Updates

Brenda Heilman
*Deputy Assistant
Director for Insurance
Services*

Workers' Comp Incentives to RTW

- Return to Work Package
 - Stay at Work, Preferred Worker, and Job Mod/Pre-job accommodation increases.
 - Funding Basic Skills training for workers prior to vocational retraining.

Overall Trends Affecting Retro Firms as of 9/30/2023

Bill Vasek
Senior Actuary

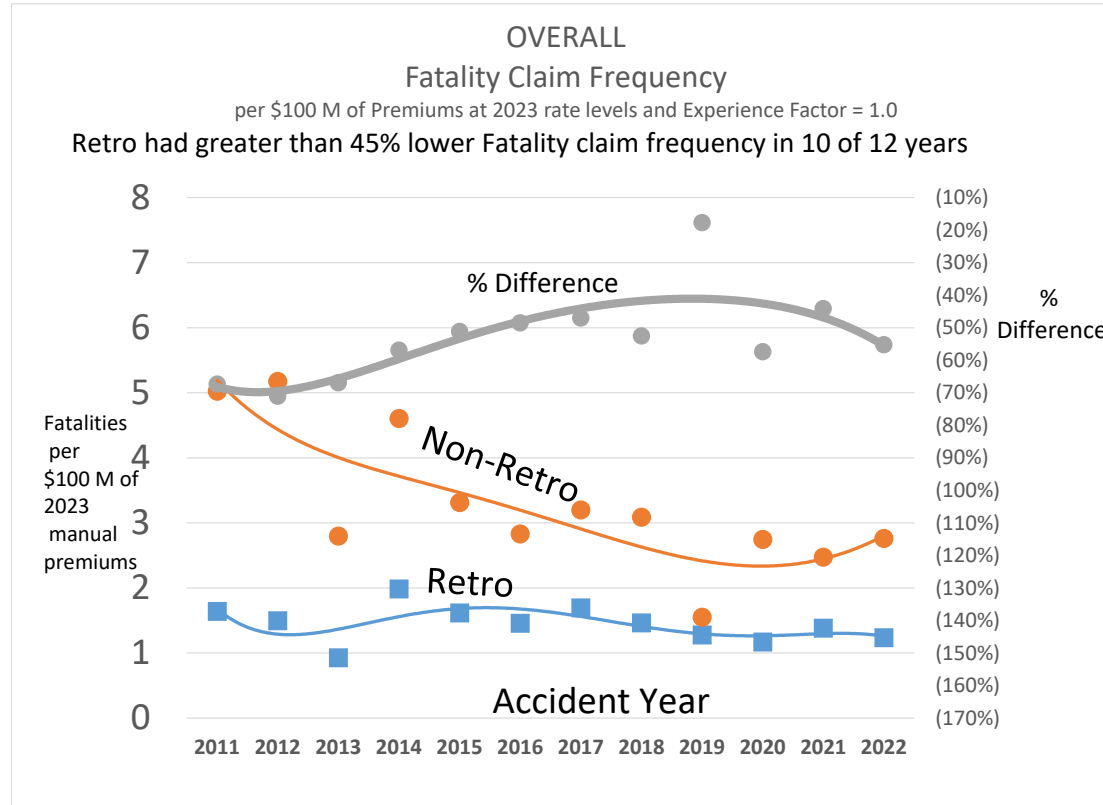
Agenda

- Safety and claim frequency trends
- Time-loss duration trends
- Stay at Work and KOS trends
- 12 month active time-loss trends
- TPD pension frequency trends
- Experience factor trends

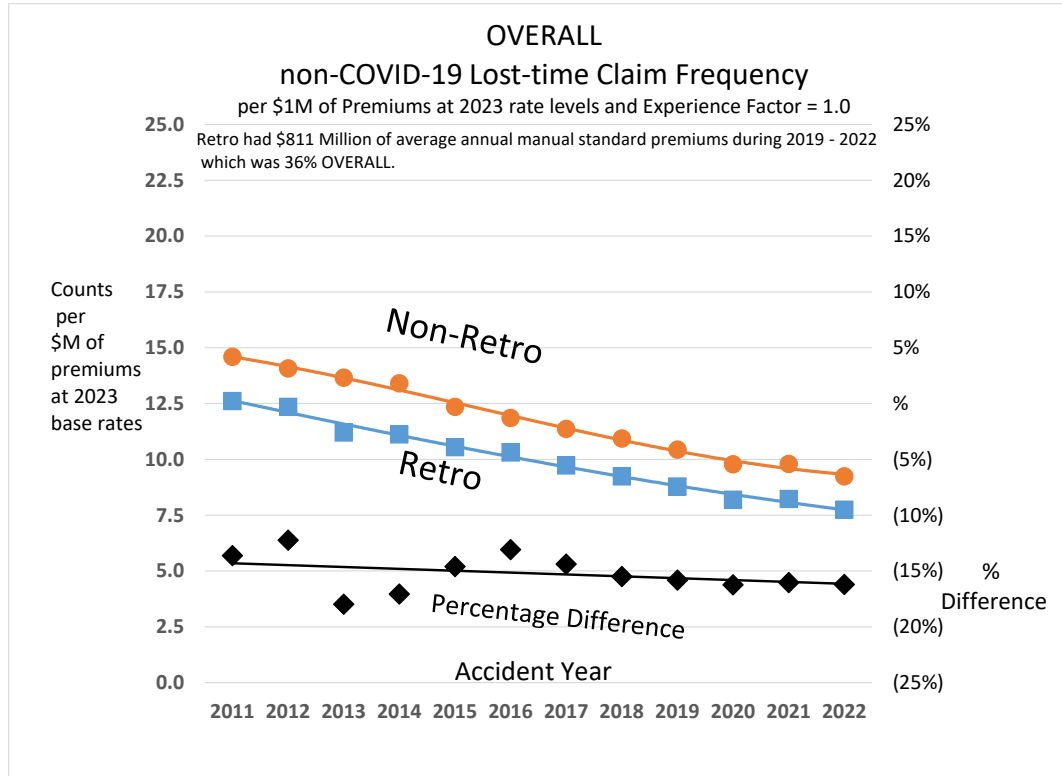
*Note: Non-retro categories excludes:

- Horse racing classes
- Preferred worker class 7204
- Claims to unassigned employers

Best overall safety trend during the coverage period:

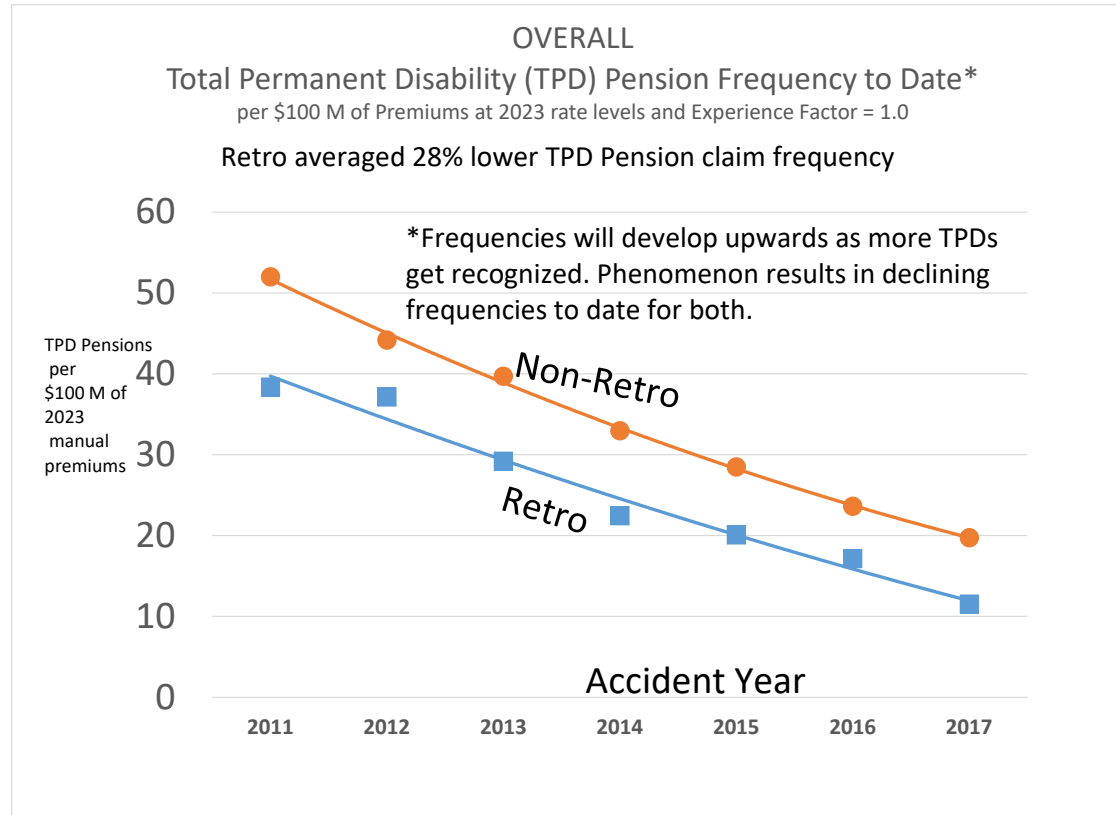


Next best safety trend:



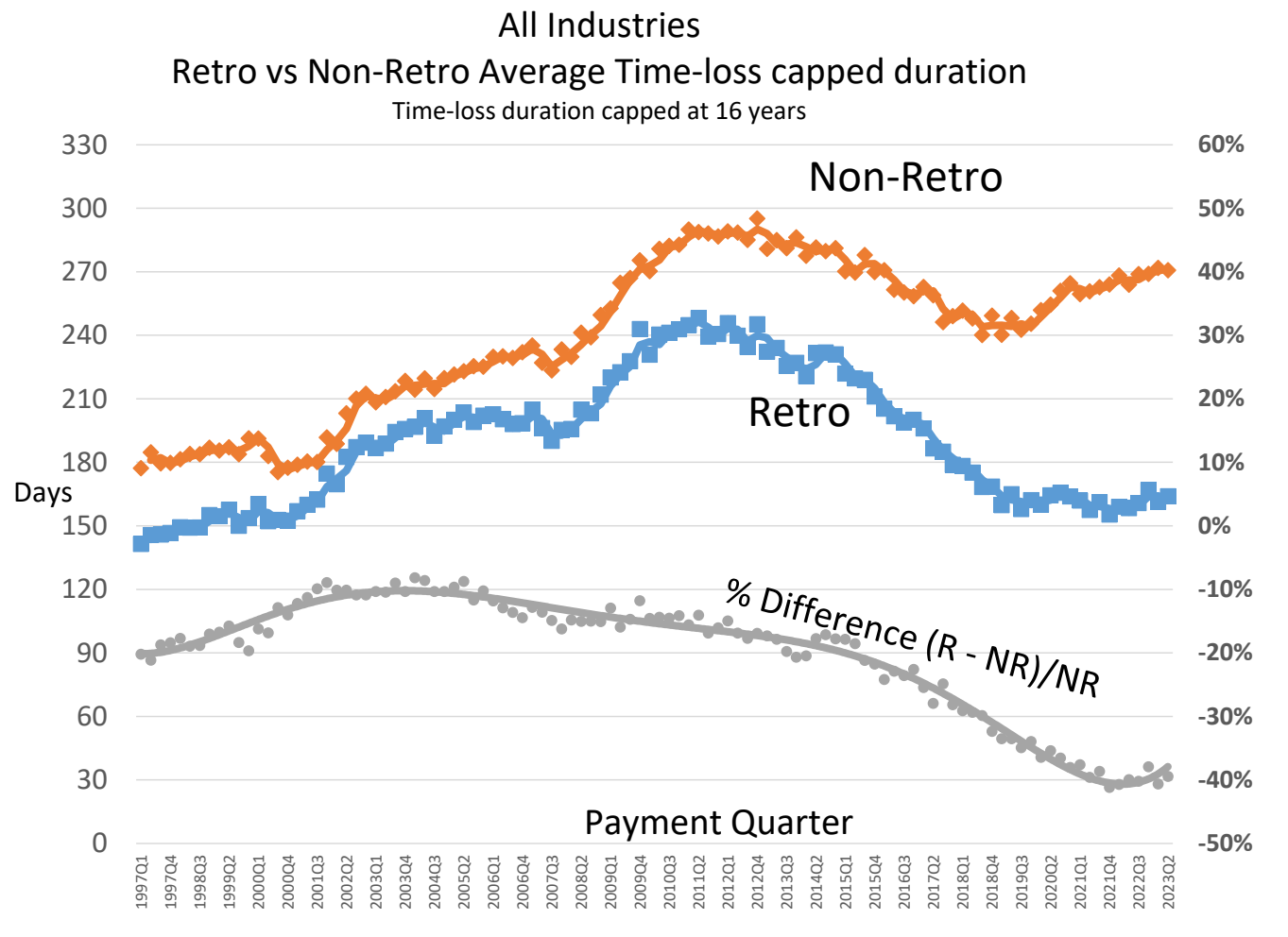
Note: Lost-time includes KOS claims.

Third best safety trend:

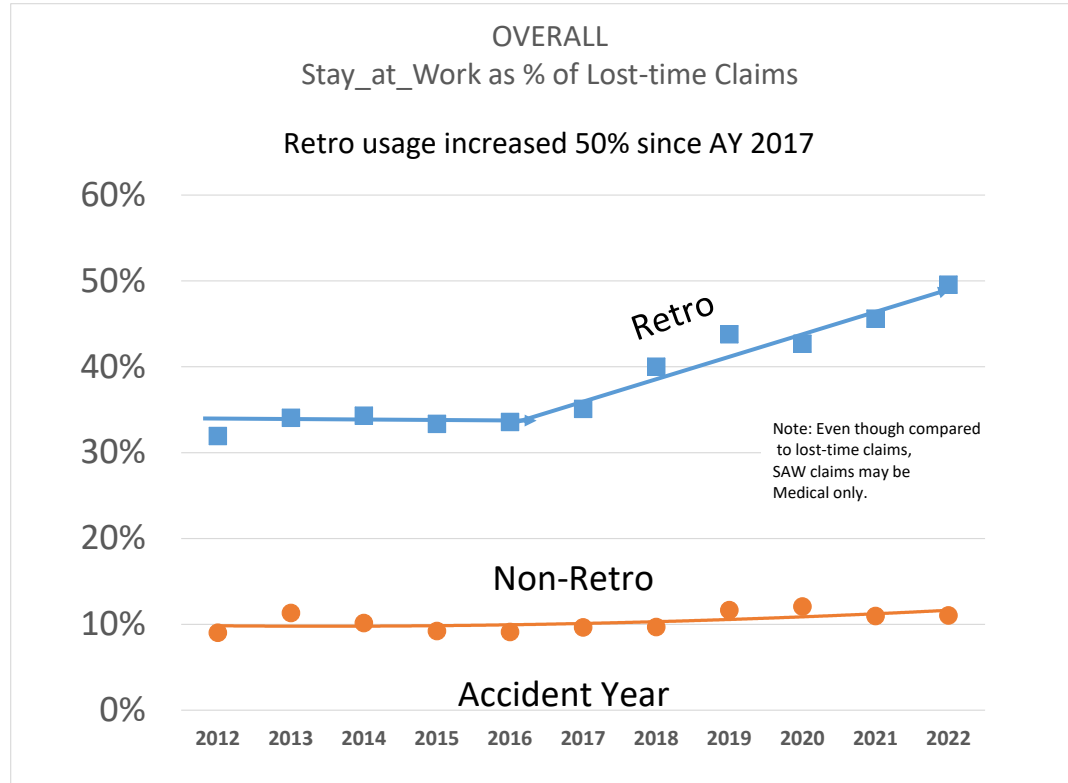


Non-COVID-19 Time-Loss Duration Trends

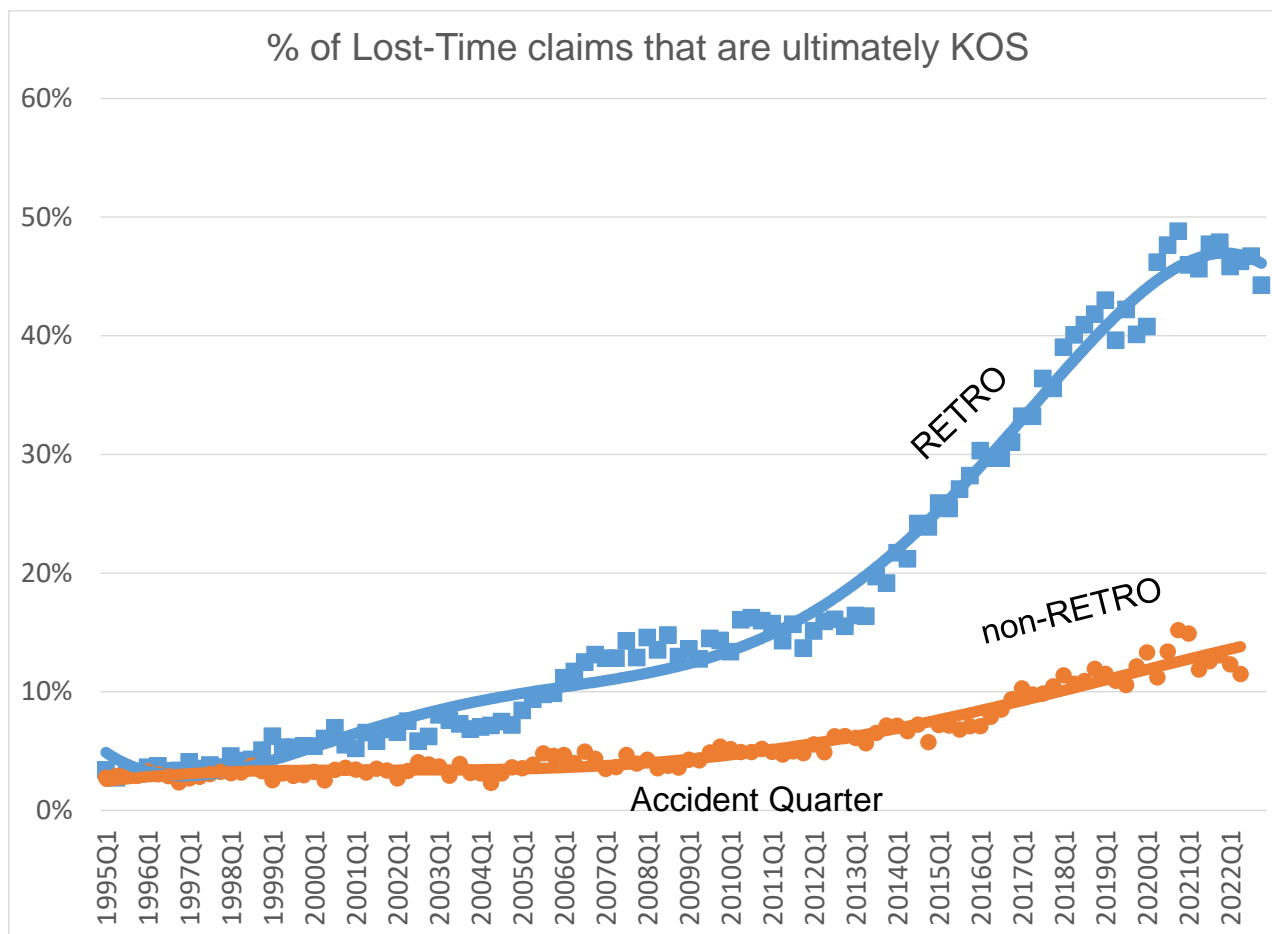
- Average days per lost-time claim by Payment Quarter.
- Partial days included for LEP claims.
- Ultimate KOS claims counted as lost-time.
- Trends are strongly influenced by:
 - Startup of Stay at Work program (2011 reform).
 - Increased usage of KOS.



Retro usage of SAW is 360% more than non-Retro:



Note that Retro firms receive SAW reimbursements on top of Retro refunds.

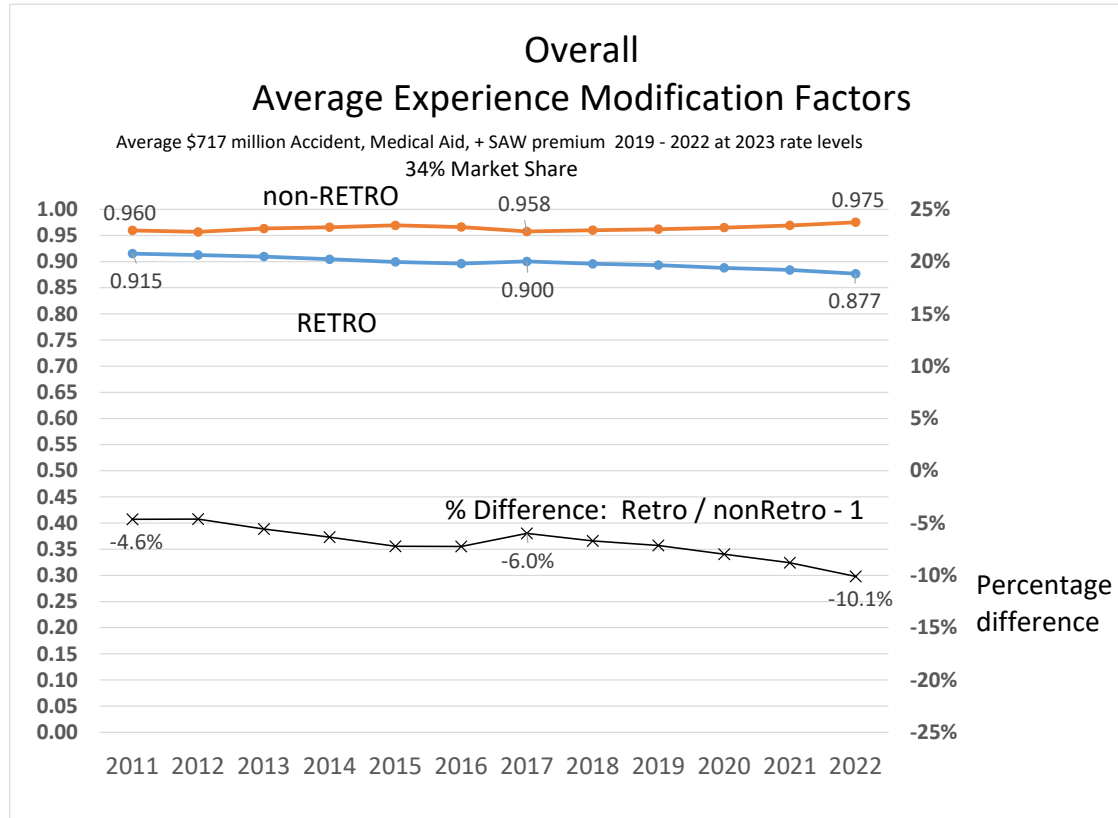


Kept on Salary usage is now up to the level of Stay at Work usage.

Lower experience factors for Retro firms during the coverage period:

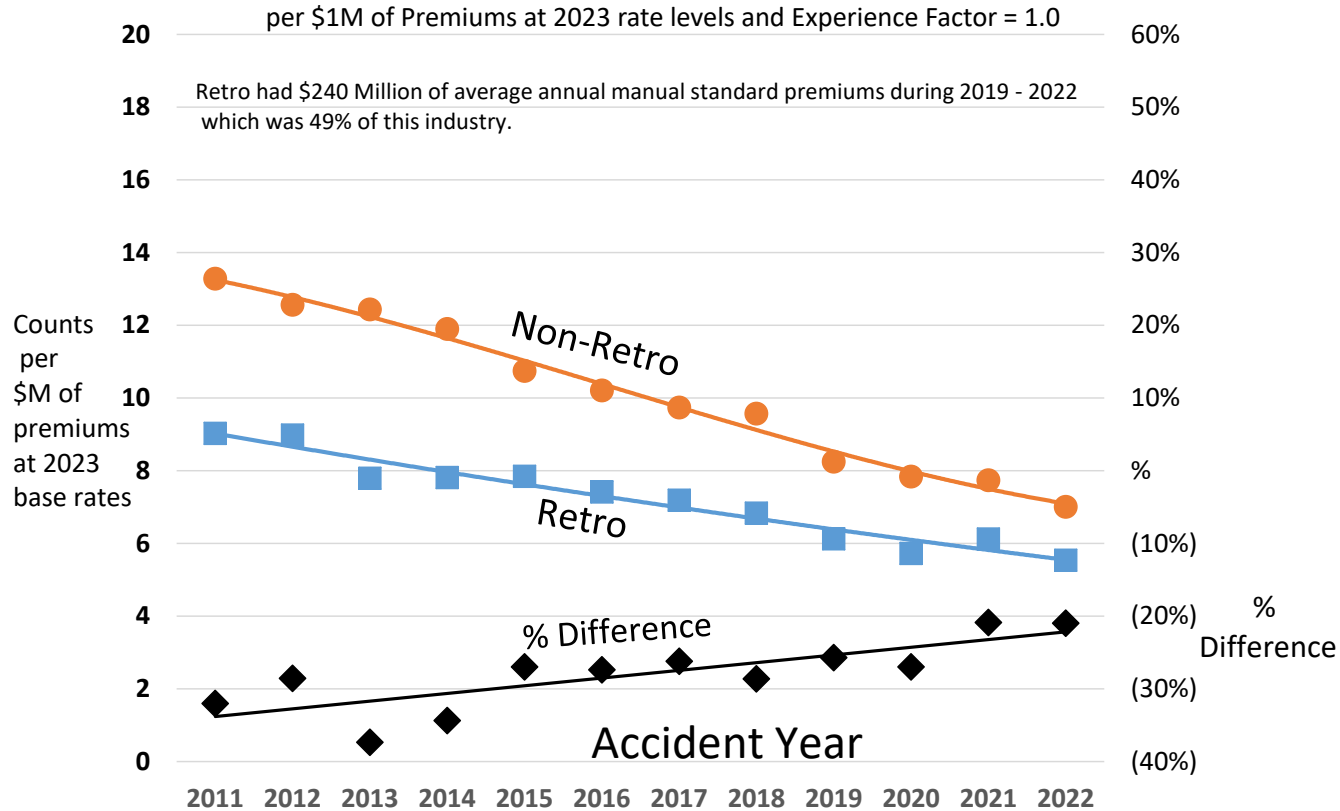
Result of prior 3 year good safety cultures and return to work efforts.

Retro workers and employers pay lower premiums up-front.



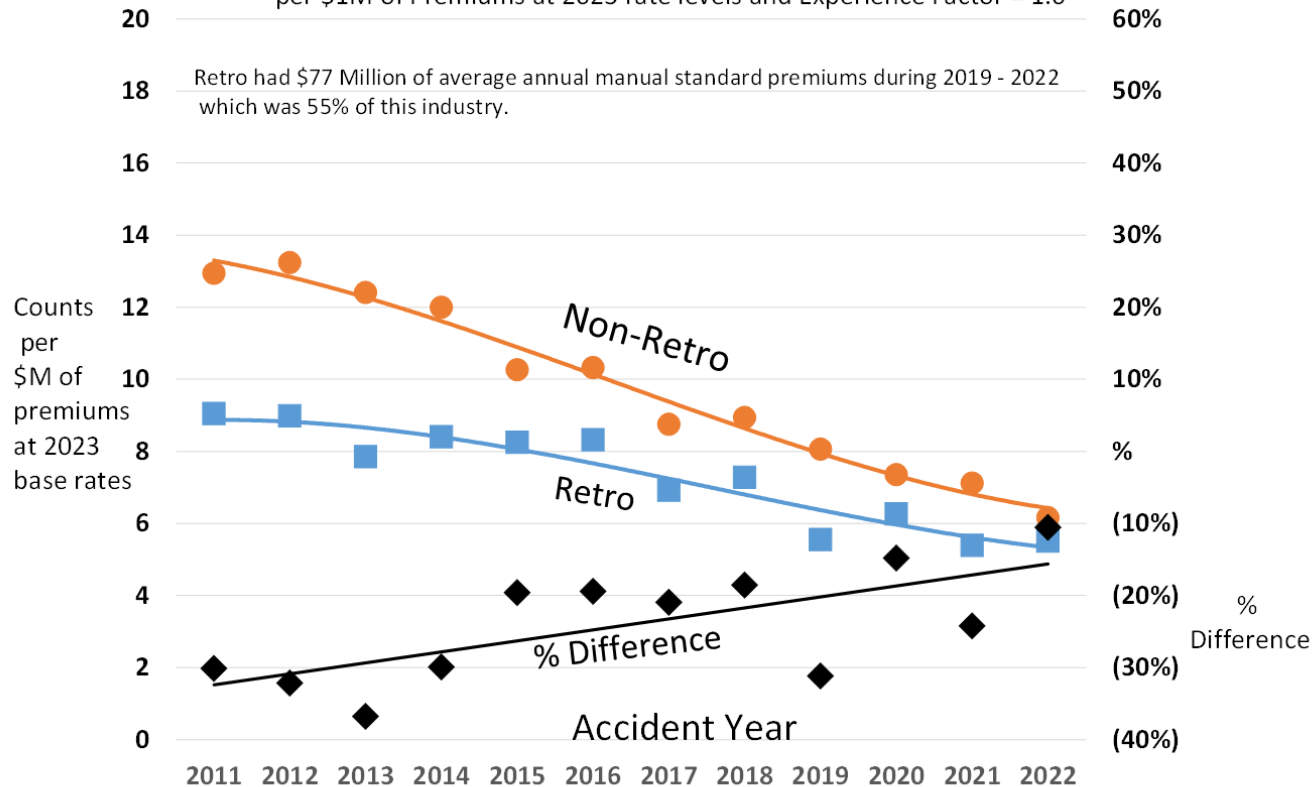
Retro Claim Trends by Industry as of 9/30/2023

Building Construction and Trades non-COVID-19 Lost-time Claim Frequency



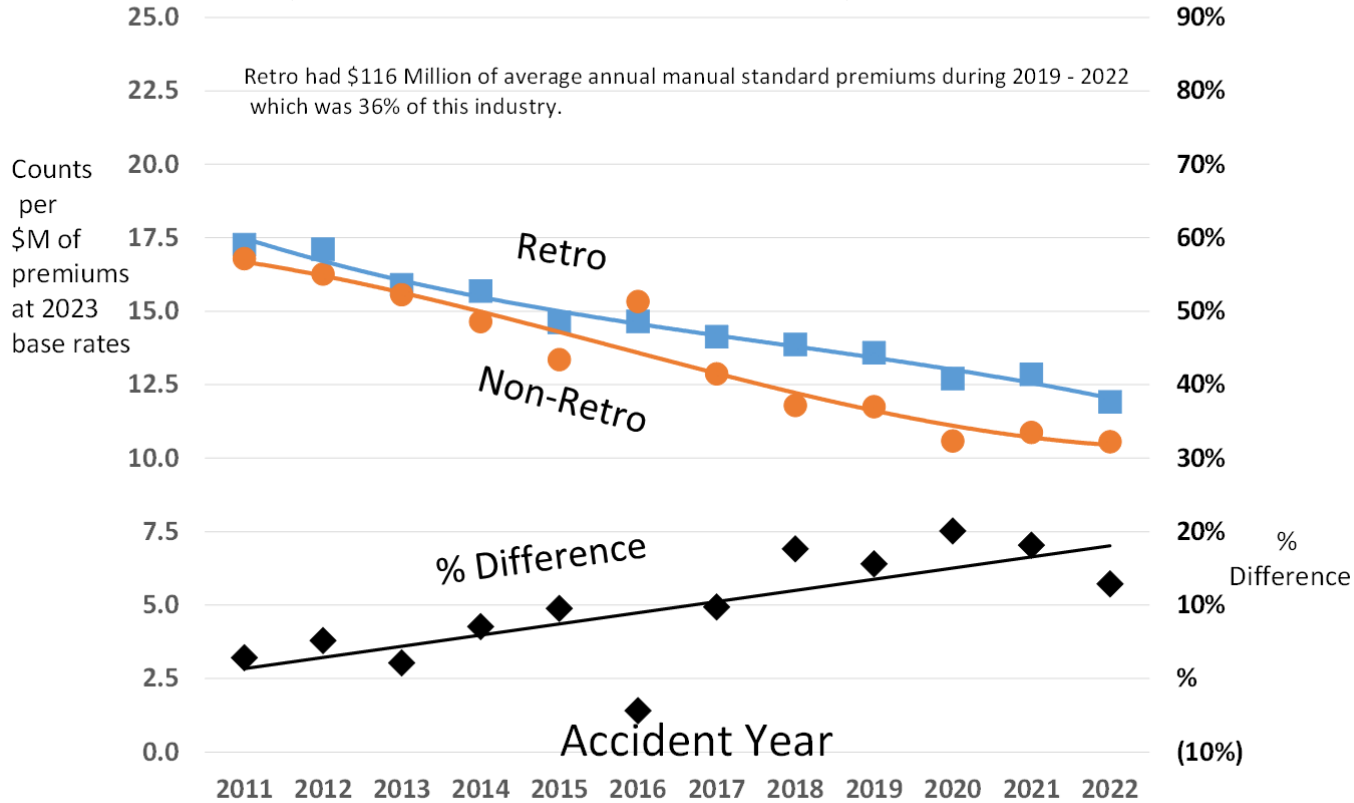
Misc. Construction and Mining non-COVID-19 Lost-time Claim Frequency

per \$1M of Premiums at 2023 rate levels and Experience Factor = 1.0



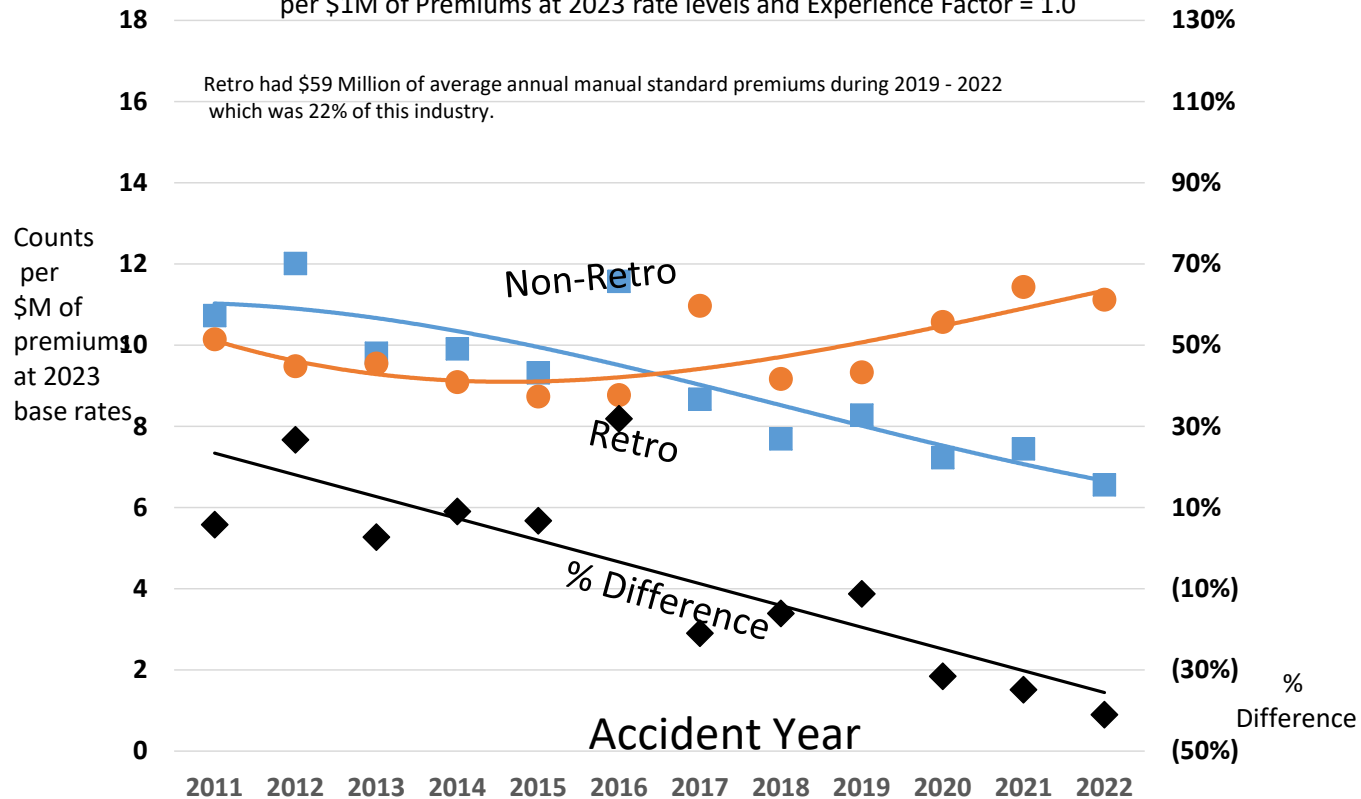
Miscellaneous Services non-COVID-19 Lost-time Claim Frequency

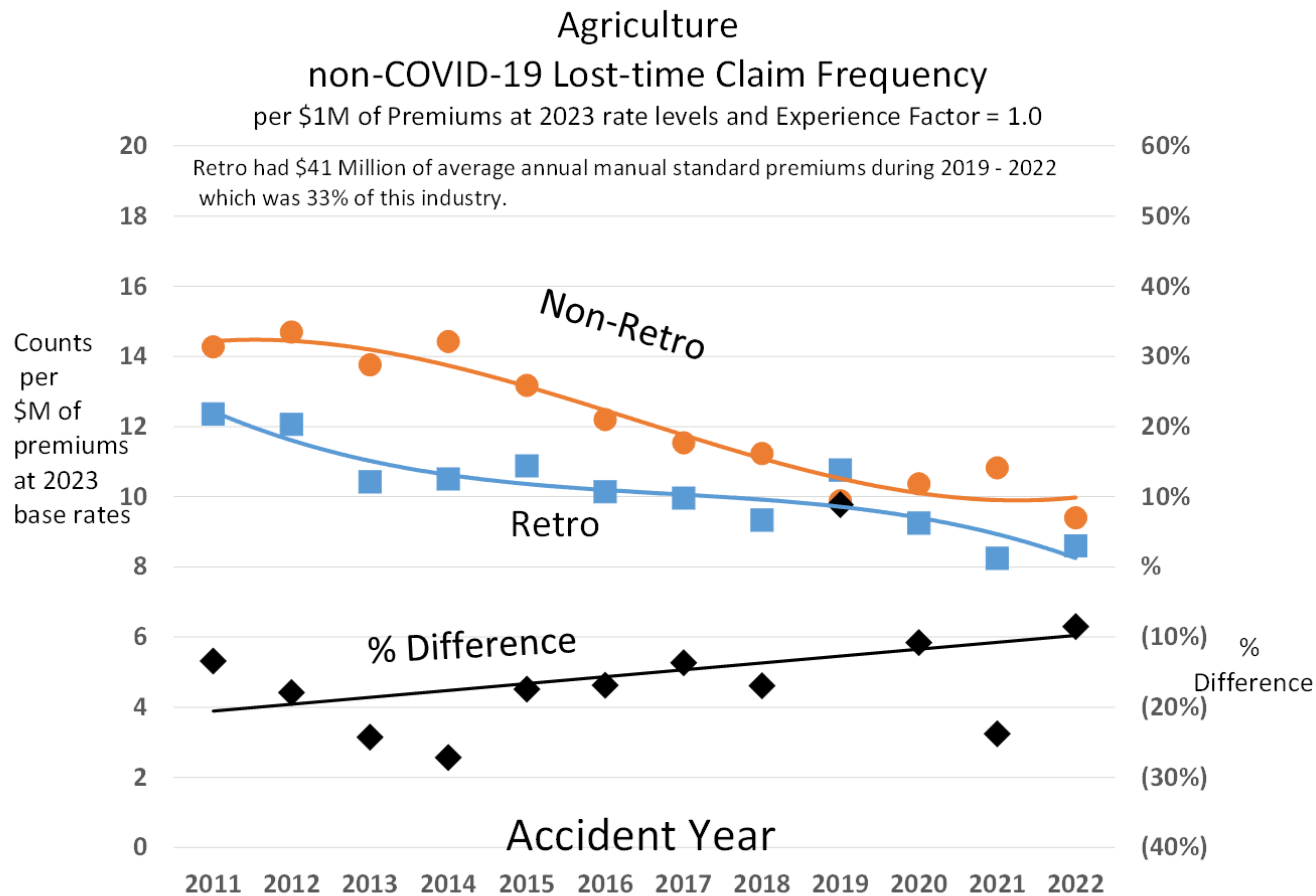
per \$1M of Premiums at 2023 rate levels and Experience Factor = 1.0



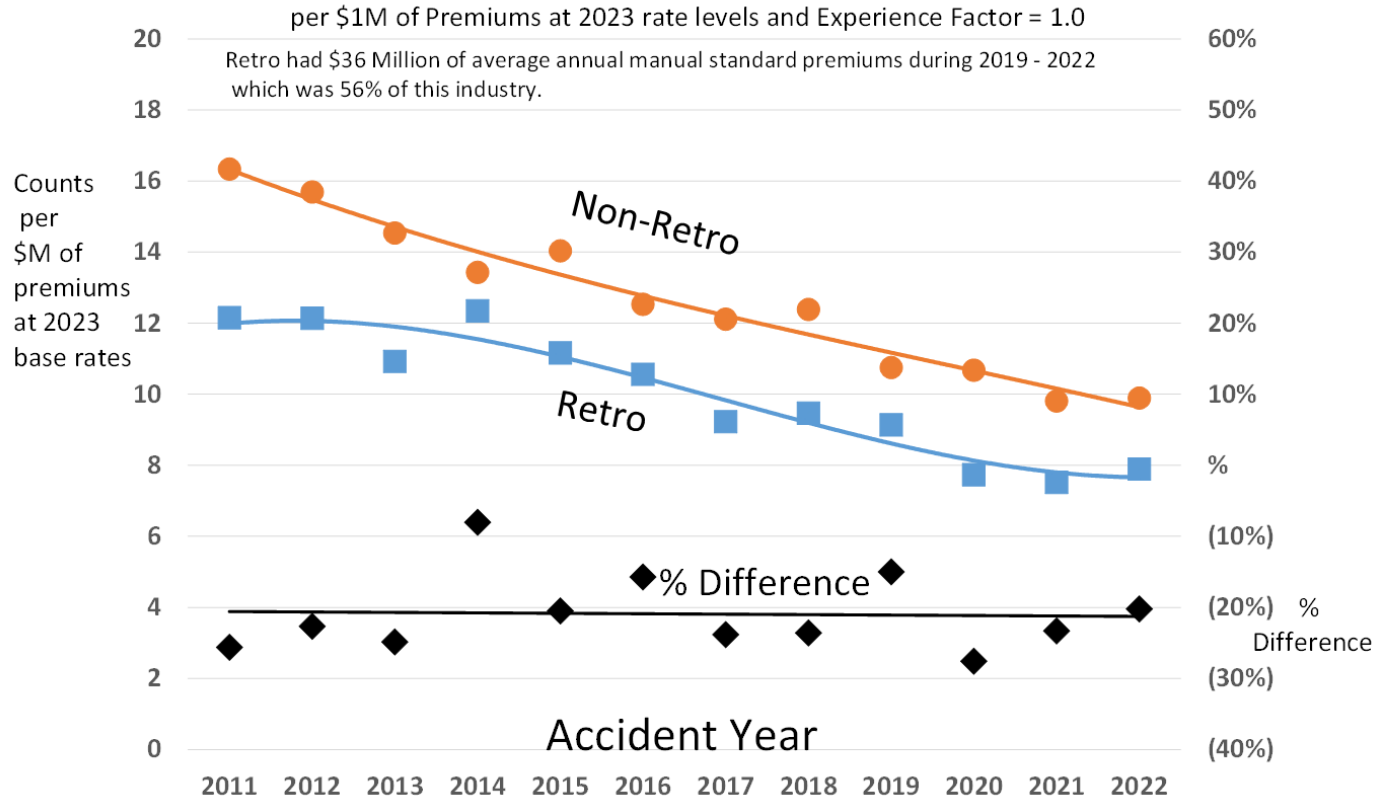
Transportation and Warehousing non-COVID-19 Lost-time Claim Frequency

per \$1M of Premiums at 2023 rate levels and Experience Factor = 1.0

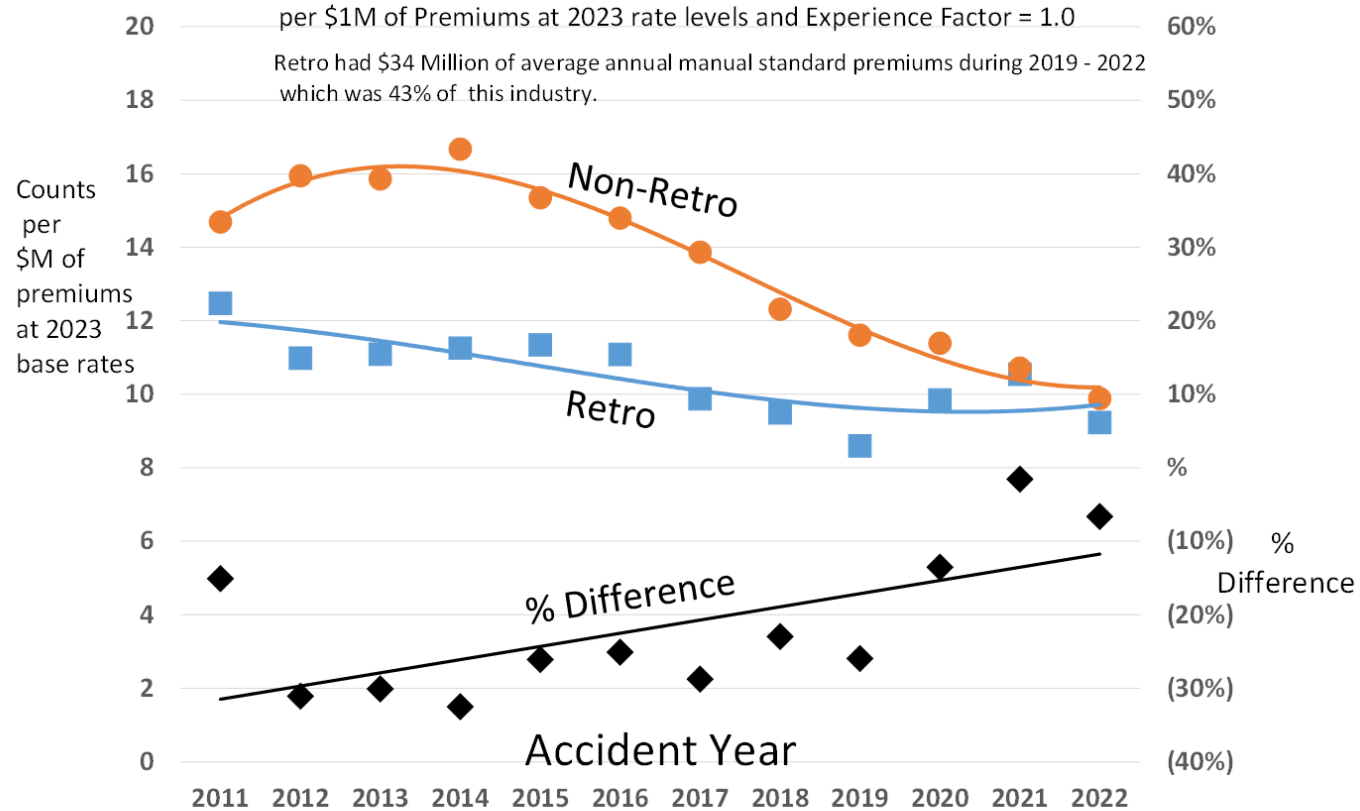




Metal and Machinery Manufacturing non-COVID-19 Lost-time Claim Frequency



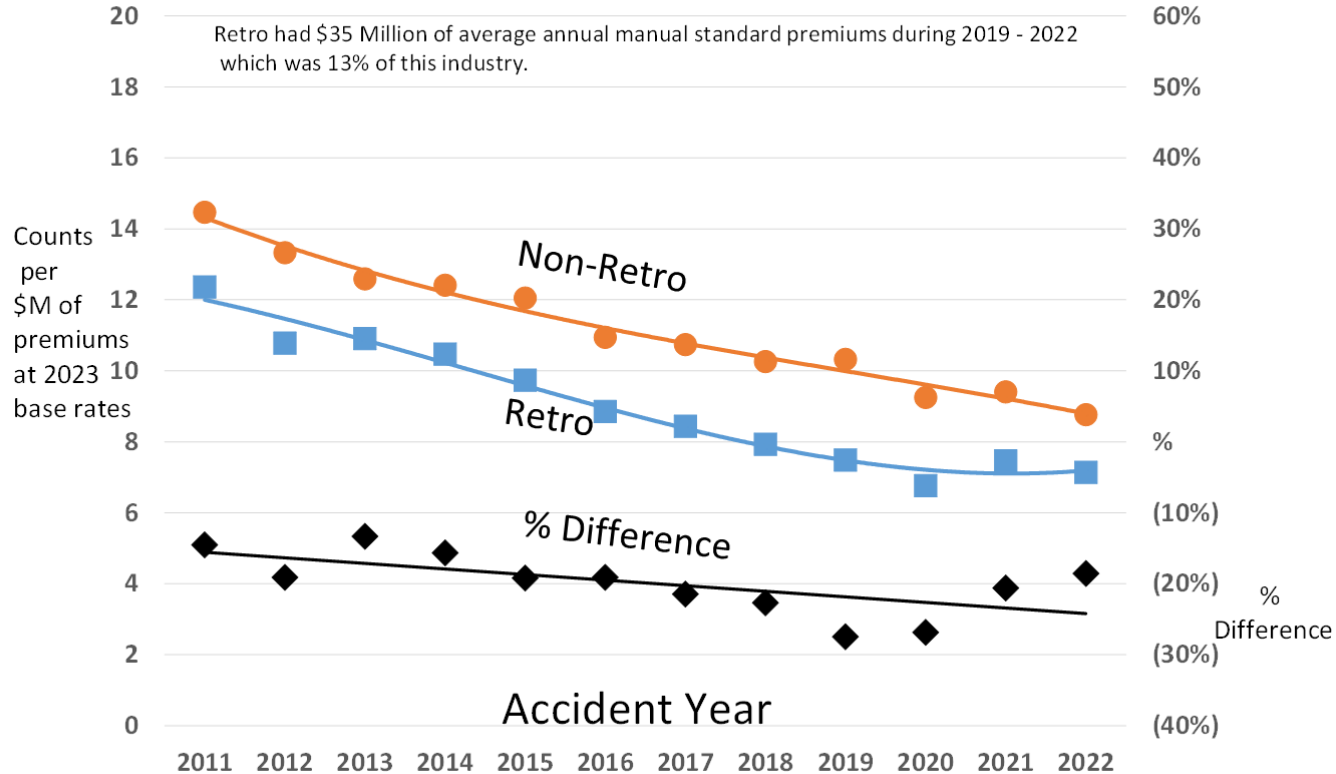
Food Processing and Manufacturing non-COVID-19 Lost-time Claim Frequency

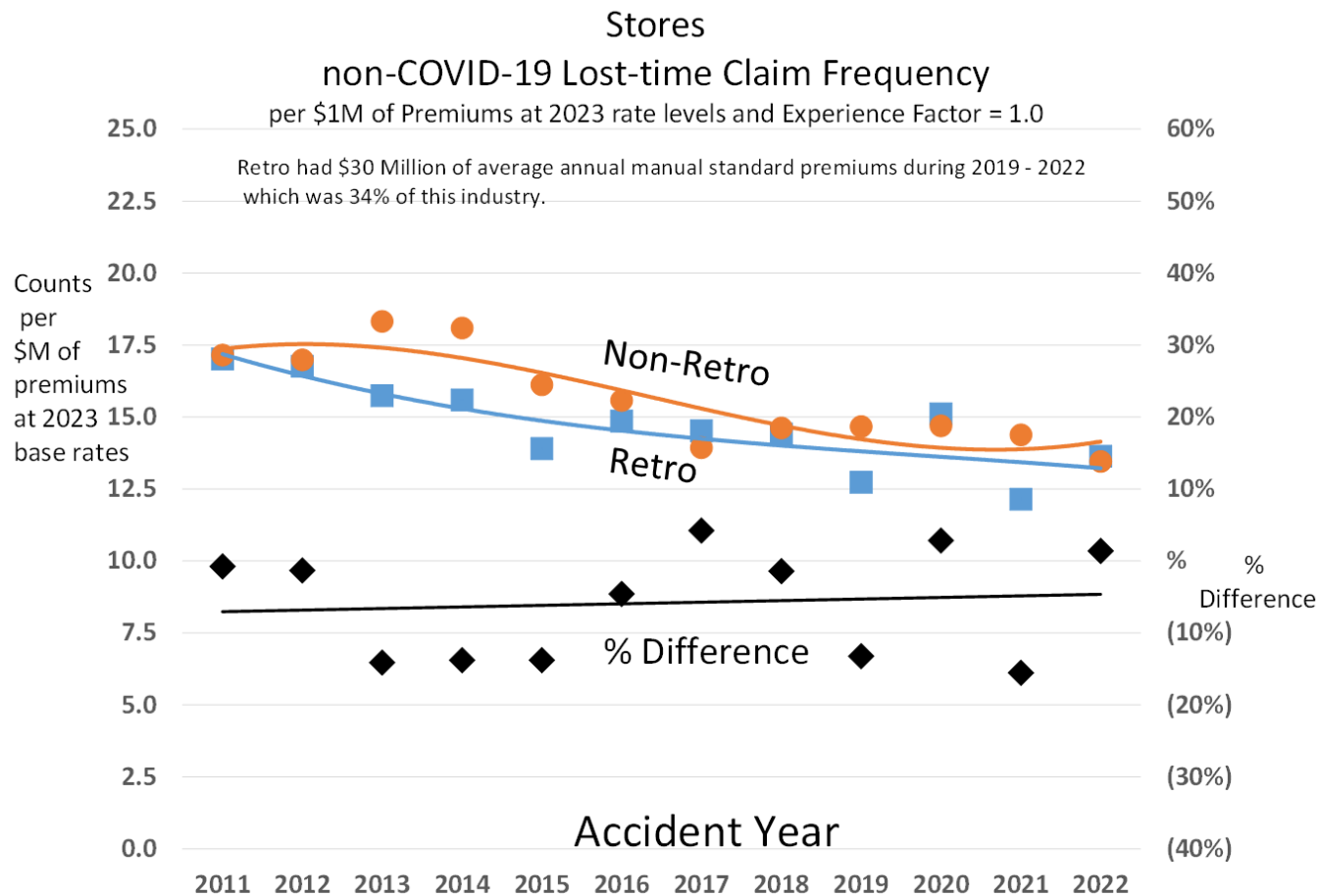


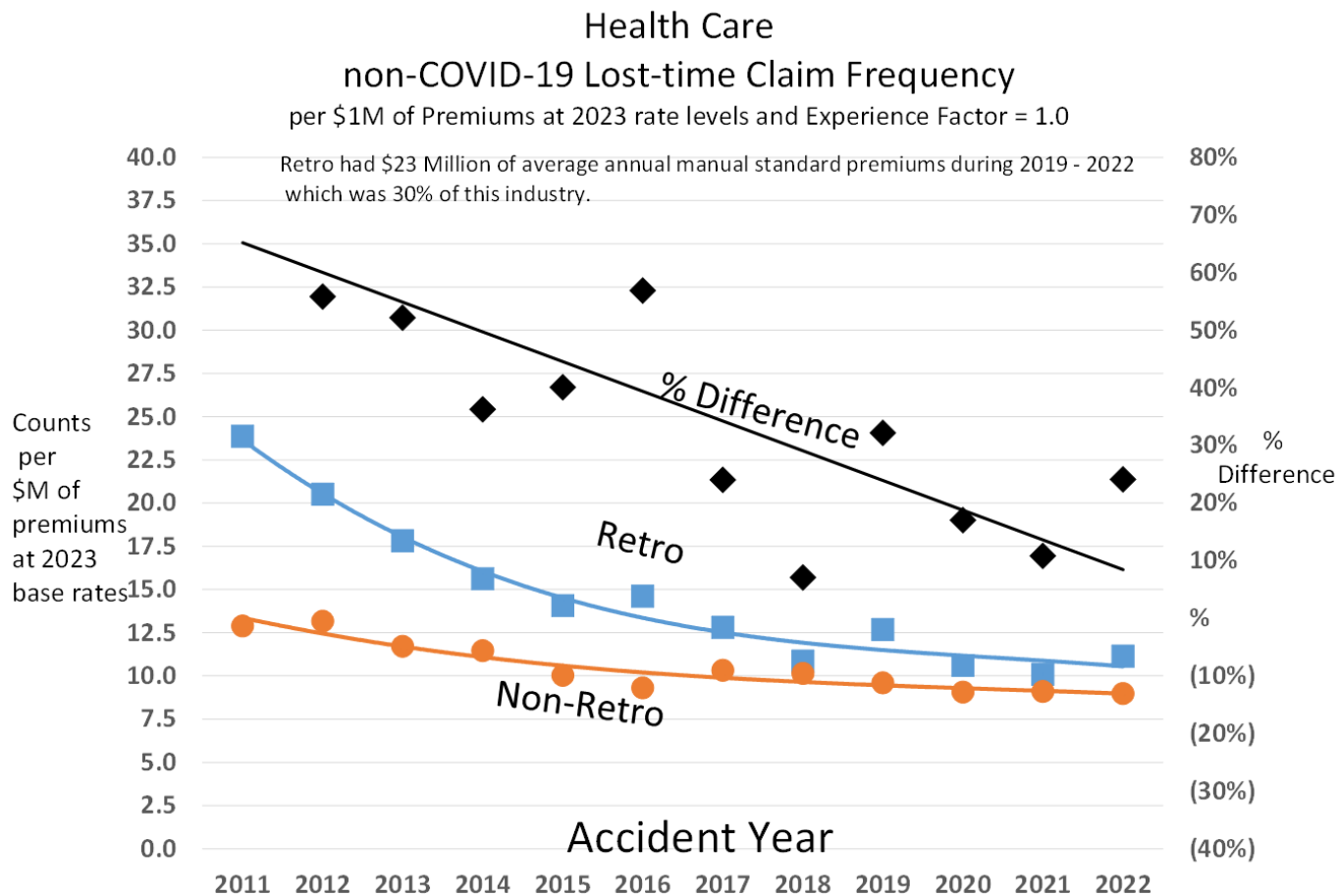
State and Local Government + Schools non-COVID-19 Lost-time Claim Frequency

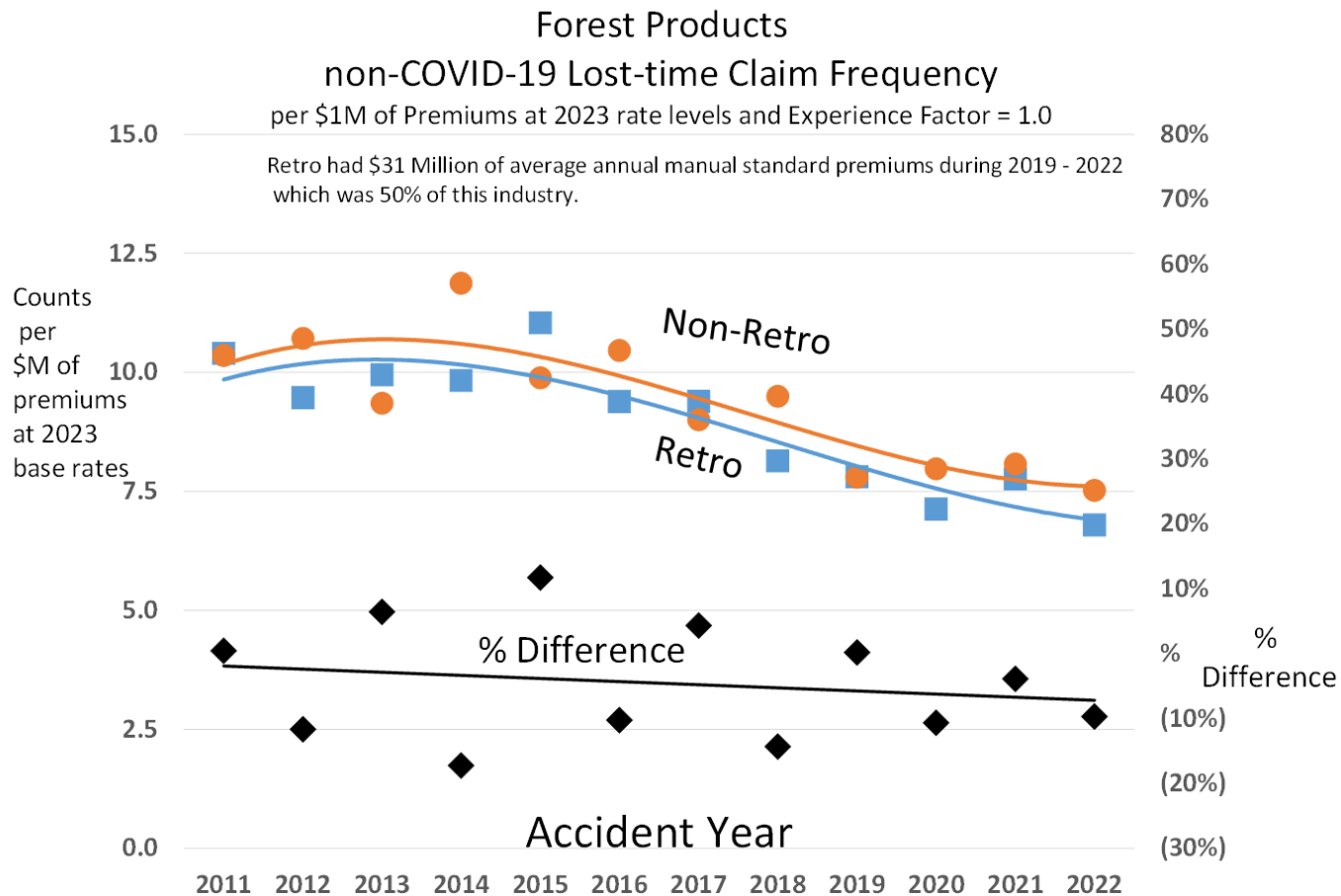
per \$1M of Premiums at 2023 rate levels and Experience Factor = 1.0

Retro had \$35 Million of average annual manual standard premiums during 2019 - 2022 which was 13% of this industry.









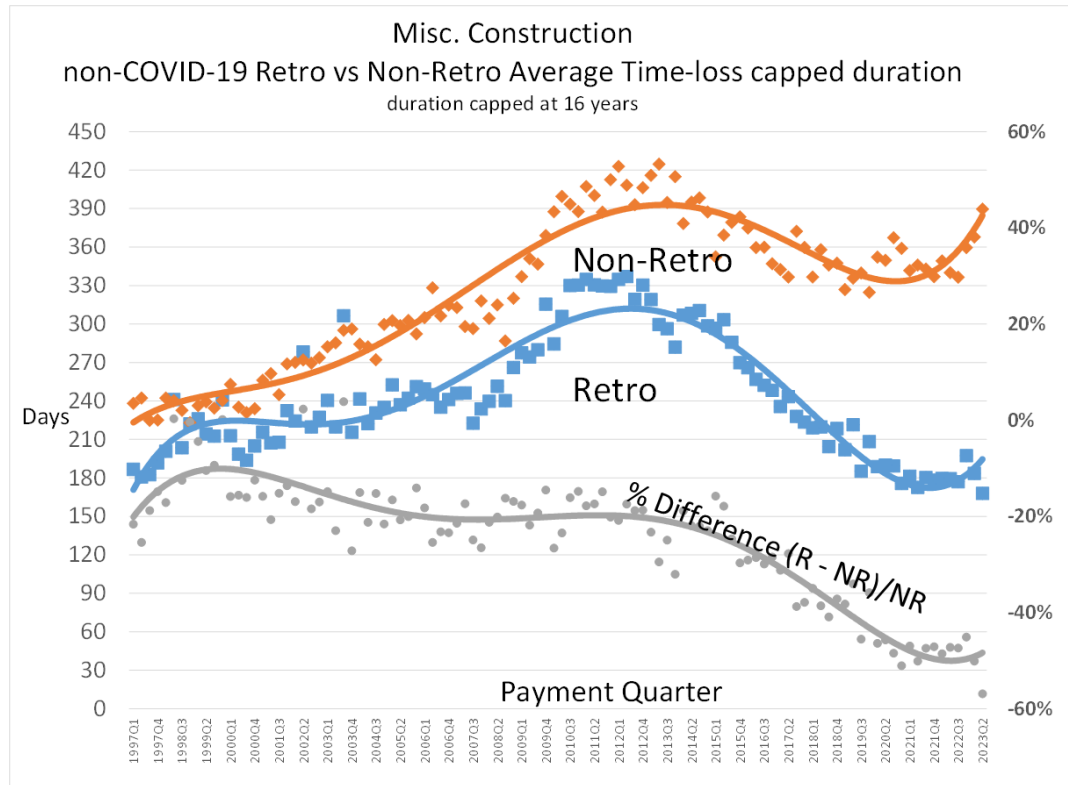
Compensable Claim Frequency % Difference: Retro/NonRetro -1

		2019-2022				Includes KOS claims															
		Average																			
		Retro																			
		Manual Premiums	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Last Four years	Middle Four years	Recent Four years				
ALL CLASSIFICATIONS	811 M	(14%)	(12%)	(18%)	(17%)	(15%)	(13%)	(14%)	(15%)	(16%)	(16%)	(16%)	(16%)	42.3%	41.4%	35.6%					
BUILDING CONSTRUCTION AND TRADES	240.2 M	(32%)	(29%)	(37%)	(34%)	(27%)	(27%)	(26%)	(29%)	(26%)	(27%)	(21%)	(21%)	49.6%	50.5%	48.9%					
MISCELLANEOUS SERVICES	115.6 M	3%	5%	2%	7%	10%	(4%)	10%	18%	16%	20%	18%	13%	40.8%	40.9%	35.7%					
GOVERNMENT AND SCHOOLS	35.4 M	(15%)	(19%)	(13%)	(16%)	(19%)	(19%)	(21%)	(23%)	(27%)	(27%)	(21%)	(19%)	17.4%	15.3%	13.0%					
TRANSPORTATION AND WAREHOUSING	59.3 M	6%	27%	3%	9%	7%	32%	(21%)	(16%)	(11%)	(32%)	(35%)	(41%)	37.8%	33.2%	21.8%					
MISCELLANEOUS CONSTRUCTION AND MINING	76.9 M	(30%)	(32%)	(37%)	(30%)	(20%)	(19%)	(21%)	(19%)	(31%)	(15%)	(24%)	(11%)	56.3%	56.9%	54.9%					
MISC. PROFESSIONAL AND CLERICAL	15.9 M	(7%)	(24%)	(6%)	(19%)	(23%)	(25%)	(%)	(12%)	(21%)	(14%)	1%	(16%)	23.4%	21.7%	16.8%					
AGRICULTURE	40.8 M	(13%)	(18%)	(24%)	(27%)	(17%)	(17%)	(14%)	(17%)	9%	(11%)	(24%)	(9%)	59.1%	54.9%	32.8%					
STORES	30.0 M	(1%)	(1%)	(14%)	(14%)	(14%)	(5%)	4%	(1%)	(13%)	3%	(16%)	1%	40.3%	37.9%	34.1%					
HEALTH CARE	22.6 M	85%	56%	52%	36%	40%	57%	24%	7%	32%	17%	11%	24%	32.3%	33.0%	29.9%					
METAL AND MACHINERY MANUFACTURING	36.1 M	(26%)	(23%)	(25%)	(8%)	(20%)	(16%)	(24%)	(24%)	(15%)	(28%)	(23%)	(20%)	60.9%	56.9%	56.1%					
FOREST PRODUCTS	30.8 M	%	(12%)	6%	(17%)	12%	(10%)	4%	(14%)	%	(11%)	(4%)	(10%)	47.8%	52.3%	50.1%					
DEALERS AND WHOLESALERS	30.2 M	(12%)	(5%)	(6%)	(9%)	(8%)	(8%)	(6%)	(25%)	(13%)	(20%)	1%	10%	46.0%	43.0%	37.8%					
FOOD PROCESSING AND MANUFACTURING	34.4 M	(15%)	(31%)	(30%)	(32%)	(26%)	(25%)	(29%)	(23%)	(26%)	(14%)	(2%)	(7%)	68.5%	60.0%	43.1%					
MISCELLANEOUS MANUFACTURING	26.3 M	(26%)	(6%)	(22%)	(24%)	(11%)	(14%)	(18%)	(24%)	(10%)	(29%)	(5%)	(33%)	61.5%	57.3%	51.2%					
TEMPORARY HELP	12.4 M	(18%)	(7%)	(12%)	(19%)	(11%)	(10%)	(18%)	(6%)	(43%)	(15%)	(15%)	(10%)	36.9%	31.9%	28.9%					
UTILITIES AND COMMUNICATIONS	3.8 M	20%	6%	10%	27%	(4%)	(5%)	(13%)	(22%)	(25%)	(11%)	(21%)	(12%)	26.9%	31.2%	29.4%					

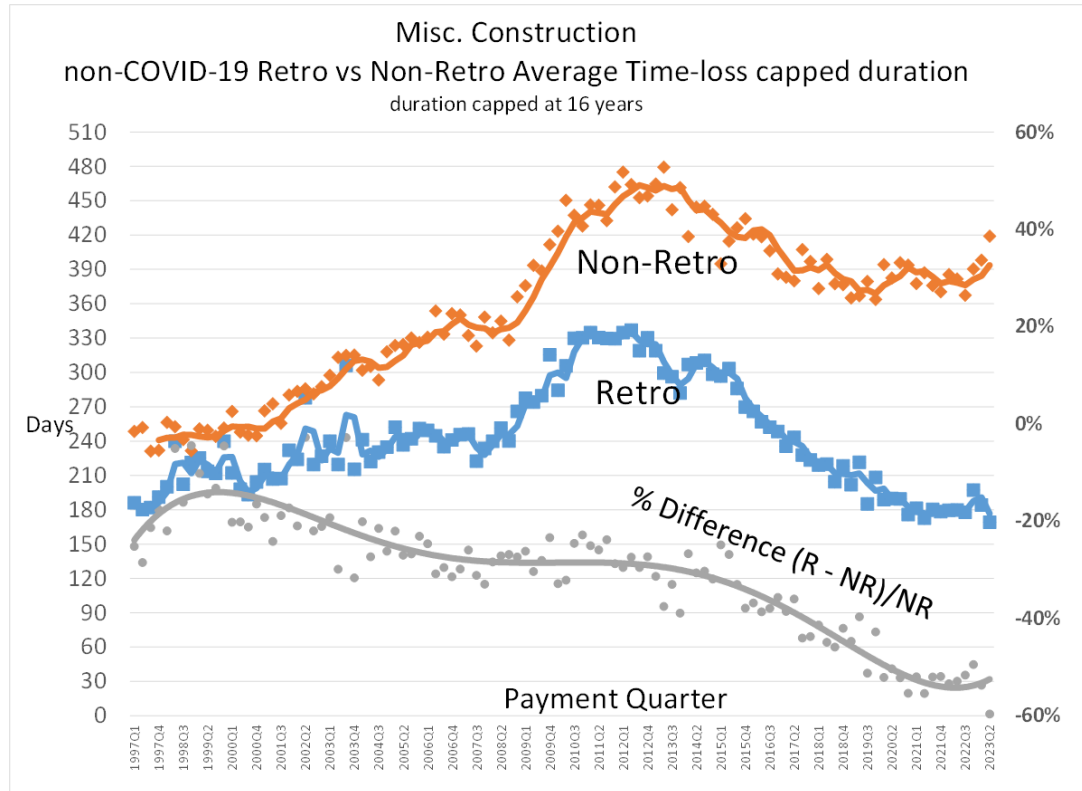
Retro Non-COVID-19 Time-loss Duration Trends by Industry

Building Construction & Trades:

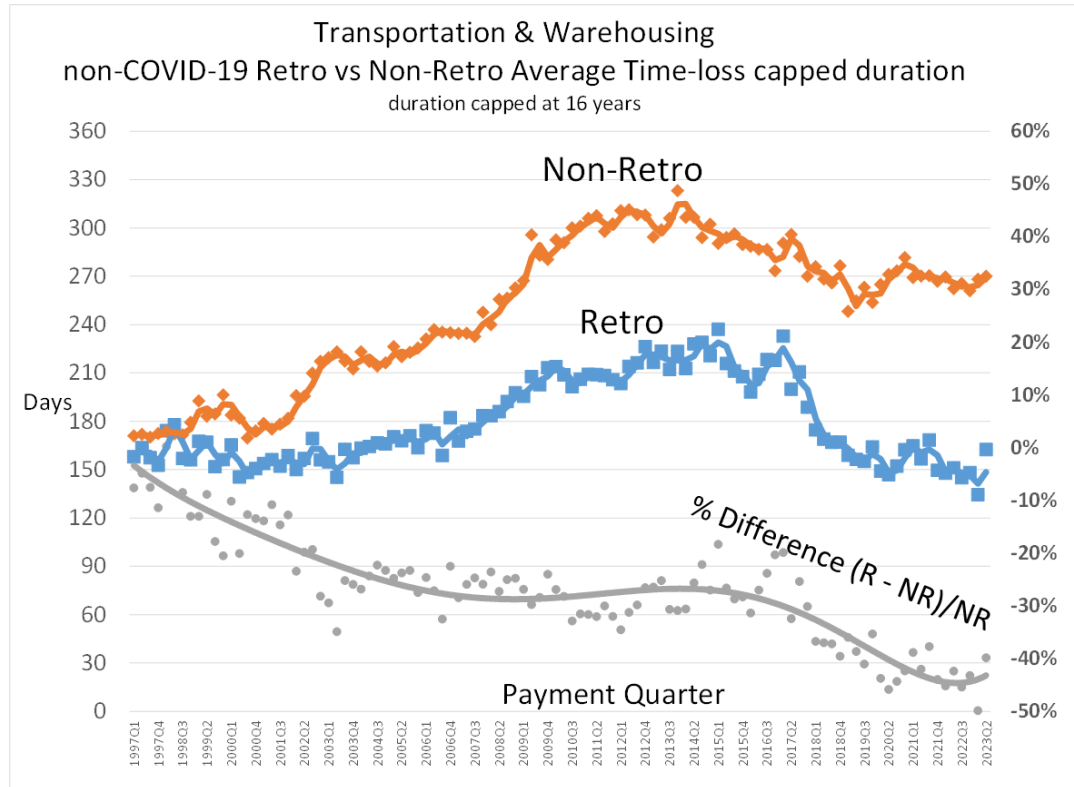
Retro has recently averaged 51% lower time-loss duration



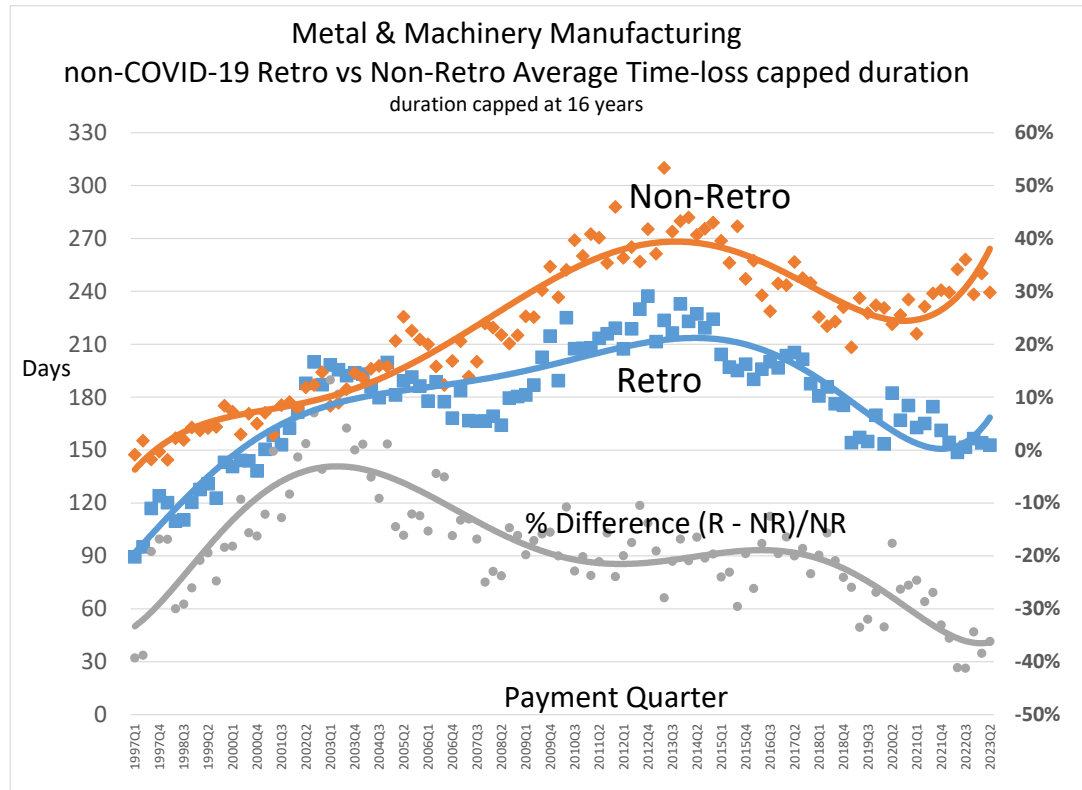
Miscellaneous Construction: Retro has recently averaged 50% lower time-loss capped duration



Transportation & Warehousing: Retro has recently averaged 45% lower time-loss duration

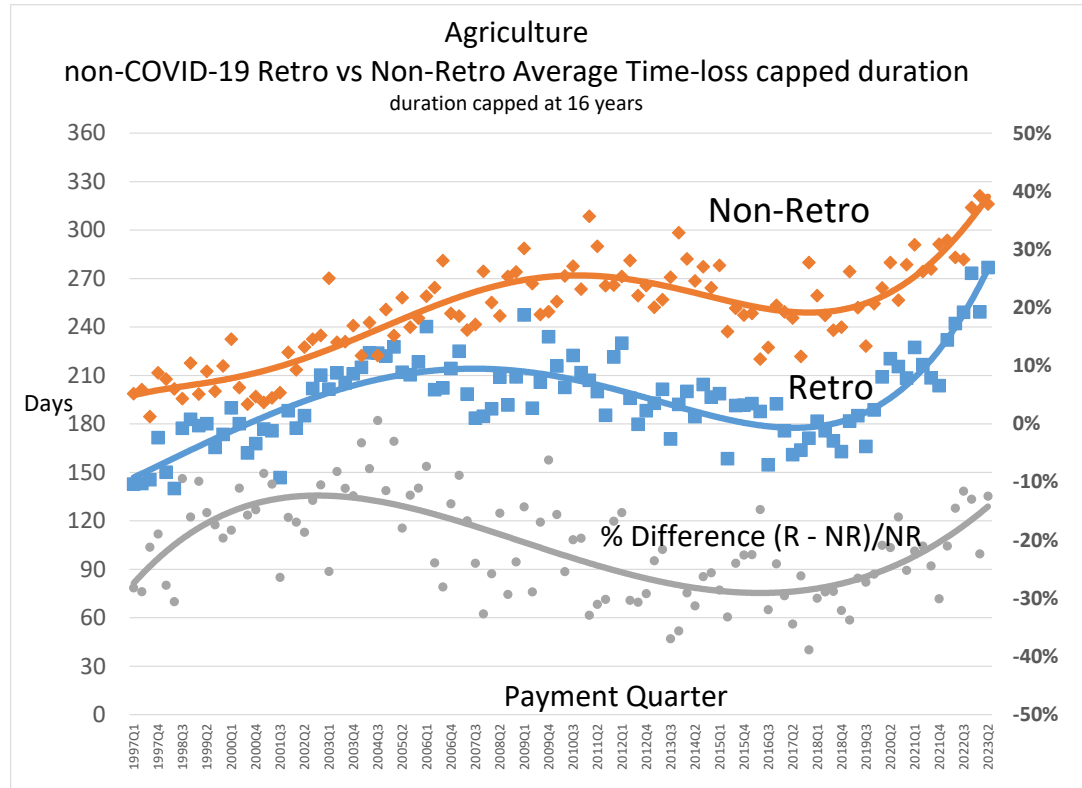


Metal & Machinery Manufacturing: Retro has recently averaged 38% lower time-loss duration

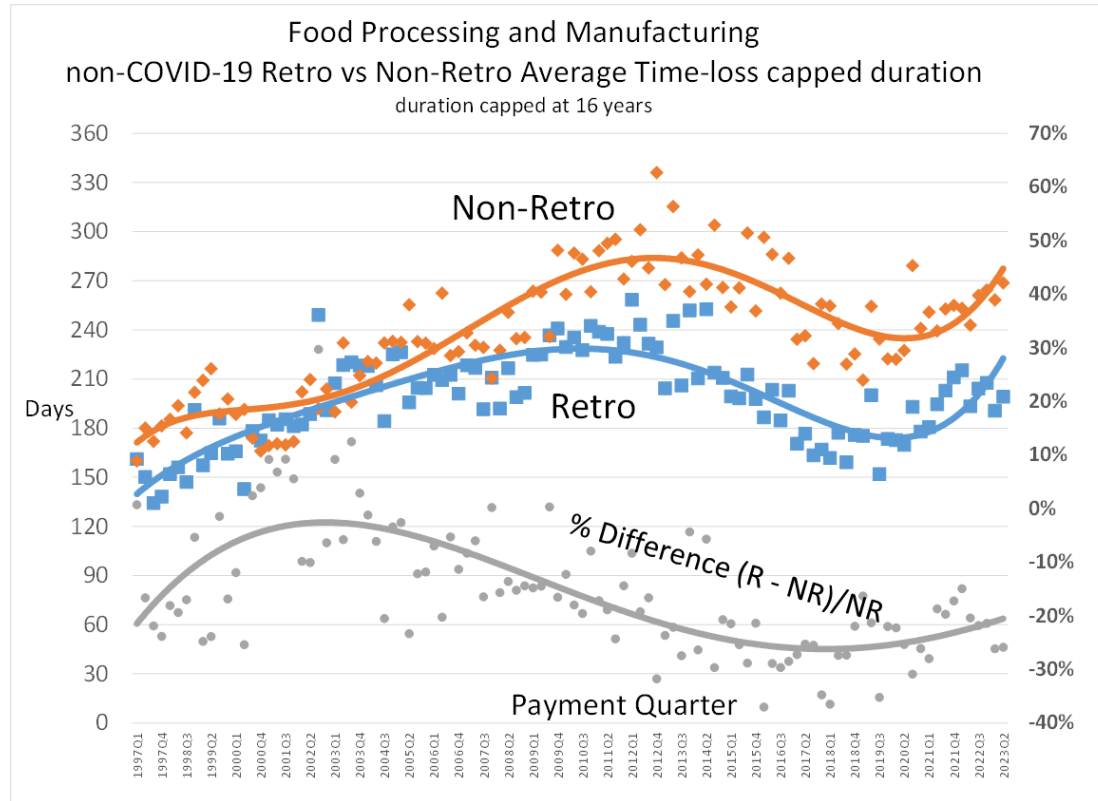


Agriculture:

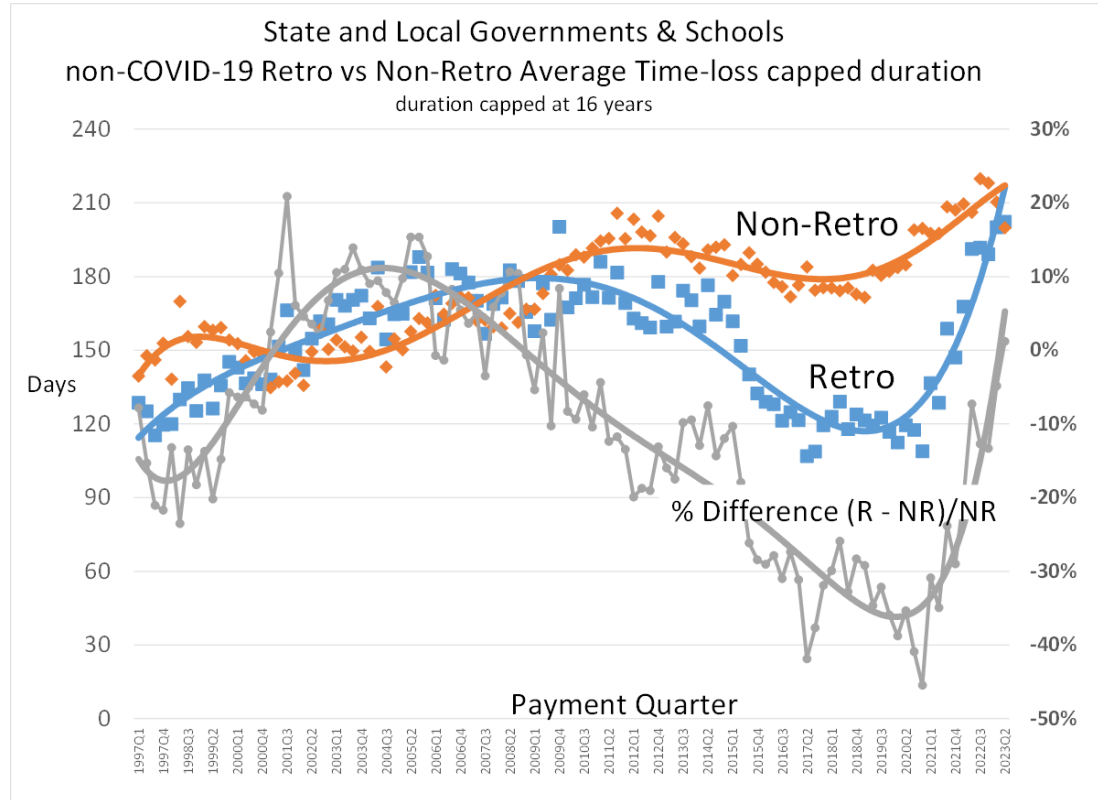
Time-loss duration has been dramatically increasing for 5 years



Food Processing and Manufacturing: Time-loss duration has increased recently

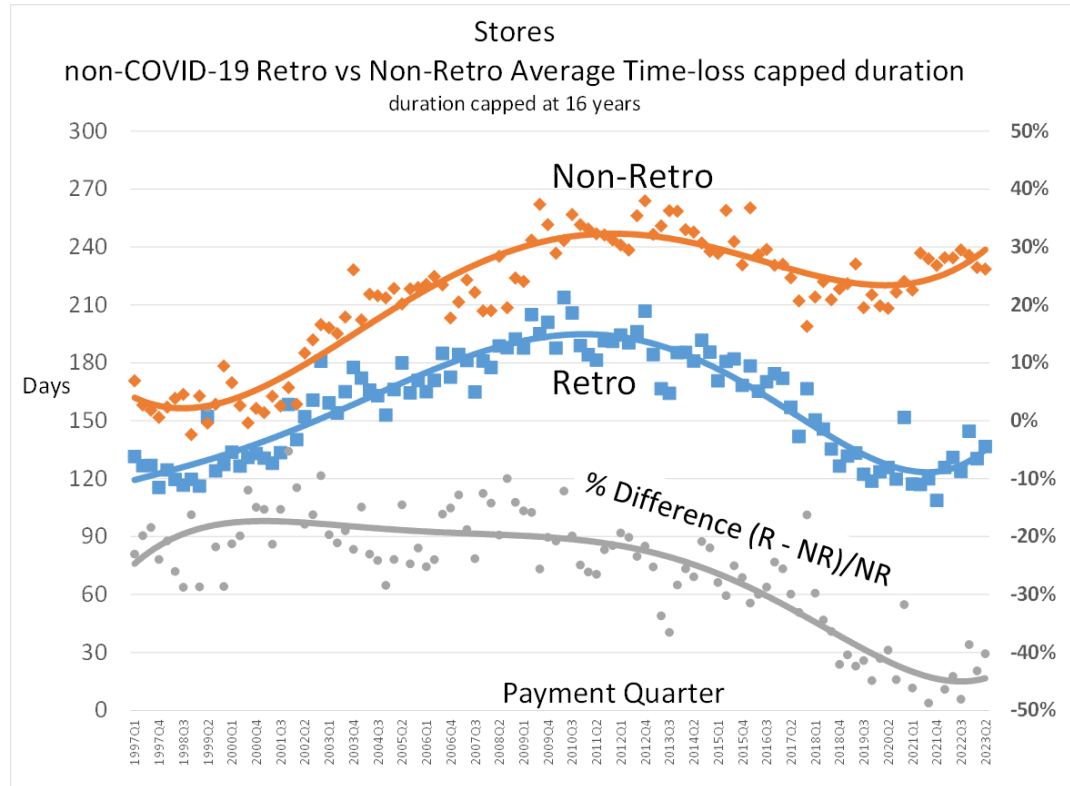


State and Local Government & Schools: Time-loss duration has increased during the pandemic

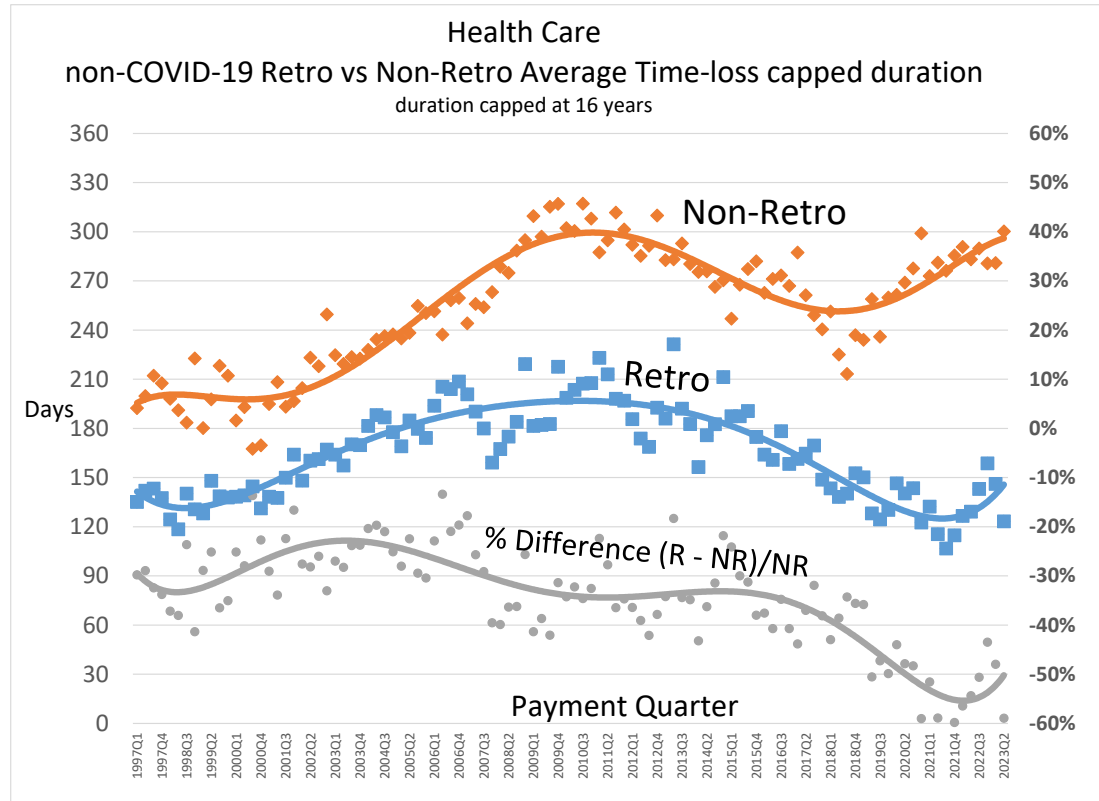


Stores: Time-loss duration has recently increased

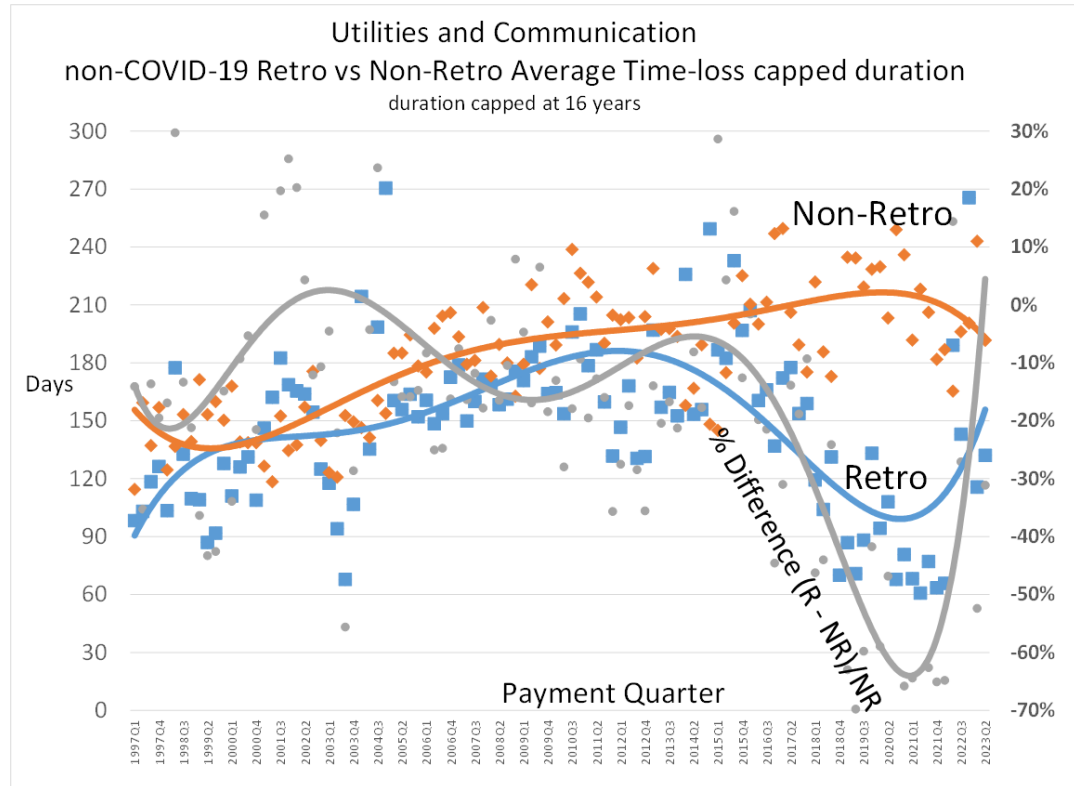
Retro has recently averaged 43% lower time-loss duration



Health Care: Non-Retro duration has recently increased Retro has recently averaged 50% lower time-loss duration



Utilities & Communication: Retro duration has recently increased Retro time-loss duration has recently regressed back



Non-COVID-19 Time-loss Duration Comparison by Industry: Last Four Quarters

Comparison (R-NR)/NR	2022Q3	2022Q4	2023Q1	2023Q2	4 Quarter Average	Retro Duration	nonRetro Duration
Agriculture	-12%	-13%	-22%	-12%	-15%	262	308
Building Construction	-51%	-54%	-56%	-54%	-54%	176	380
Dealers and Wholesalers	-46%	-45%	-32%	-44%	-42%	145	249
Food Processing and Manufacturing	-22%	-21%	-26%	-26%	-24%	200	263
Forest Products	-50%	-49%	-54%	-64%	-54%	141	309
Government	-15%	-14%	-4%	2%	-8%	211	230
Health Care	-51%	-43%	-48%	-59%	-50%	143	288
Metal and Machinery Manufacturing	-41%	-34%	-38%	-36%	-38%	154	246
Misc. Professional and Clerical	-33%	-37%	-31%	-46%	-37%	137	218
Miscellaneous Construction	-47%	-45%	-50%	-57%	-50%	181	363
Miscellaneous Manufacturing	-40%	-29%	-40%	-36%	-36%	174	272
Miscellaneous Services	-50%	-50%	-49%	-47%	-49%	136	268
Schools	-18%	-30%	-33%	-25%	-26%	123	167
Stores	-48%	-39%	-43%	-40%	-43%	134	233
Temporary Help	-32%	-53%	-24%	-24%	-33%	171	256
Trades	-50%	-43%	-50%	-46%	-47%	168	319
Transportation and Warehousing	-45%	-43%	-50%	-40%	-45%	148	266
Utilities and Communications	-27%	32%	-52%	-31%	-20%	164	208

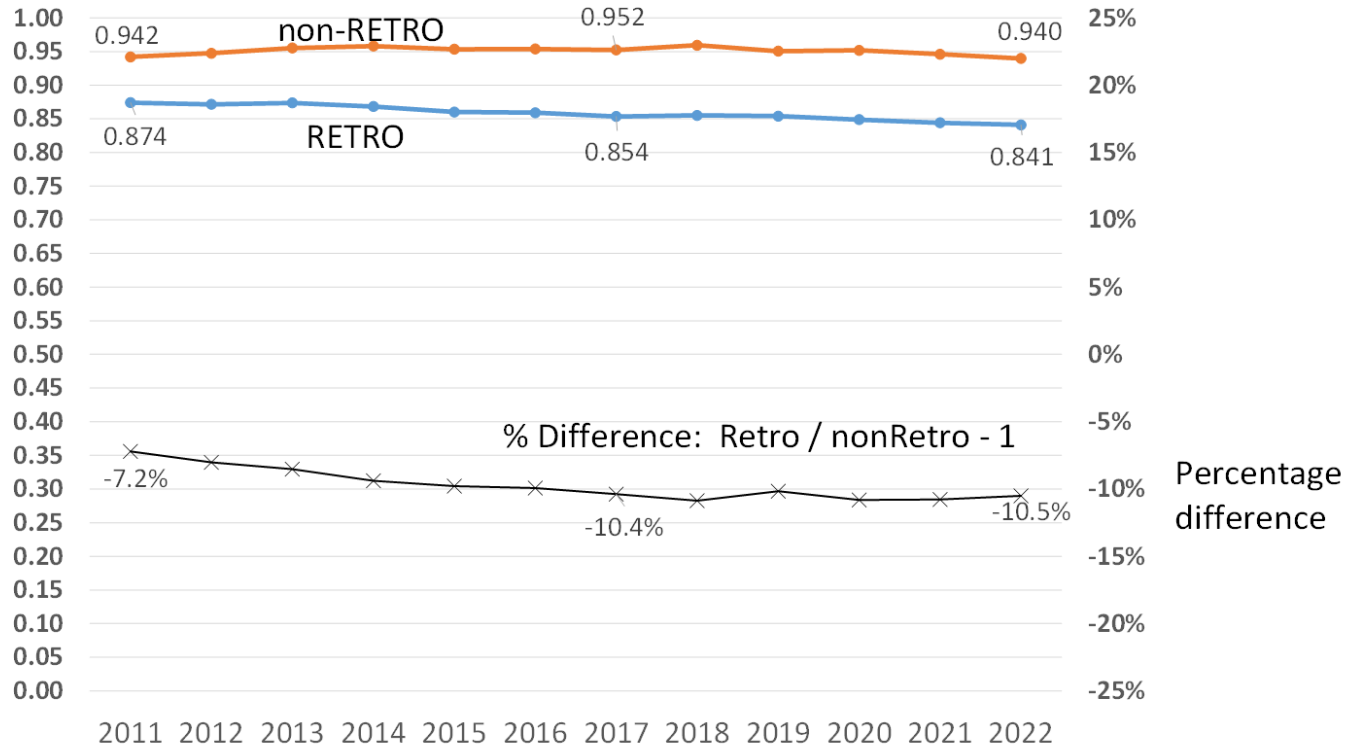
Retro Experience Rating Trends by Industry

Average Experience Modification Factors

Bldg Construction and Trades Retro

average \$203 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels

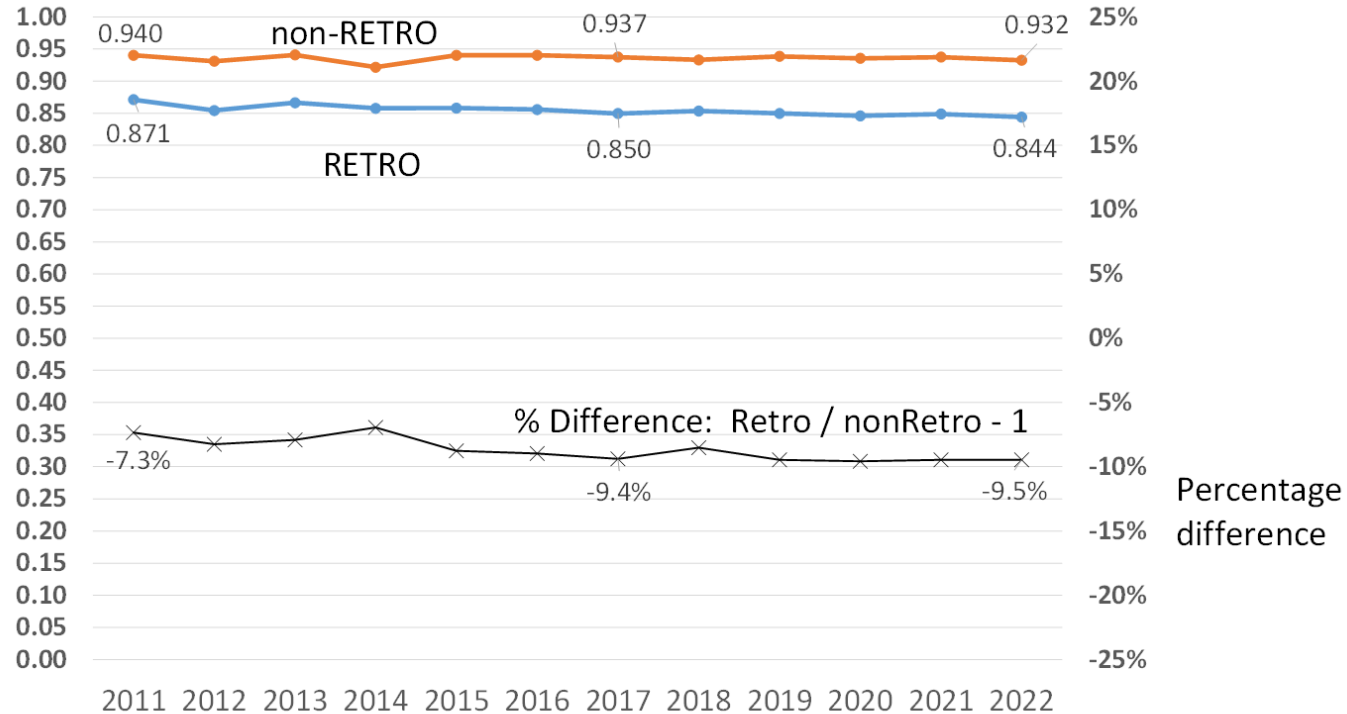
46% Market Share



Average Experience Modification Factors

Misc. Construction & Mining Retro

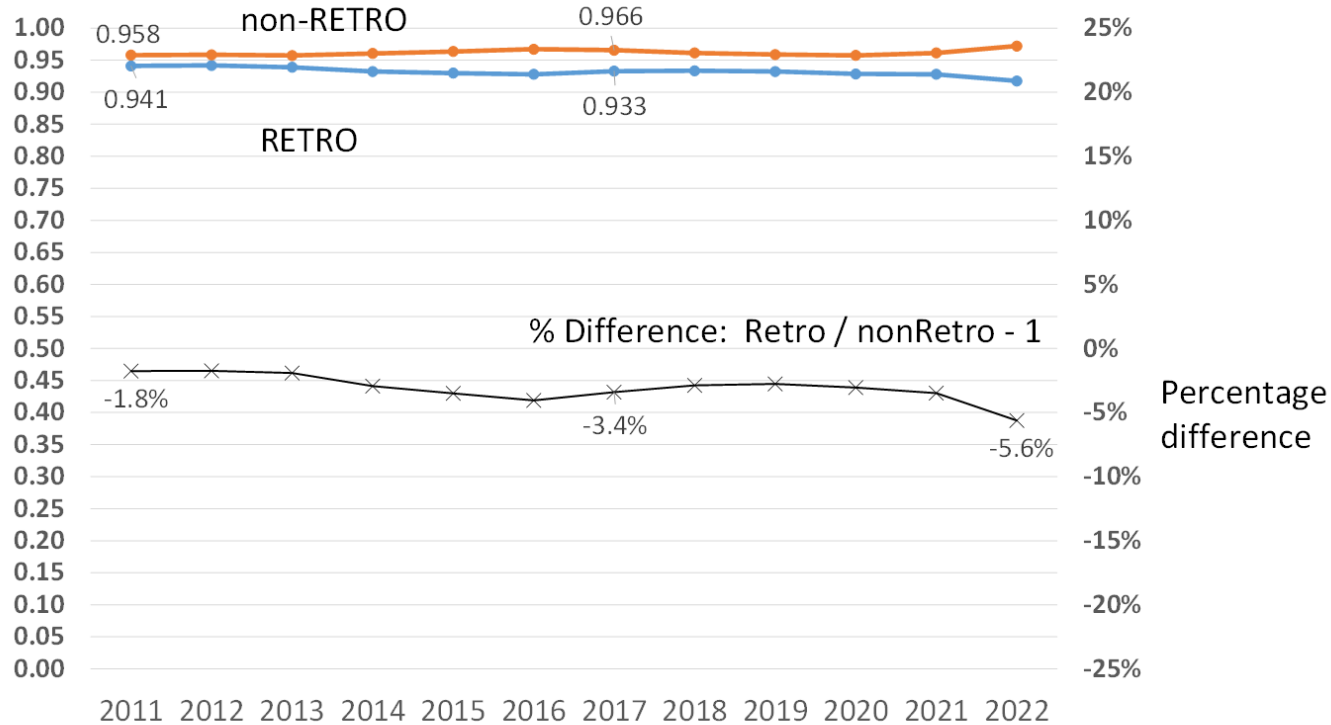
average \$65 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels
52% Market Share



Average Experience Modification Factors

Misc. Services Retro

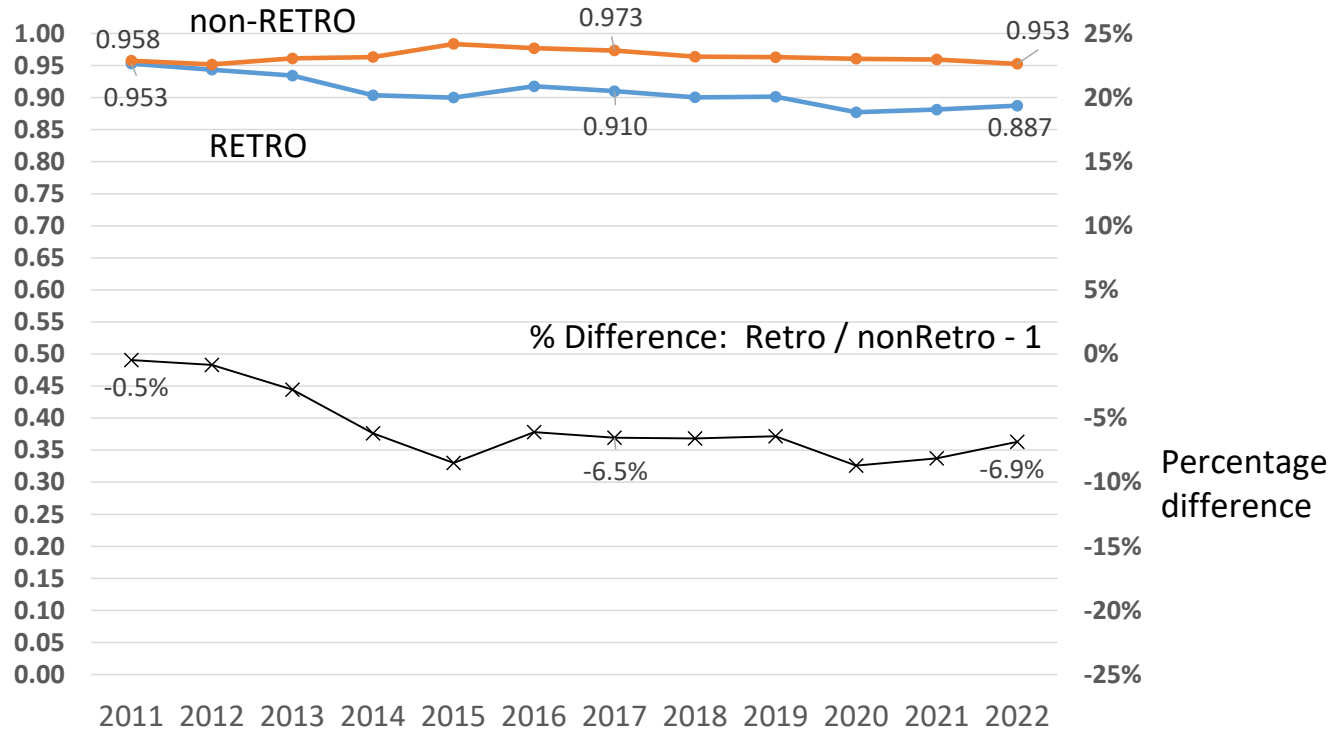
average \$107 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels
35% Market Share



Average Experience Modification Factors

Transportation & Warehousing Retro

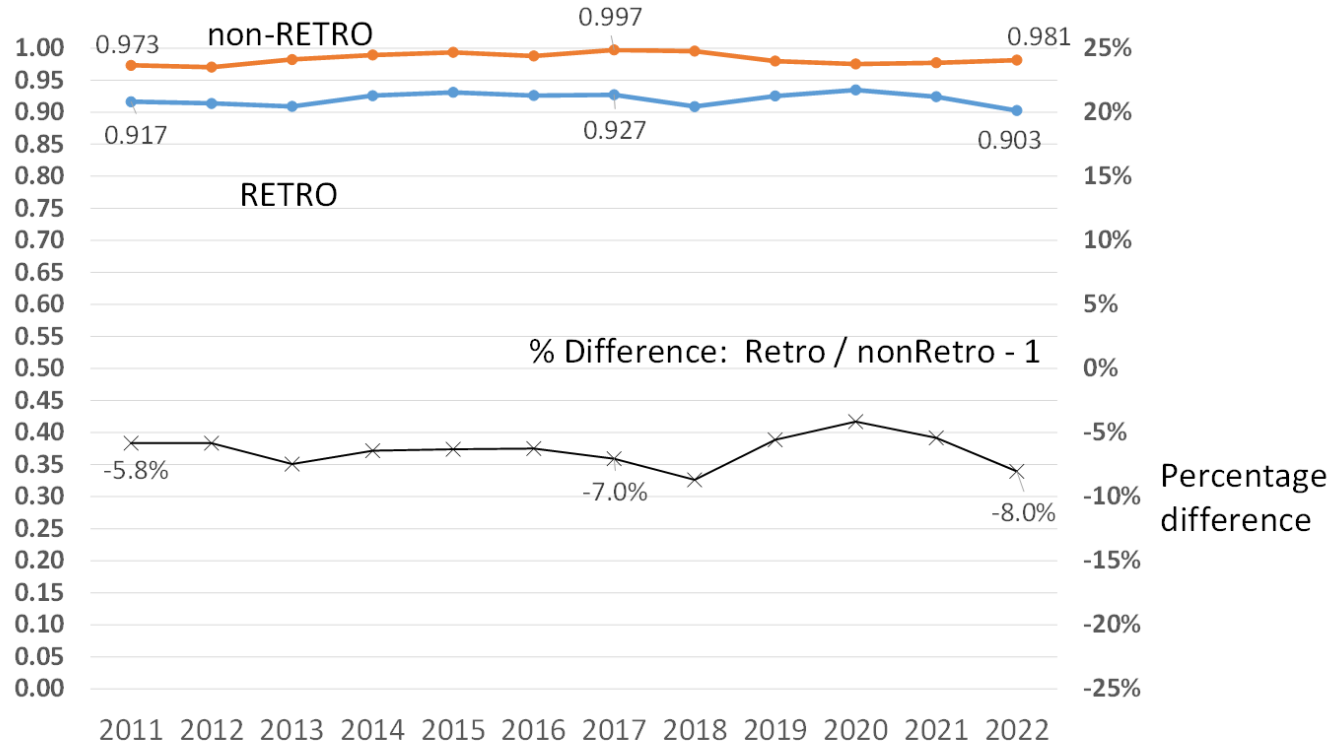
average \$53 million Accident, Medical Aid, + SAW premium 2019 - 2023 at 2023 rate levels
25% Market Share



Average Experience Modification Factors

Agriculture Retro

average \$38 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels
32% Market Share

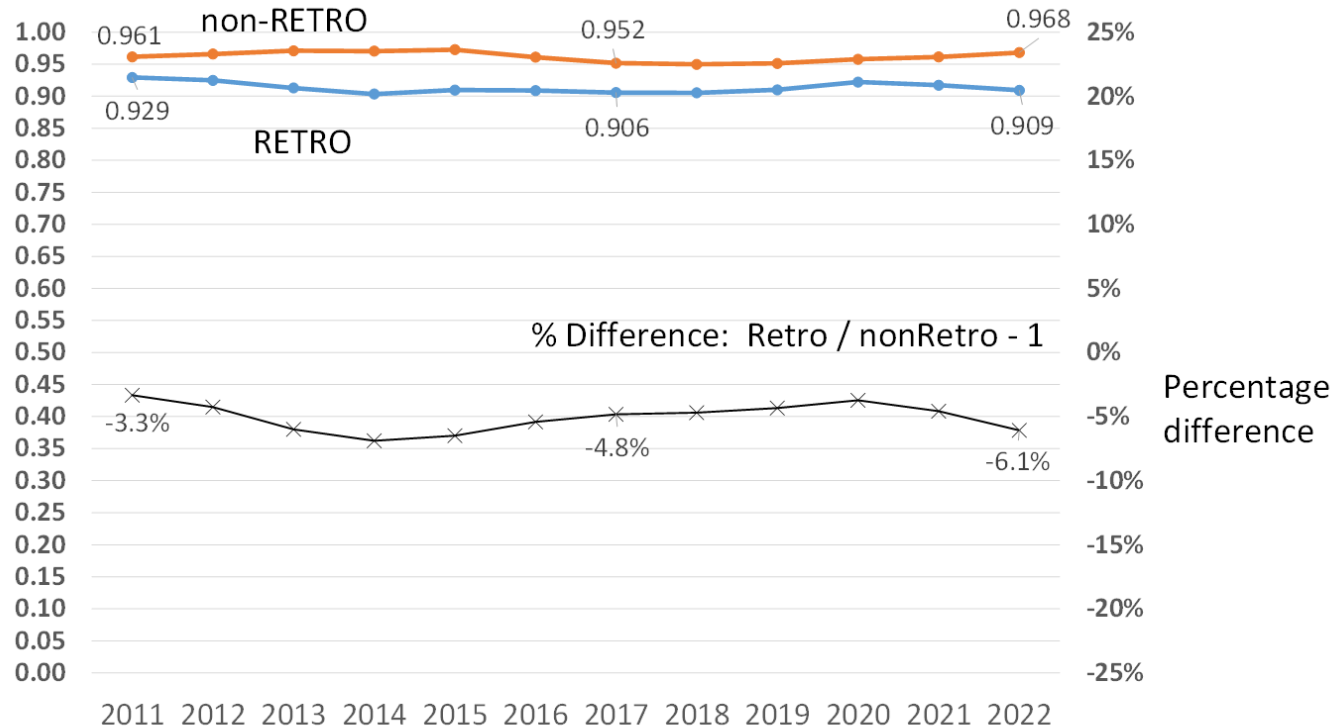


Average Experience Modification Factors

Metal & Machinery Manufacturing Retro

average \$33 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels

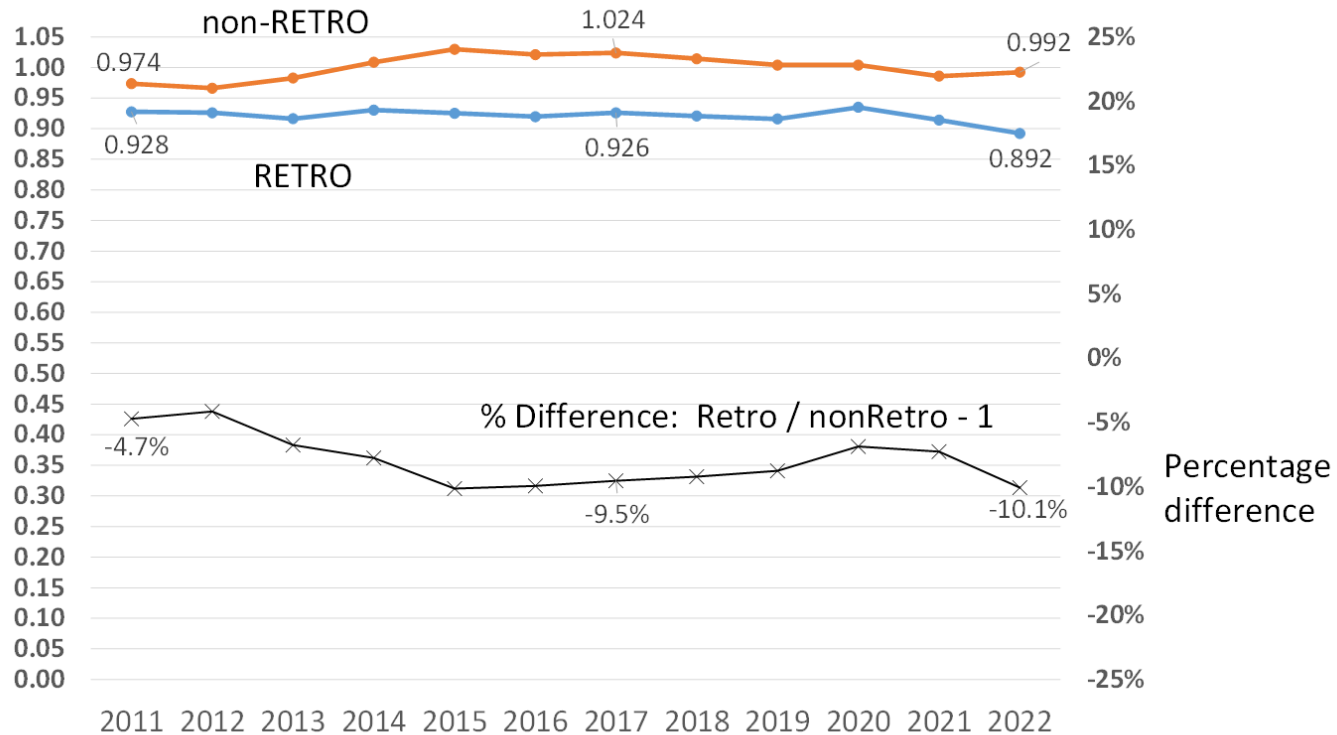
55% Market Share



Average Experience Modification Factors

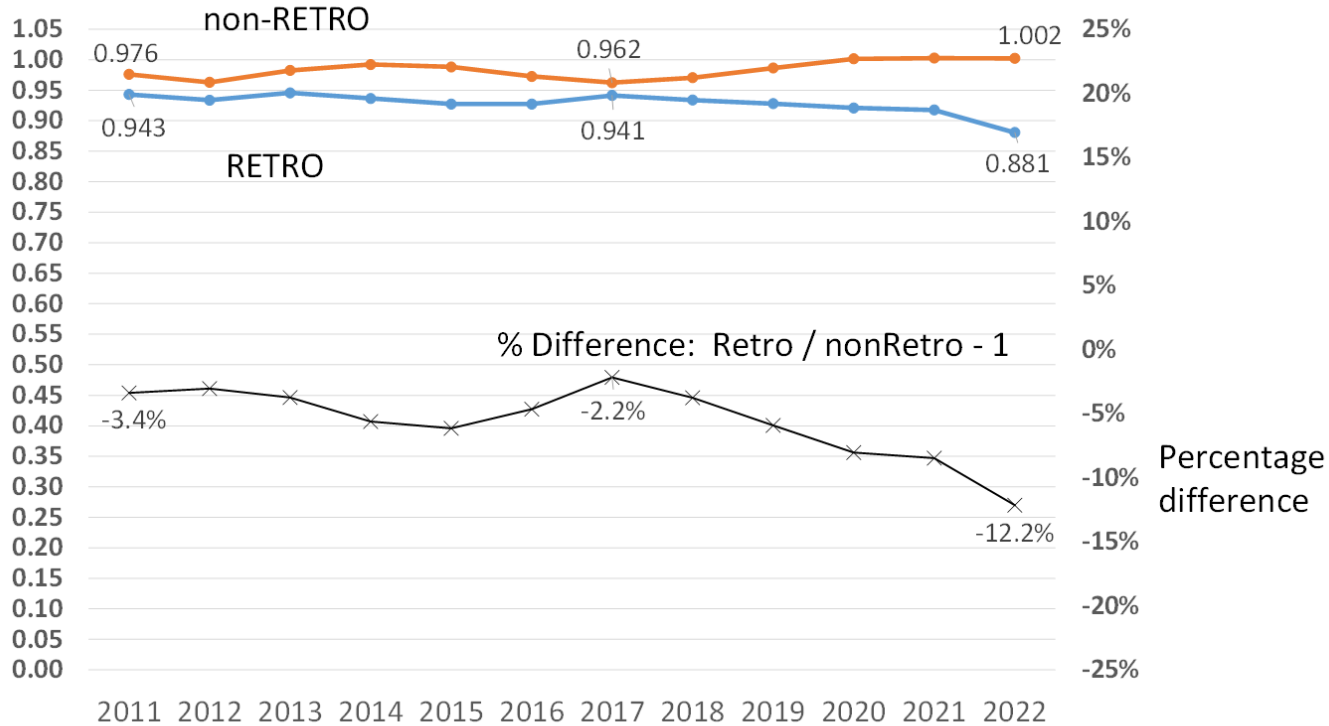
Food Processing & Manufacturing Retro

average \$32 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels
41% Market Share



Average Experience Modification Factors Government and Schools Retro

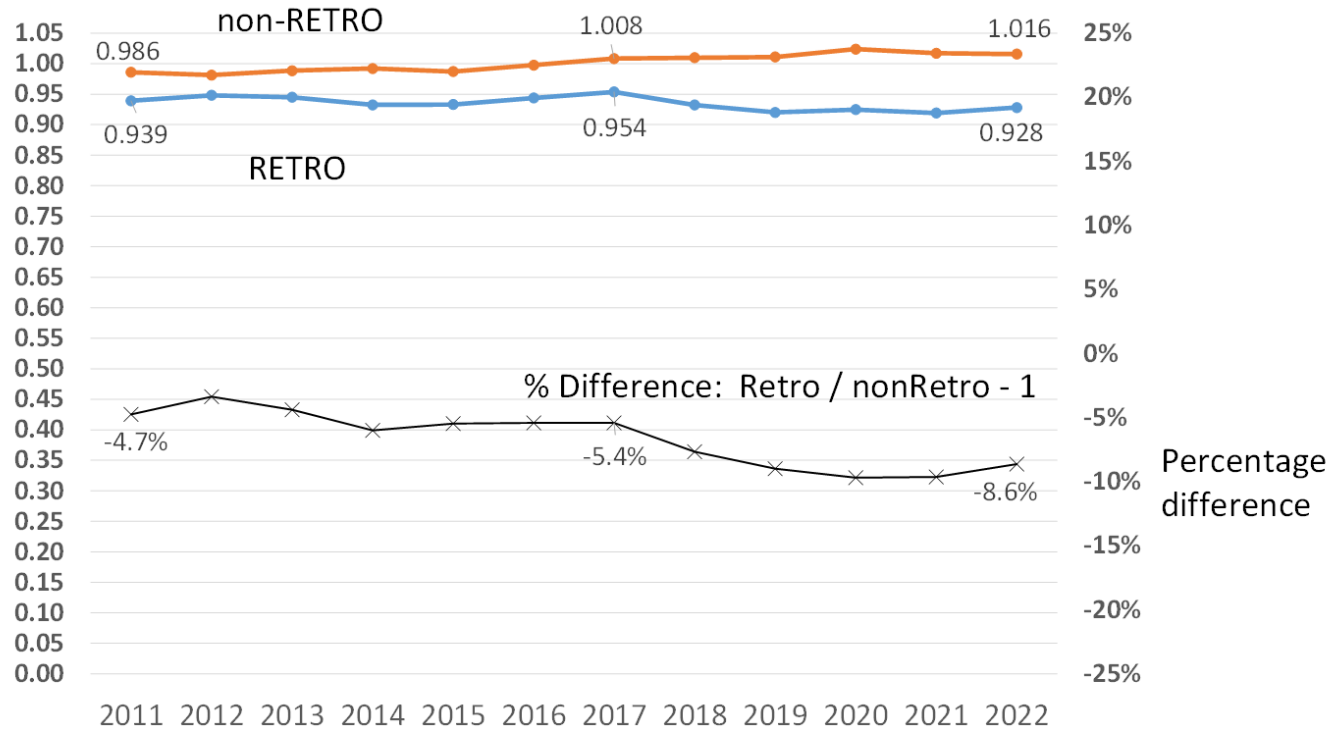
average \$31 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels
12% Market Share



Average Experience Modification Factors

Stores Retro

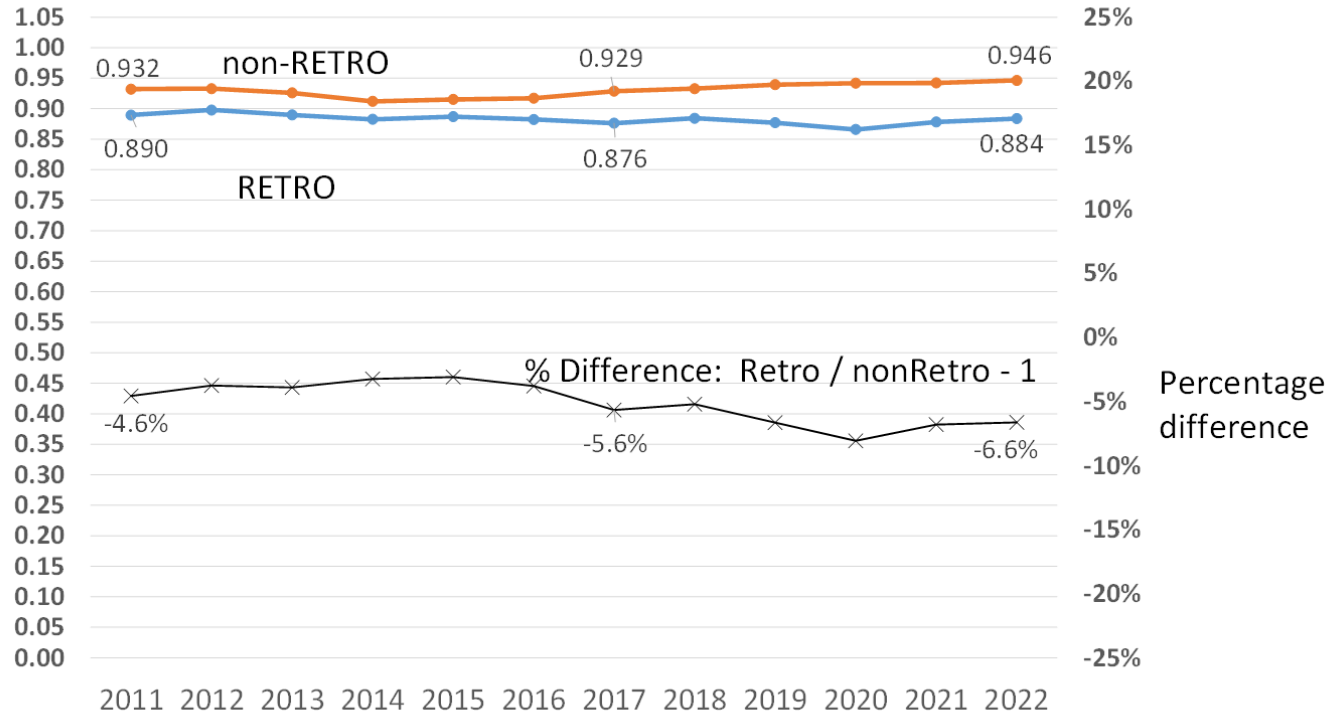
average \$28 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels
32% Market Share



Average Experience Modification Factors

Forest Products Retro

average \$27 million Accident, Medical Aid, + SAW premium 2019 - 2022 at 2023 rate levels
48% Market Share



Experience Factor % Difference: Retro/NonRetro -1

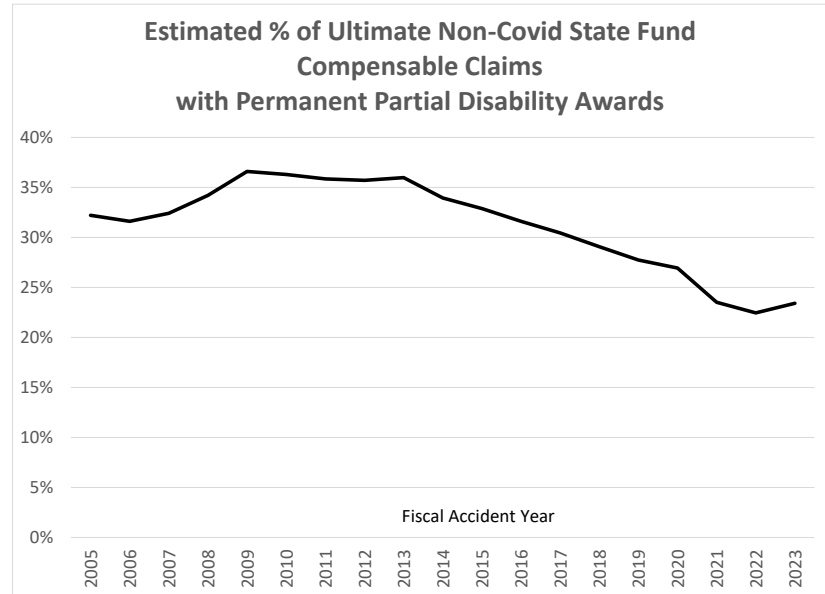
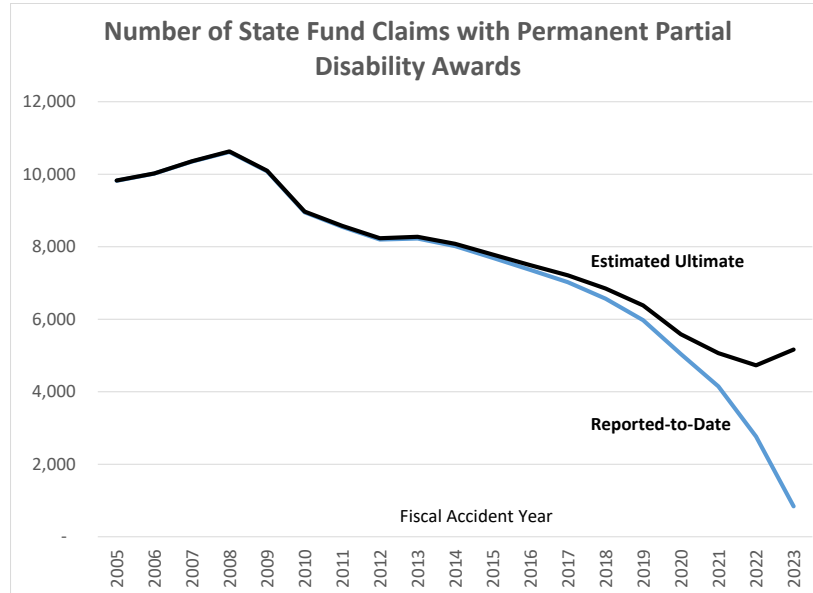
2019-2022

Average Retro Standard

	Prem iums	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ALL CLASSIFICATIONS	717 M	-5%	-5%	-6%	-6%	-7%	-7%	-6%	-7%	-7%	-8%	-9%	-10%
BUILDING CONSTRUCTION AND TRADES	203.4 M	-7%	-8%	-9%	-9%	-10%	-10%	-10%	-11%	-10%	-11%	-11%	-11%
MISCELLANEOUS SERVICES	107.1 M	-2%	-2%	-2%	-3%	-3%	-4%	-3%	-3%	-3%	-3%	-3%	-6%
GOVERNMENT AND SCHOOLS	31.2 M	-3%	-3%	-4%	-6%	-6%	-5%	-2%	-4%	-6%	-8%	-8%	-12%
TRANSPORTATION AND WAREHOUSING	52.6 M	0%	-1%	-3%	-6%	-9%	-6%	-7%	-7%	-6%	-9%	-8%	-7%
MISCELLANEOUS CONSTRUCTION AND MINING	65.2 M	-7%	-8%	-8%	-7%	-9%	-9%	-9%	-9%	-9%	-10%	-9%	-9%
MISC. PROFESSIONAL AND CLERICAL	14.2 M	-3%	-3%	-4%	-4%	-5%	-7%	-5%	-5%	-5%	-5%	-6%	-6%
AGRICULTURE	37.7 M	-6%	-6%	-7%	-6%	-6%	-6%	-7%	-9%	-6%	-4%	-5%	-8%
STORES	27.7 M	-5%	-3%	-4%	-6%	-5%	-5%	-5%	-8%	-9%	-10%	-10%	-9%
HEALTH CARE	20.4 M	-3%	-3%	-4%	-5%	-4%	-3%	-1%	-2%	-3%	-6%	-7%	-10%
METAL AND MACHINERY MANUFACTURING	33.0 M	-3%	-4%	-6%	-7%	-6%	-5%	-5%	-5%	-4%	-4%	-5%	-6%
FOREST PRODUCTS	27.0 M	-5%	-4%	-4%	-3%	-3%	-4%	-6%	-5%	-7%	-8%	-7%	-7%
DEALERS AND WHOLESALERS	27.3 M	-5%	-4%	-3%	-3%	-4%	-3%	-4%	-5%	-6%	-4%	-5%	-6%
FOOD PROCESSING AND MANUFACTURING	31.5 M	-5%	-4%	-7%	-8%	-10%	-10%	-10%	-9%	-9%	-7%	-7%	-10%
MISCELLANEOUS MANUFACTURING	24.3 M	-2%	-2%	-3%	-3%	-4%	-4%	-4%	-4%	-4%	-5%	-5%	-8%
TEMPORARY HELP	10.8 M	-3%	-8%	-4%	0%	-8%	-5%	-1%	-3%	-7%	-13%	-14%	-13%
UTILITIES AND COMMUNICATIONS	3.4 M	-3%	-3%	-5%	-5%	-8%	-4%	-4%	-4%	-5%	-6%	-10%	-16%

Follow-up on PPD Trends (from 9/14/2023 RAC meeting)

There have been long-term decreases in the number of PPD awards and PPD awards per compensable claim:



Actuarial Services, as of 9/30/2023

BREAK

Operational Updates & Program Trends

Jessica Nau
*Program Manager for
Retrospective Rating*

Tyler Langford
*Operations Manager for
Retrospective Rating*

State of Retro

For calendar year 2022

- 42 Groups

- 12,665 accounts* (6% of State Fund)
- \$633M Standard Premium (31% of State Fund)

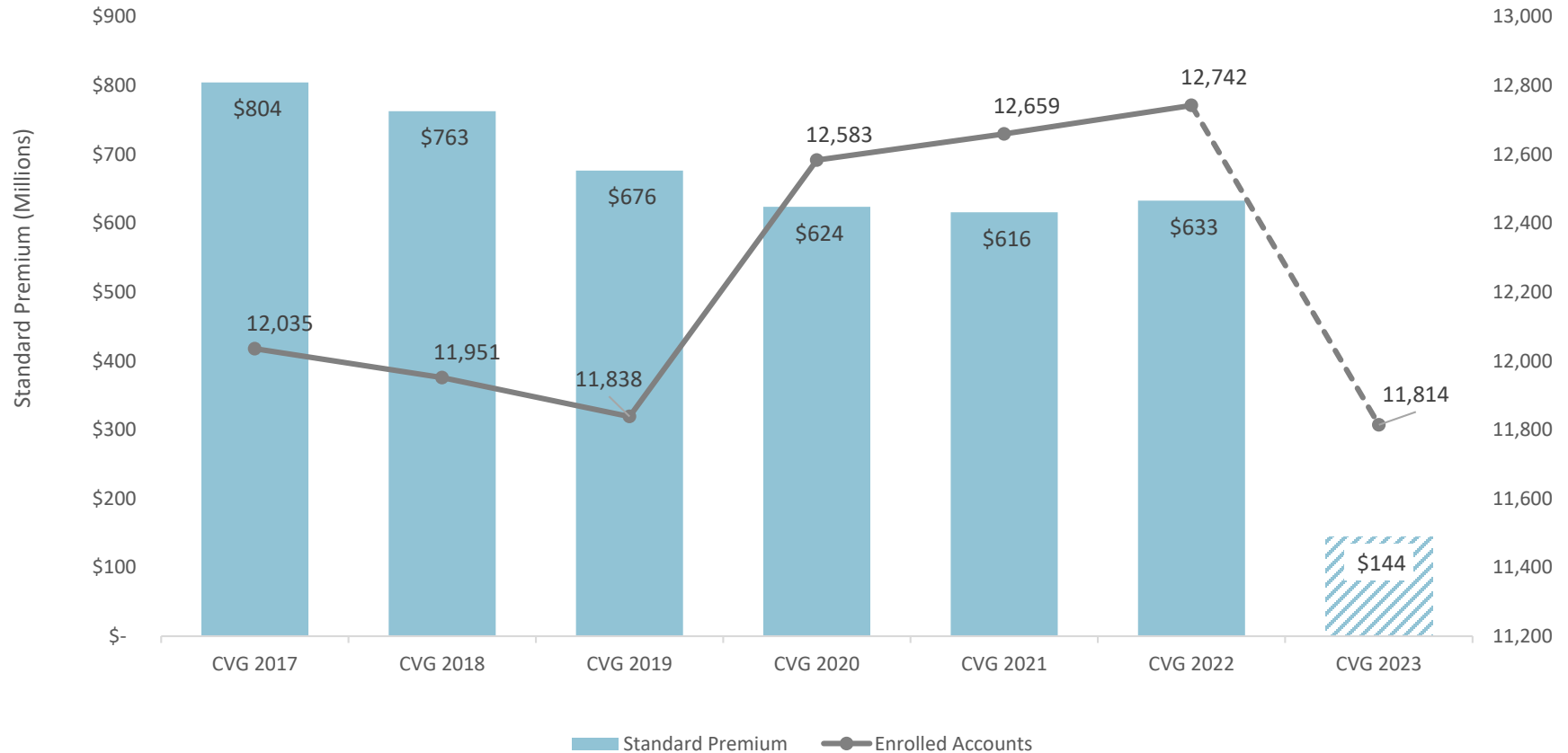
- 71 Individuals

- 125 accounts* (0.1% of SF)
- \$21M Standard Premium (1% of SF)

*Distinct accounts with payroll hours reported.

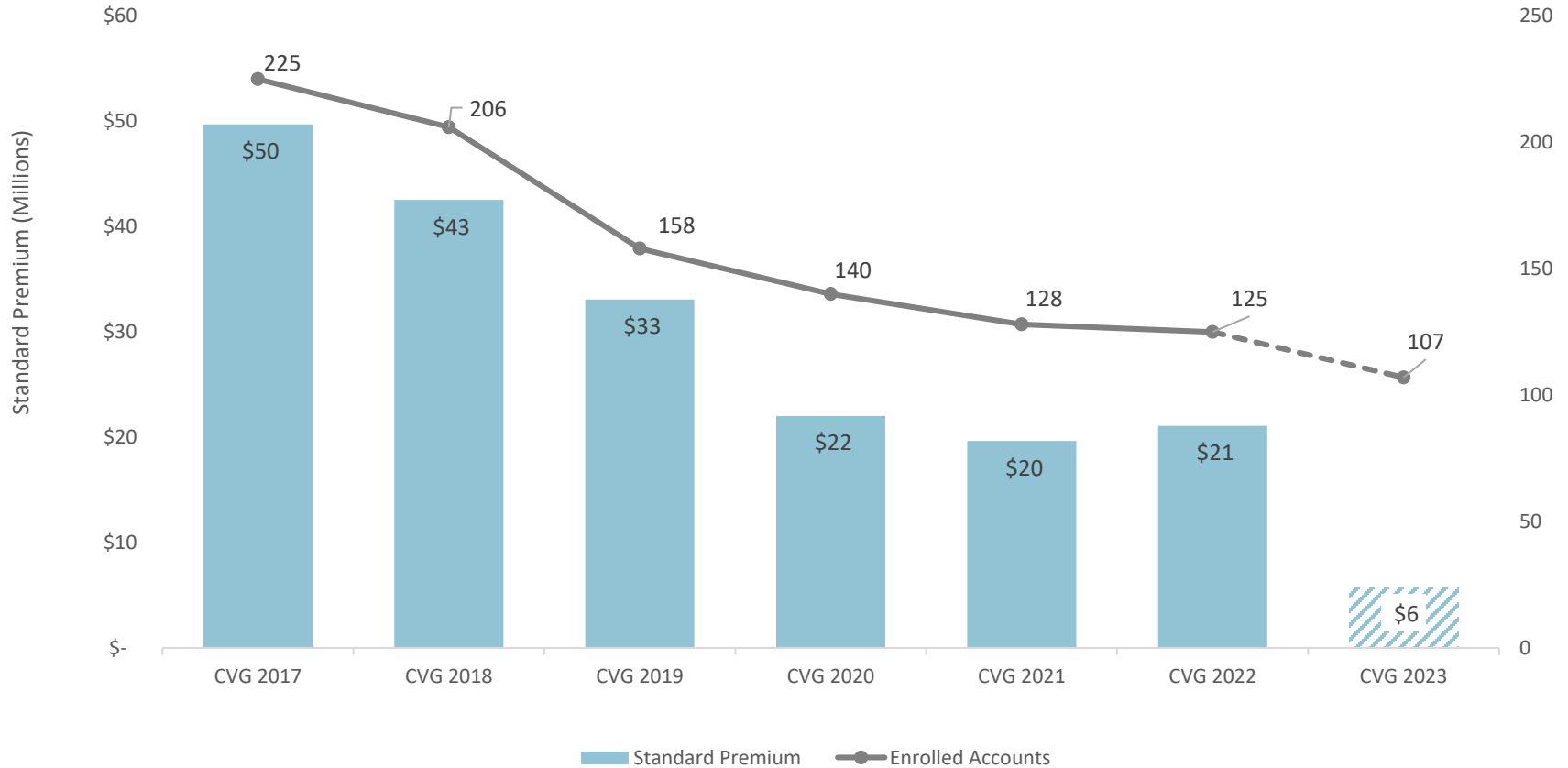
Group Enrollment & Standard Premium

By Coverage Year



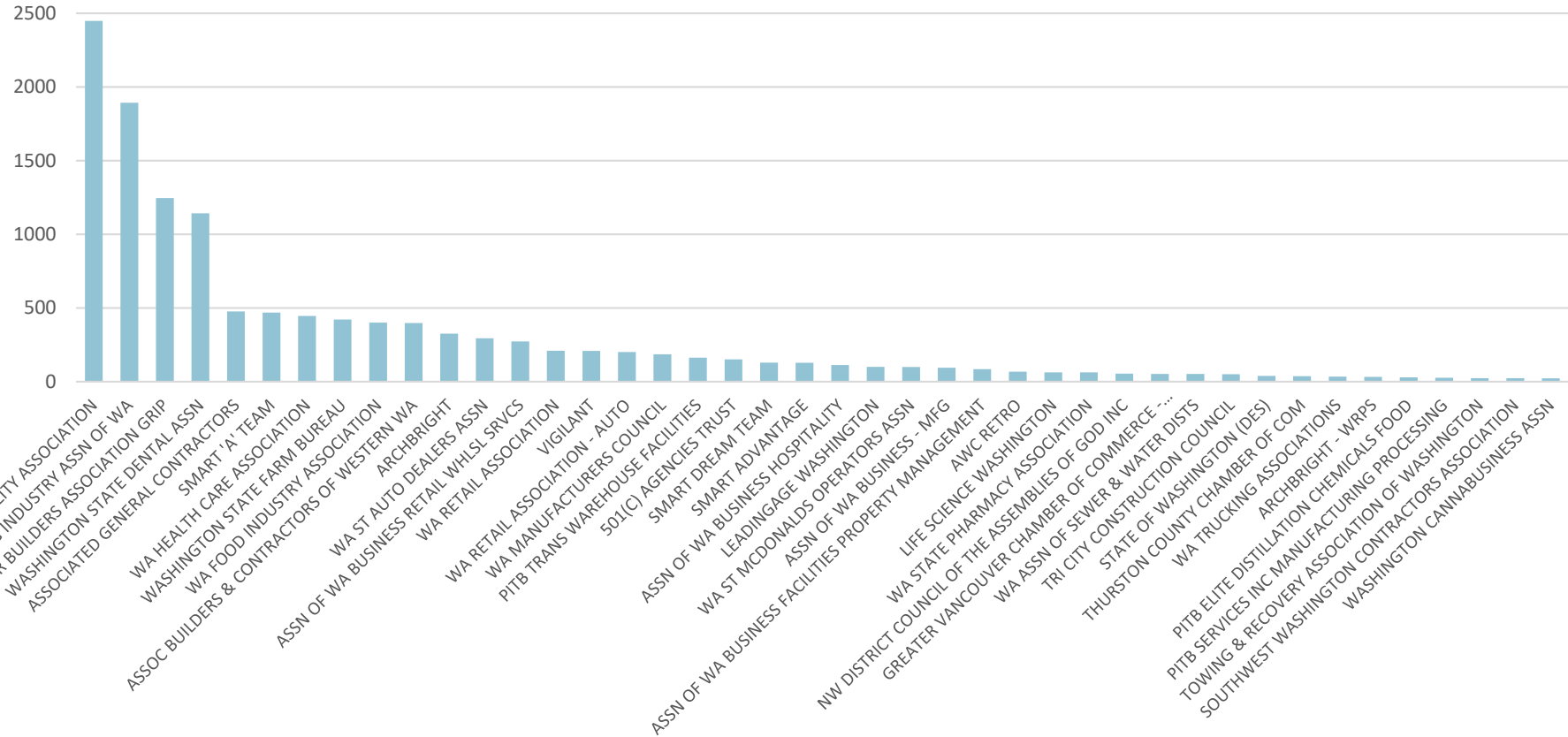
Individual Enrollment & Standard Premium

By Coverage Year



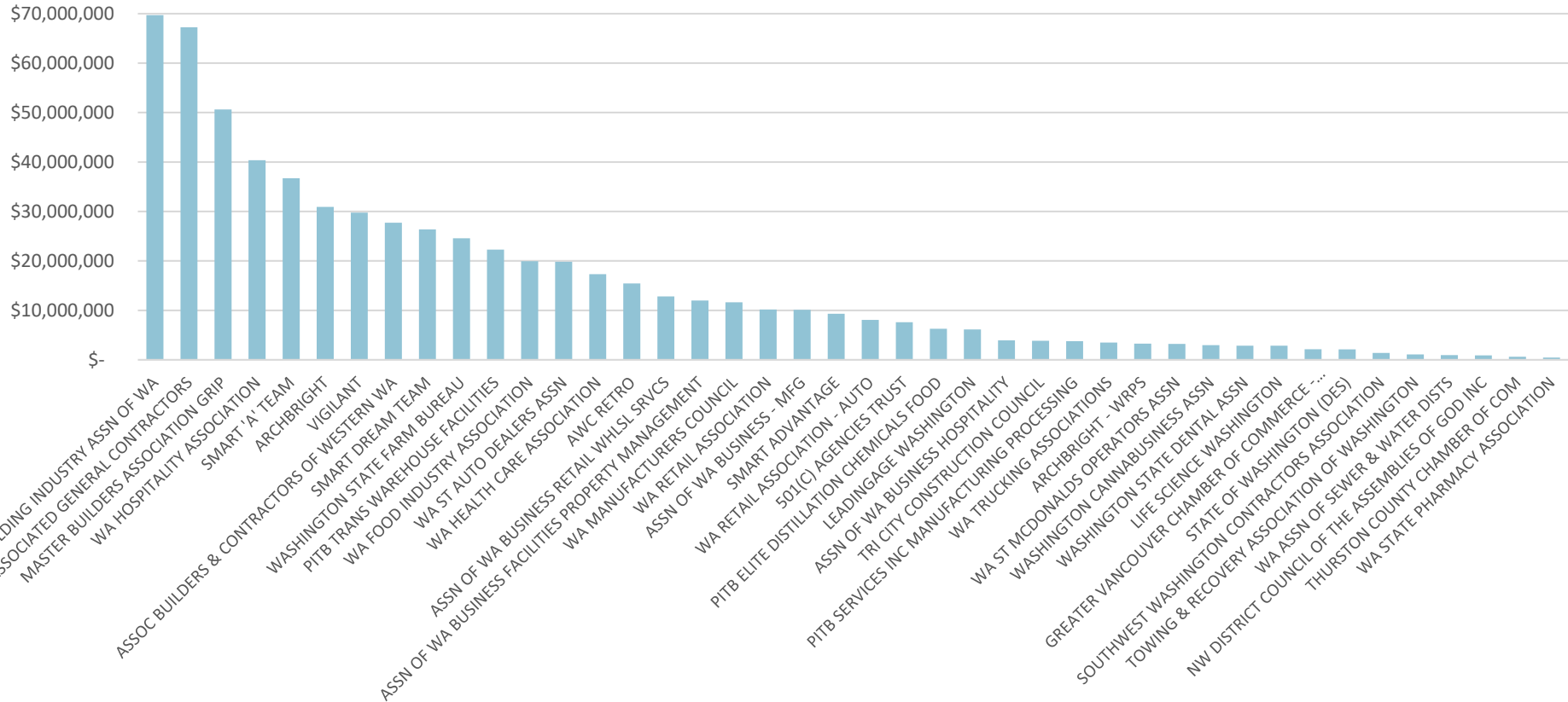
Group Member Count

2022 Coverage Years



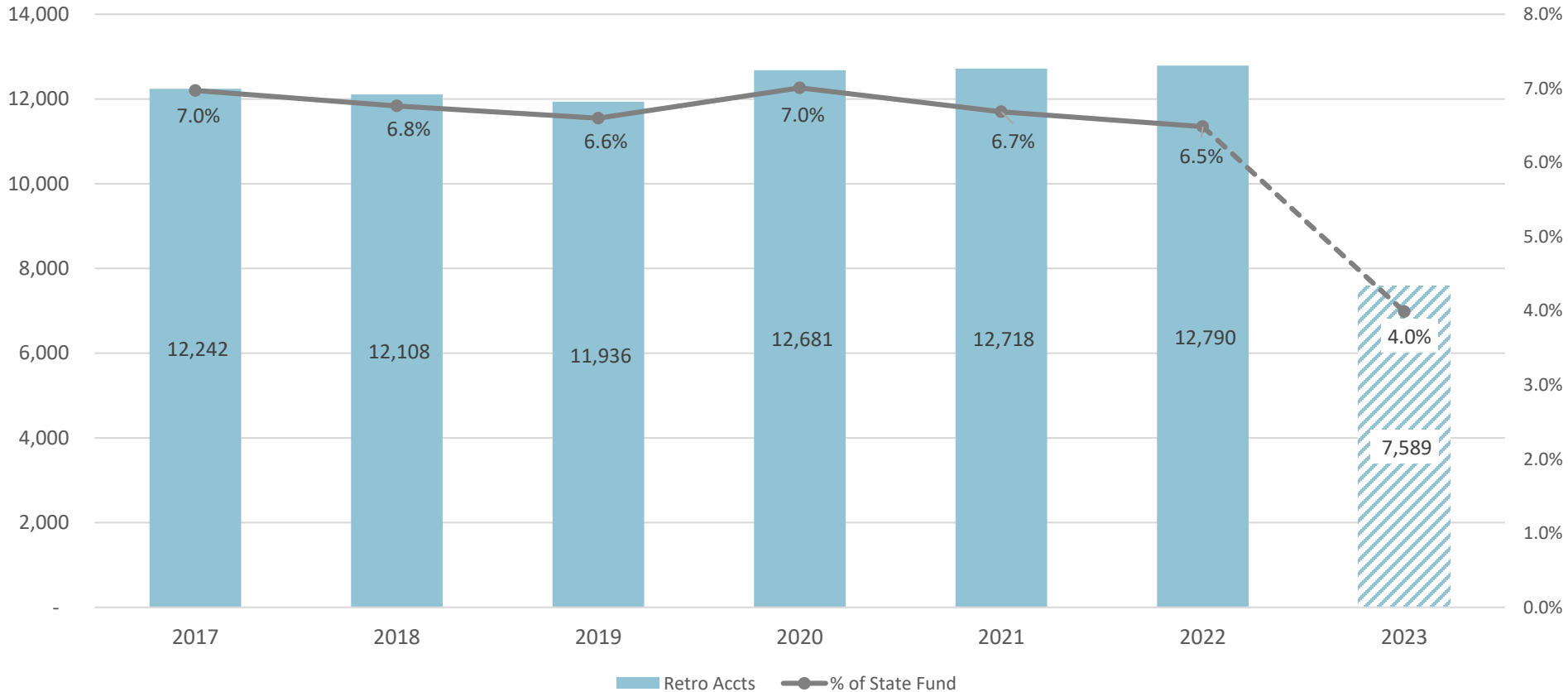
Group Standard Premium

2022 Coverage Years



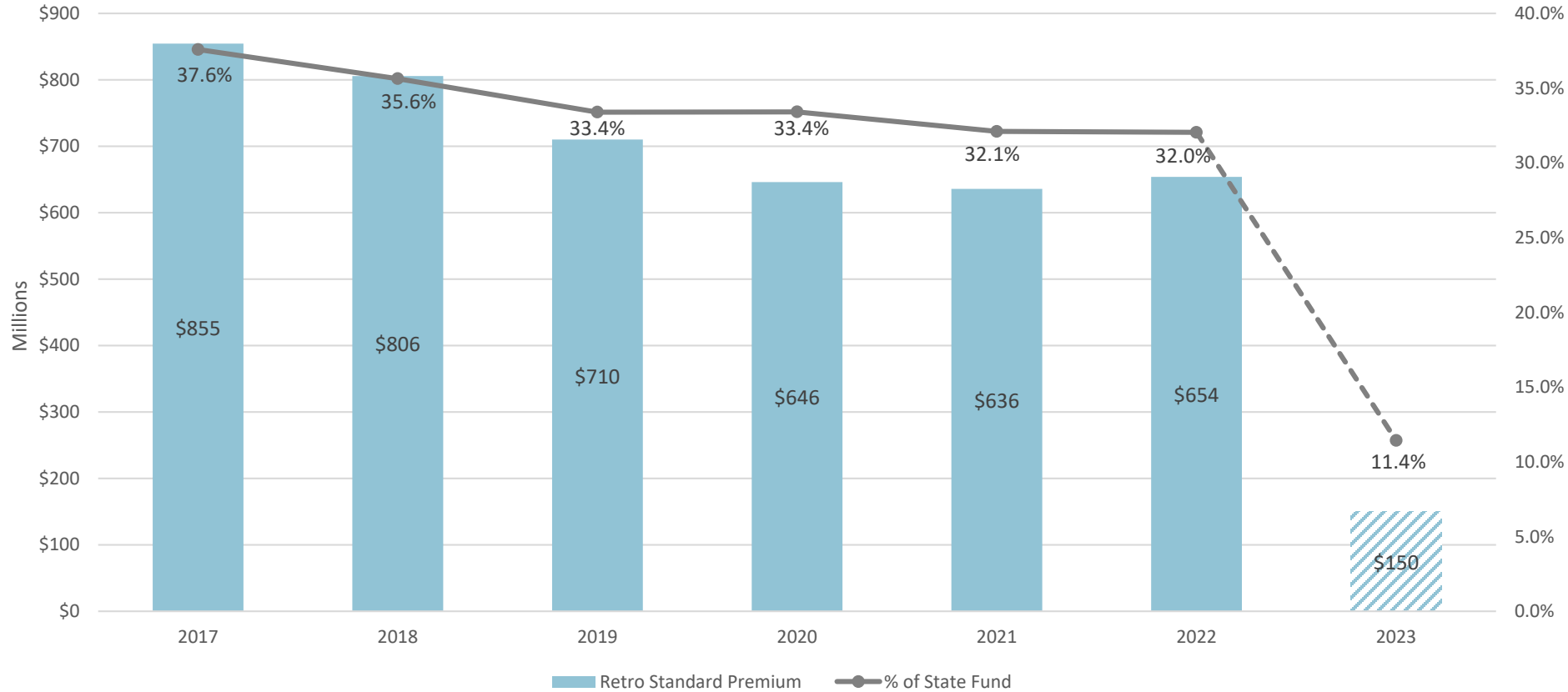
Retro Accounts

By Calendar Year



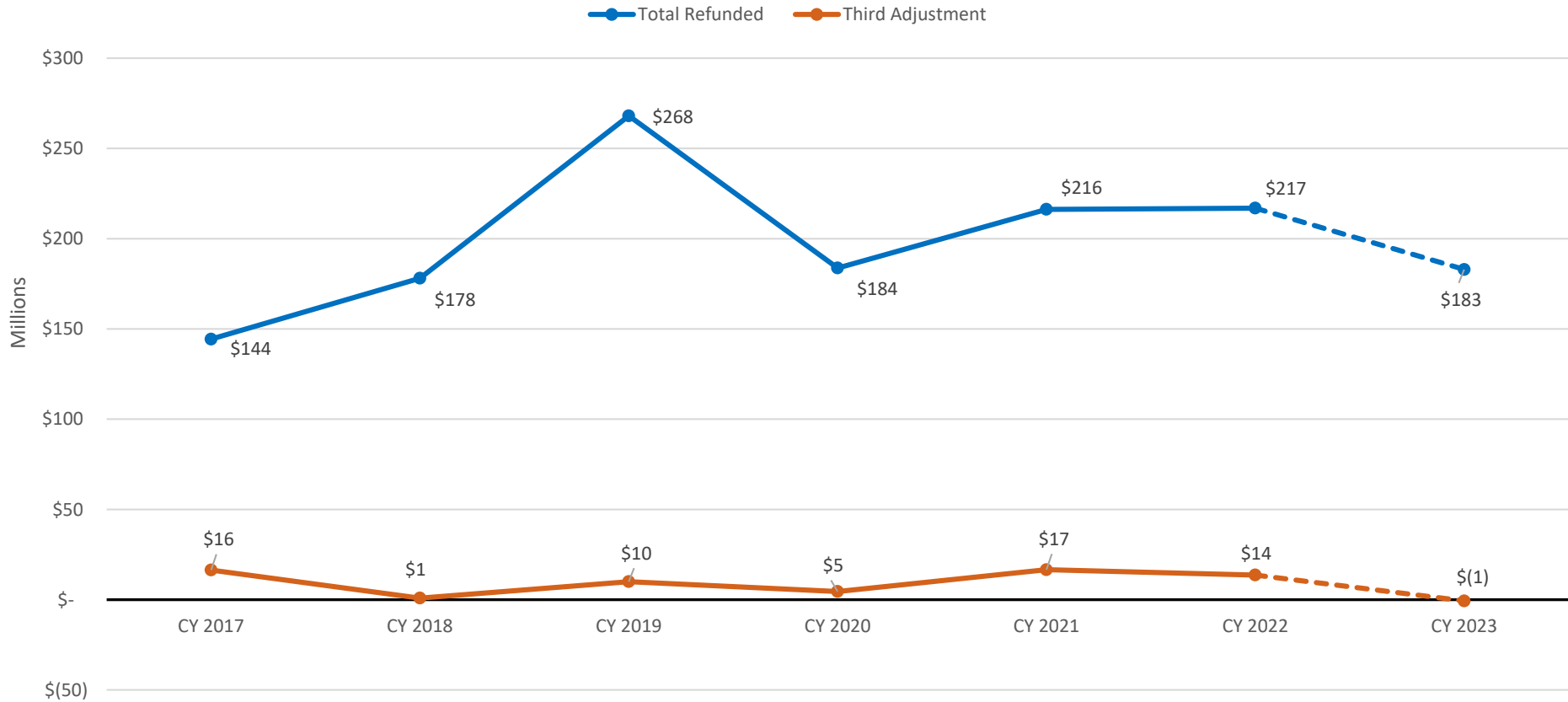
Retro Standard Premium

By Calendar Year

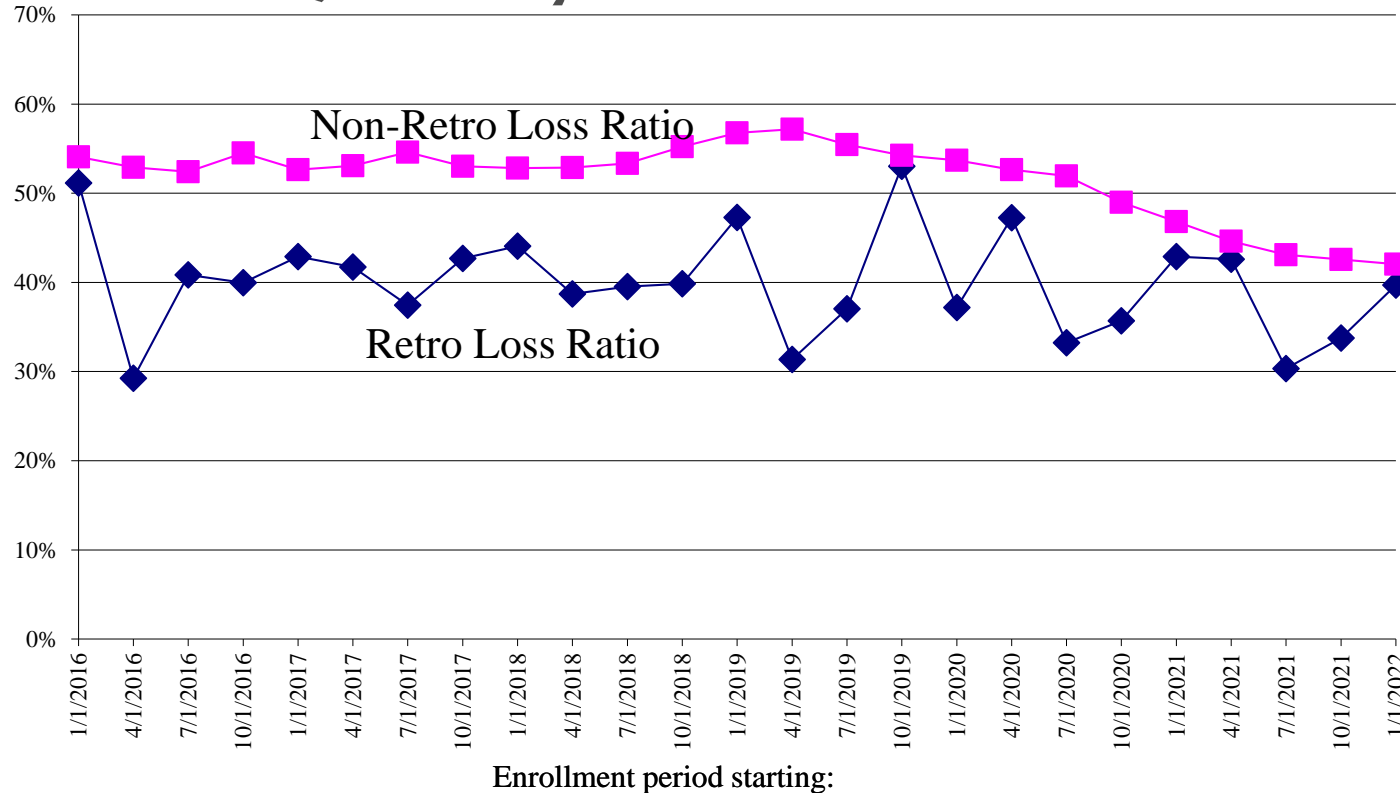


Retro Refunds

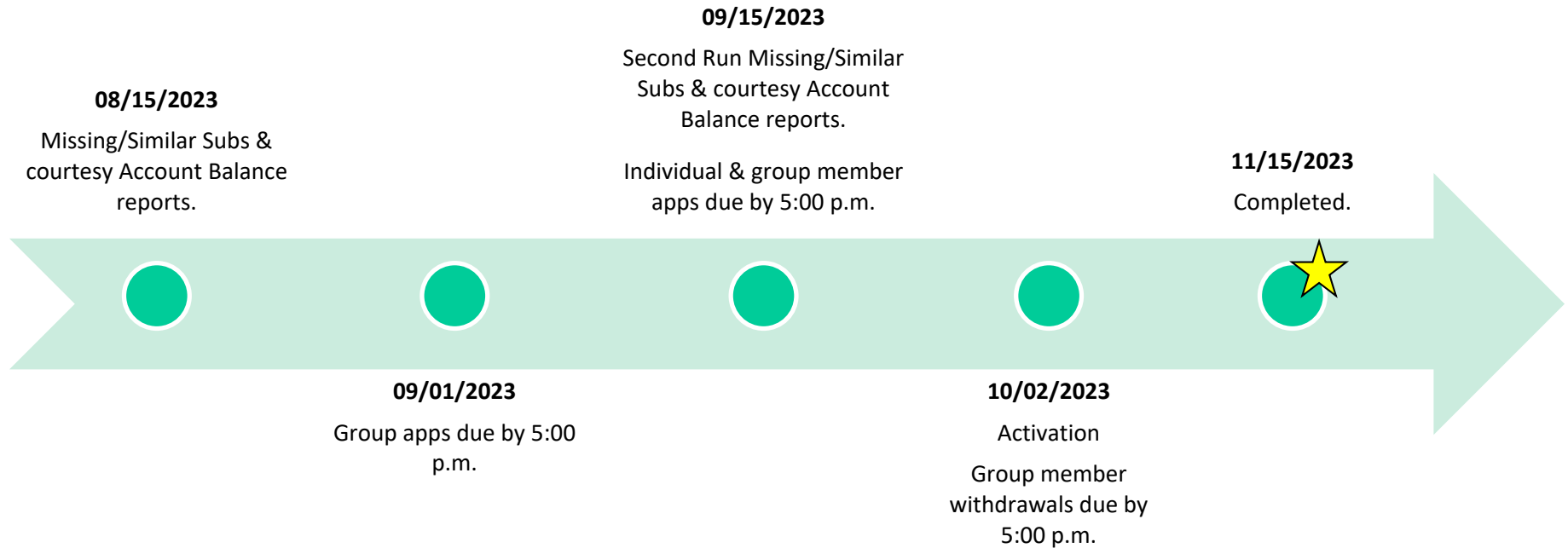
By Calendar Year



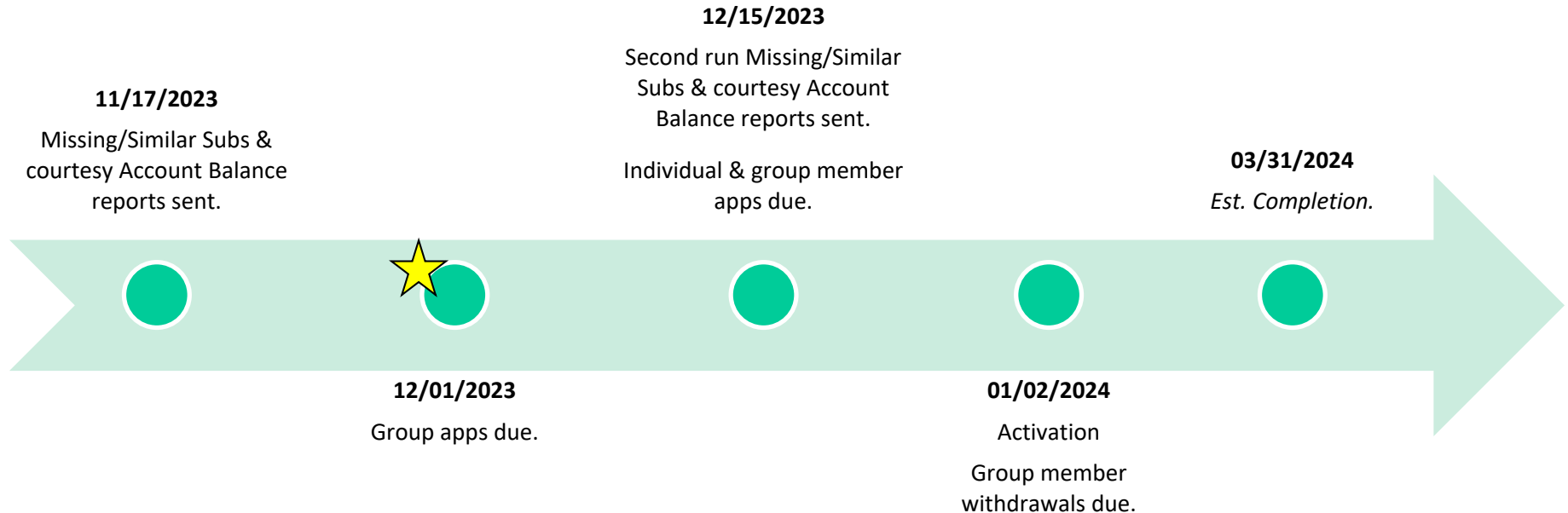
Retro vs. Non-Retro Loss Ratios per Quarterly Enrollment Period



October 2023 Coverage Year Enrollment



January 2024 Coverage Year Enrollment



Enrollment Outside of Enrollment

As of 12/13/2023

	Applications Received	Completed Timely*	Avg. days to complete
Nov. 2023	16	9 (100%)	26.9
Oct. 2023	12	7 (58%)	31.3
Sept. 2023	15	13 (87%)	11.1
Aug. 2023	15	11 (73%)	14.1
Jul. 2023	5	4 (80%)	18.6
Jun. 2023	24	18 (75%)	18.4

*Within 30 days.

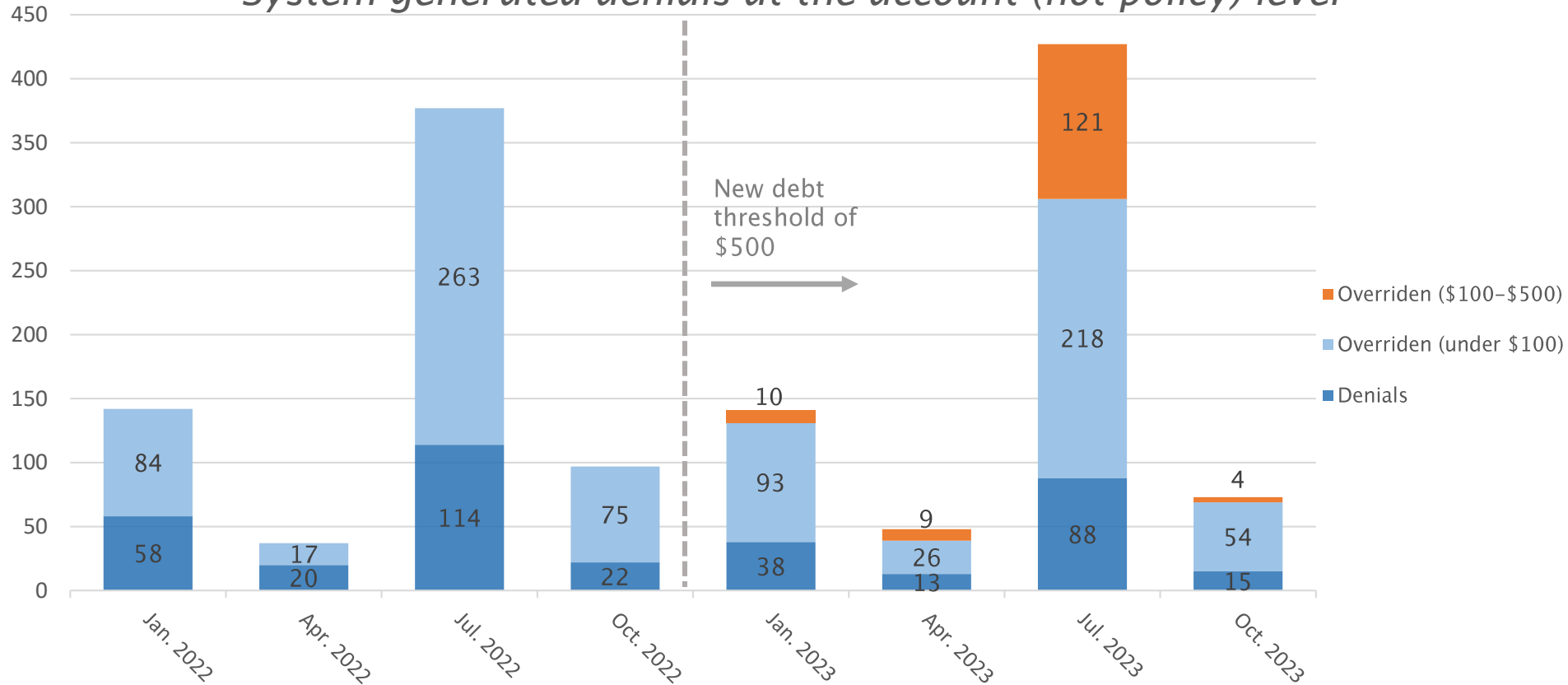
Impact of Account Balance Policy Change

- Effective 1/1/2023, account balance threshold was increased from \$100 to \$500.
- As expected, has led to a higher proportion of system-generated denials being overridden in 2023 than in 2022:

Percent of AB Denials Overridden		
	2022	2023
January	59%	73%
April	46%	73%
July	70%	79%
October	77%	79%

Account Balance Denials

System-generated denials at the account (not policy) level



Adjustment Protests: October Coverage Years

As of 12/11/2023

Adjustment orders ran	8/1/2023
Last day to submit protests	10/2/2023
Last day for timely dept. action	12/29/2023
Claims reviewed	29
Granted	6
Denied	2
Pended	21
Claims not yet reviewed	0
Total claims protested	29
Total refunded to-date	\$ 89,307.00

Adjustment Protests: January Coverage Years

Adjustment orders ran	11/01/2023
Last day to submit protests	01/05/2024
Last day for timely dept. action	02/11/2024
Claims reviewed	6
<i>Granted</i>	2
<i>Denied</i>	2
<i>Pended</i>	2
Claims not yet reviewed	0
Total claims protested	6
Total refunded to-date	\$ 47,979.00

RAC Workgroup Updates

Tim Lundin
Archbright

Maria McClain
*Association of
Washington Business*

RAC Rule Workgroup

Tim Lundin – Archbright, RAC Lead	Mike Williams – L&I Retro Program, Lead
Lauren Gubbe – Associated General Contractors, RAC Co-Lead	Brian Ducey – SMART Association
Kris Johnson – Building Industry Association of WA	

RAC Rule Workgroup

Tim Lundin – Archbright

Goal: To review the current rule language regarding common ownership that requires all similar sub accounts to be enrolled, propose recommended changes to the language and partner with the department to implement changes if needed.

Business & Industry Category Guide Workgroup

Maria McClain – Association of WA Business, RAC Lead	Rachelle Bohler – L&I Retro Program, Lead
Kris Johnson – Building Industry Association of WA	Shannon Elliott – Archbright
Dan Beaty – Vigilant	Curran Bower – Employer Resources NW
Richard Clyne – At-large	

Business & Industry Category Guide Workgroup

Maria McClain – Association of WA Business

Goal: Review the current and previous category guides and make the necessary improvements and updates based on the Retro community's feedback.

RAC Workgroups

Want to get involved? Please reach out to the workgroup you are most interested in.

Workgroup	Lead
Account Balance	Victoria Montrose victoriam@wahospitality.org
RAC Rulemaking	Tim Lundin tlundin@archbright.com
Business & Industry Category Guide	Maria McClain Mariam@forterra-inc.com
Or send your interest to the Retro Inbox: retro@lni.wa.gov	

Questions?

Supplemental Slides

Retrospective Rating:

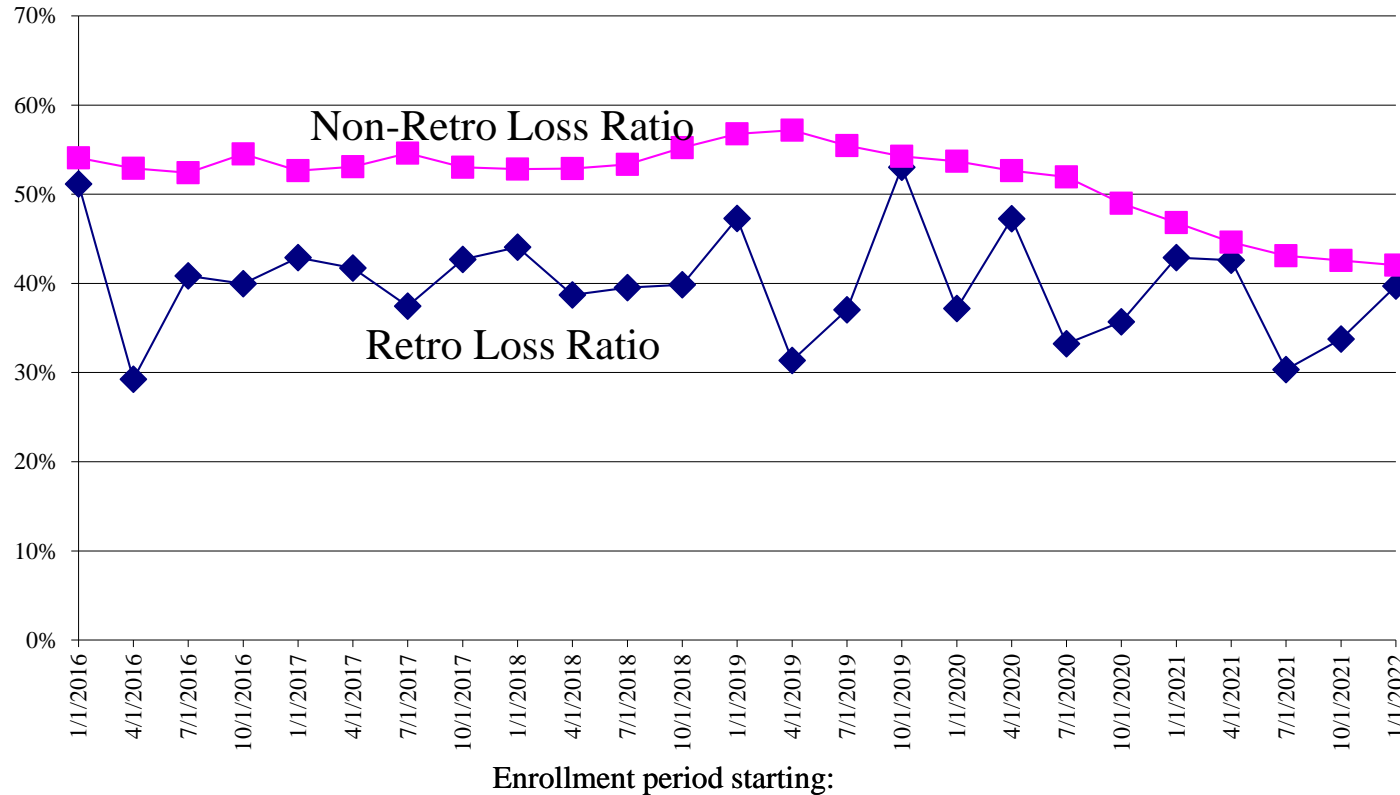
Performance Adjusted Refunds for January
Enrollments as of October 2023

Nichole Runnels
Actuarial Analyst

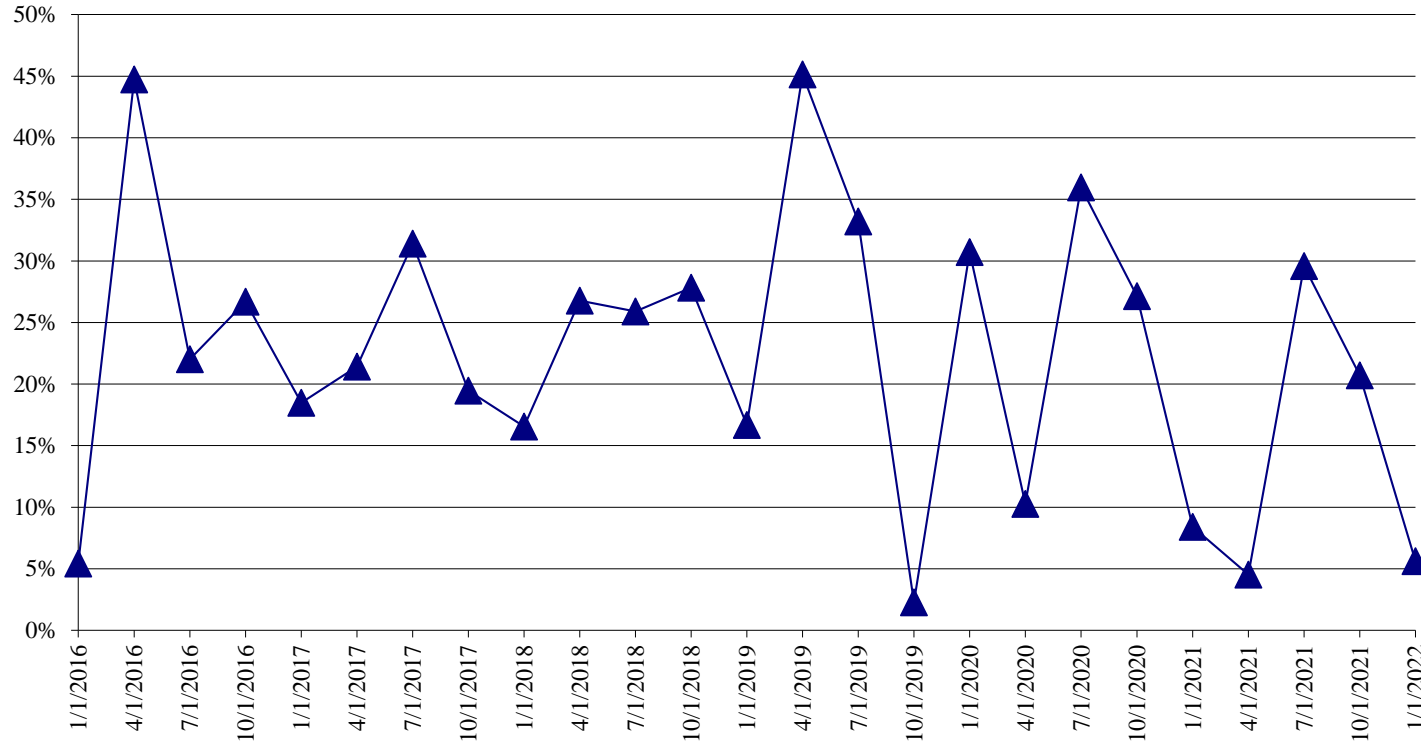
Retrospective Rating Goal and Performance Adjusted Refund

- GOAL: Retro and non-Retro firms pay proportional share of insurance costs.
 - Goal is met when Retro and non-Retro firms have equal overall ratio of losses to premiums (after refunds).
 - Performance Adjusted Refund (PAR) amounts are designed to meet this goal at the time of each annual adjustment.
 - PAR = **Targeted sum** of net retrospective refunds less additional assessments per enrollment period.

Equalizing the Loss Ratios

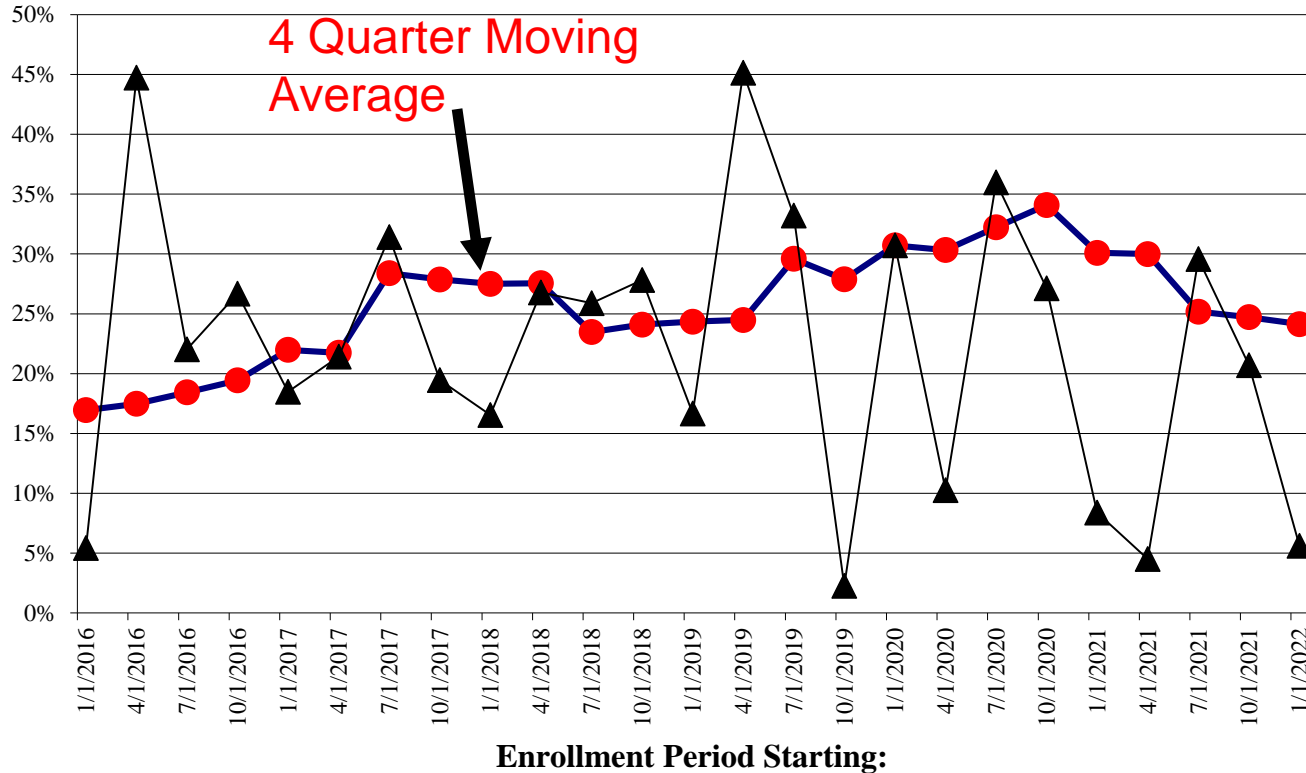


Loss Ratio Percentage Difference

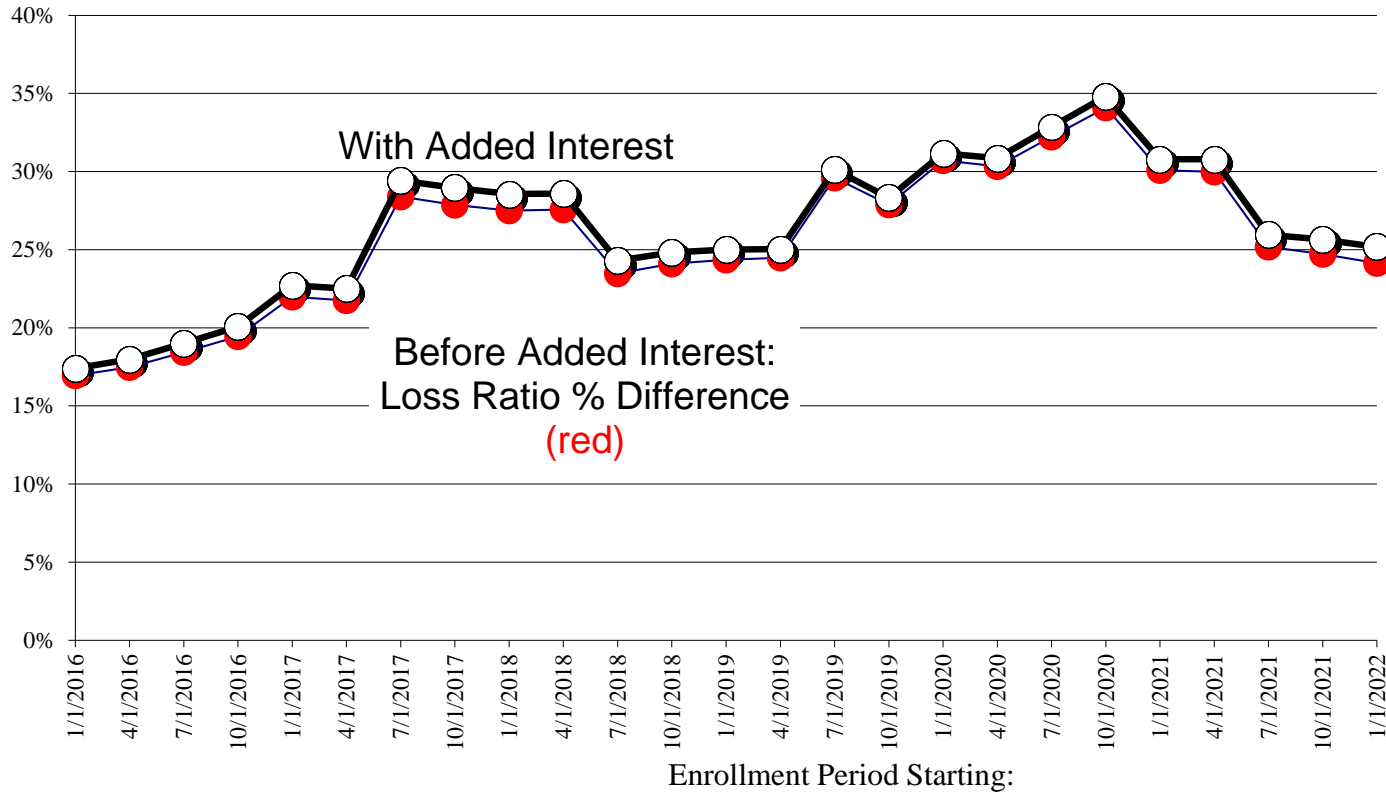


Enrollment Period Starting:

Loss Ratio Percentage Difference



Loss Ratio Percentage Difference



Calculate the % Loss Ratio Difference

for each of 4 consecutive enrollment quarters leading up to and including January enrollment. Example:

Quarter 4: Enrollment beginning 1/1/22:		
	Retro	Non-retro
Losses Case Incurred	46,991,137	589,587,486
Standard Premium	118,377,750	1,401,974,895
Loss Ratio	39.70%	42.05%
Percentage Difference	5.61%	

	Retro Enrollment	Standard Premium	Loss Ratio Percentage Difference
Quarter 1	4/1/2021	9,254,998	4.52%
Quarter 2	7/1/2021	465,162,819	29.58%
Quarter 3	10/1/2021	45,448,280	20.71%
Quarter 4	1/1/2022	118,377,750	5.61%
Total		638,243,847	24.14%

$$= 100\% - 39.70\% \div 42.05\%$$

4 Quarter Weighted Average

Performance Adjusted Refund

Target Refund% X 4 Quarter Standard Premiums

	Retro Enrollment	Standard Premium
Quarter 1	4/1/2021	9,255,001
Quarter 2	7/1/2021	464,721,815
Quarter 3	10/1/2021	45,446,806
Quarter 4	1/1/2022	118,353,889
Total		637,777,511
X		X
Performance adjusted refund %		25.18%
=		
Performance Adjusted Refund		\$160,572,450

Calculating the January 2022 PAF

Hit the PAR target for January 2022 enrollment

				Difference from Target
Target Refund:				160,572,450
If We Tried Q4 PAF = 1.0000 Then the Refund Would Have Been \$219,533,138				-\$58,960,688
This refund would be too large. We need to use a larger PAF.				
Selected Quarter 4 PAF= 1.1690				
	Retro Enrollment	Current PAF	Current Refund	
Quarter 1	4/1/2021	1.1690	-75,878	
Quarter 2	7/1/2021	1.1690	136,579,360	
Quarter 3	10/1/2021	1.1690	10,090,160	
Quarter 4	1/1/2022	1.1690	13,963,841	
Using this PAF we obtain			160,557,483	\$14,967
If We Tried Q4 PAF = 1.1691 Then the Refund Would Have Been \$160,523,289				\$49,161
If We Tried Q4 PAF = 1.1689 Then the Refund Would Have Been \$160,591,681				-\$19,231

Refunds are calculated per enrollment period using the PAF shown above for estimation purposes only.

**Washington State Department of Labor And Industries
Retrospective Rating**

**Enrollment Period Beginning:
1/1/2022
First Evaluation**

Report Date: 10/24/2023

PAF: 1.1690

Association Name	Standard Premium	After ELRF & PAF Developed Losses	Standard Loss Ratio	Hazard Plan	Size Group	Single Loss Limit	Max Loss Ratio	Min Loss Ratio	Net Insurance Charge%	Policy Admin Expense	Incurred Loss & Expense after PAF	Net Insurance Charge after PAF	Retrospective Premium Indicated	Cumulative Refund/ (Assessment)	Ratio Refunded (Assessed)
Subtotal - 7 Firms with Refunds	1,751,850	294,213	17%							75,329	425,497	239,926	740,752	1,011,098	58%
Subtotal - 6 Firms with Assessments	1,522,971	1,377,502	90%							65,488	1,370,416	601,987	2,037,891	(514,920)	(34%)
Subtotal - 13 Individual Firms	3,274,821	1,671,715	51%							140,817	1,795,913	841,913	2,778,643	496,178	15%
Average Firm Size	251,909														
Archbright - WRPS	3,254,415	2,186,966	67%	L	3	70 \$550K	1.100	0.00	0.0579	139,940	2,786,655	161,250	3,087,845	166,570	5%
Assn of Washington Cities	15,438,052	14,105,501	91%	L	4	73 \$275K	0.900	0.00	0.1188	663,836	15,144,729	1,799,482	17,608,047	(2,169,995)	(14%)
AWB - Manufacturing	10,121,871	4,881,928	48%	L	5	72 \$550K	1.000	0.00	0.0398	435,240	6,220,613	247,736	6,903,589	3,218,282	32%
PITB Elite - Distillation, Chemicals, Food	6,270,566	4,402,379	70%	L	2	72 \$500K	0.900	0.00	0.0584	269,634	5,609,574	327,739	6,206,947	63,619	1%
PITB Services Inc. - Mfg, Processing	3,760,570	2,162,481	58%	L	5	70 \$500K	0.900	0.00	0.1606	161,705	2,755,450	442,611	3,359,766	400,804	11%
SMART Advantage	9,317,762	4,901,102	53%	L	4	72 \$550K	1.000	0.00	0.0349	400,664	6,245,041	217,796	6,863,501	2,454,261	26%
WA Hospitality Association	40,368,880	25,373,487	63%	L	2	74 \$500K	1.004	0.00	0.0103	1,735,862	32,331,164	332,914	34,399,940	5,968,940	15%
WA State Auto Dealers Assn	19,834,736	13,721,957	69%	L	6	73 \$800K	1.044	0.00	0.0163	852,894	17,484,647	285,612	18,623,153	1,211,583	6%
WA State McDonald's Operators Assn	3,211,939	1,774,330	55%	L	1	70 \$500K	1.113	0.00	0.0362	138,113	2,260,867	81,785	2,480,765	731,174	23%
WA Trucking Associations	3,500,277	1,200,499	34%	L	8	70 \$500K	0.840	0.00	0.2600	150,512	1,529,686	397,695	2,077,893	1,422,384	41%
Subtotal - Associations	115,079,068	74,710,630	65%							4,948,400	92,368,426	4,294,620	101,611,446	13,467,622	12%
Total Enrollment	118,353,889	76,382,345	65%							5,089,217	94,164,339	5,136,533	104,390,089	13,963,800	12%

**Washington State Department of Labor And Industries
Retrospective Rating**

**Enrollment Period Beginning:
1/1/2021
Second Evaluation**

Report Date: 10/24/2023

PAF: 1.0843

Association Name	Standard Premium	After ELRF & PAF Developed Losses	Standard Loss Ratio	Hazard Plan	Size Group	Single Loss Limit	Max Loss Ratio	Min Loss Ratio	Net Insurance Charge%	Policy Admin Expense	Incurred Loss & Expense after PAF	Net Insurance Charge after PAF	Retrospective Premium Indicated	Cumulative Refund/ (Assessment)	Ratio Refunded (Assessed)
Subtotal - 10 Firms with Refunds	1,636,100	543,855	33%							70,185	687,393	393,381	1,150,959	485,141	30%
Subtotal - 2 Firms with Assessments	927,178	540,015	58%							39,869	638,236	308,996	987,101	(59,923)	(6%)
Subtotal - 12 Individual Firms	2,563,278	1,083,870	42%							110,054	1,325,629	702,377	2,138,060	425,218	17%
Average Firm Size	213,607														
Archbright - WRPS	3,006,269	1,697,619	56%	L	3	70 \$550K	1.100	0.00	0.0579	129,270	2,006,389	116,100	2,251,759	754,510	25%
AWB - Manufacturing	9,266,977	5,006,082	54%	L	5	72 \$550K	1.000	0.00	0.0398	398,480	5,916,613	235,629	6,550,722	2,716,255	29%
Assn of Washington Cities	17,754,877	15,788,371	89%	L	4	73 \$275K	0.900	0.00	0.1188	763,460	17,417,534	2,069,534	20,250,528	(2,495,651)	(14%)
PITB Elite - Distillation, Chemicals, Food	6,835,383	4,444,879	65%	L	2	72 \$500K	0.900	0.00	0.0584	293,921	5,253,349	306,927	5,854,197	981,186	14%
PITB Services Inc. - Mfg, Processing	3,877,109	2,162,221	56%	L	5	70 \$500K	0.900	0.00	0.1606	166,716	2,555,507	410,494	3,132,717	744,392	19%
SMART Advantage	9,900,305	5,155,099	52%	L	4	72 \$550K	1.000	0.00	0.0349	425,713	6,092,756	212,485	6,730,954	3,169,351	32%
WA Hospitality Association	36,149,891	23,817,174	66%	L	2	74 \$500K	1.004	0.00	0.0103	1,554,445	28,149,194	289,852	29,993,491	6,156,400	17%
WA State Auto Dealers Assn	19,980,990	13,435,344	67%	L	6	73 \$800K	1.044	0.00	0.0163	859,183	15,879,063	259,384	16,997,630	2,983,360	15%
WA State McDonald's Operators Assn	3,127,209	1,285,995	41%	L	1	70 \$500K	1.113	0.00	0.0362	134,470	1,519,905	54,981	1,709,356	1,417,853	45%
WA Trucking Associations	3,454,624	1,436,385	42%	L	8	70 \$500K	0.743	0.00	0.3531	148,549	1,697,644	599,506	2,445,699	1,008,925	29%
Subtotal - Associations	113,353,634	74,229,169	65%							4,874,207	86,487,954	4,554,892	95,917,053	17,436,581	15%
Total Enrollment	115,916,912	75,313,039	65%							4,984,261	87,813,583	5,257,269	98,055,113	17,861,799	15%

**Washington State Department of Labor And Industries
Retrospective Rating**

**Enrollment Period Beginning:
1/1/2020
Third Evaluation**

Report Date: 10/24/2023

PAF: 1.0911

Association Name	Standard Premium	After ELRF & PAF Developed Losses	Standard Loss Ratio	Plan	Hazard Group	Size Group	Single Loss Limit	Max Loss Ratio	Min Loss Ratio	Net Insurance Charge%	Policy Admin Expense	Incurred Loss & Expense after PAF	Net Insurance Charge after PAF	Retrospective Premium Indicated	Cumulative Refund/ (Assessment)	Ratio Refunded (Assessed)
Subtotal - 11 Firms with Refunds	2,621,358	770,890	29%								112,718	941,282	580,582	1,634,582	986,776	38%
Subtotal - 1 Firms with Assessments	43,517	73,466	169%								1,871	39,844	30,532	72,247	(28,730)	(66%)
Subtotal - 12 Individual Firms	2,664,875	844,356	32%								114,589	981,126	611,114	1,706,829	958,046	36%
Average Firm Size	222,073															
Archbright - WRPS	2,237,169	893,357	37%	L	3	68	\$550K	1.050	0.20	0.0984	96,198	1,063,284	104,646	1,264,128	973,041	43%
AWB - Manufacturing	8,780,863	1,026,934	32%	L	5	72	\$550K	1.000	0.00	0.0398	377,577	5,699,267	226,973	6,303,817	2,477,046	28%
Assn of Washington Cities	17,201,543	17,802,111	55%	L	4	73	\$275K	0.900	0.00	0.1188	739,666	11,010,554	1,308,263	13,058,483	4,143,060	24%
PITB Elite - Distillation, Chemicals, Food	7,462,008	894,043	40%	L	2	72	\$500K	0.900	0.00	0.0584	320,866	4,162,361	243,186	4,726,413	2,735,595	37%
PITB Services Inc. - Mfg, Processing	4,528,095	3,499,843	47%	L	6	71	\$500K	0.900	0.00	0.1123	194,708	1,858,850	208,836	2,262,394	2,265,701	50%
SMART Advantage	9,782,054	1,562,978	35%	L	4	72	\$550K	1.000	0.00	0.0349	420,628	5,604,220	195,447	6,220,295	3,561,759	36%
WA Hospitality Association	32,223,323	4,792,127	55%	L	2	74	\$550K	1.008	0.00	0.0076	1,385,603	21,172,004	161,796	22,719,403	9,503,920	29%
WA State Auto Dealers Assn	20,219,874	9,258,030	54%	L	6	73	\$800K	1.044	0.00	0.0163	869,455	9,021,765	147,371	10,038,591	10,181,283	50%
WA State McDonald's Operators Assn	3,200,842	4,712,205	48%	L	1	70	\$500K	1.113	0.00	0.0362	137,636	1,221,333	44,180	1,403,149	1,797,693	56%
WA Trucking Associations	2,438,676	7,585,791	38%	L	8	69	\$500K	0.743	0.00	0.3788	104,863	1,062,464	402,458	1,569,785	868,891	36%
Subtotal - Associations	108,074,447	52,027,419	48%								4,647,200	61,876,102	3,043,156	69,566,458	38,507,989	36%
Total Enrollment	110,739,322	52,871,775	48%								4,761,789	62,857,228	3,654,270	71,273,287	39,466,035	36%