



CITY OF
Vancouver
WASHINGTON

Workers' Compensation Program

Brent Waddle

Risk and Safety Manager

Human Resources: Risk and Safety Division

July 1, 2024

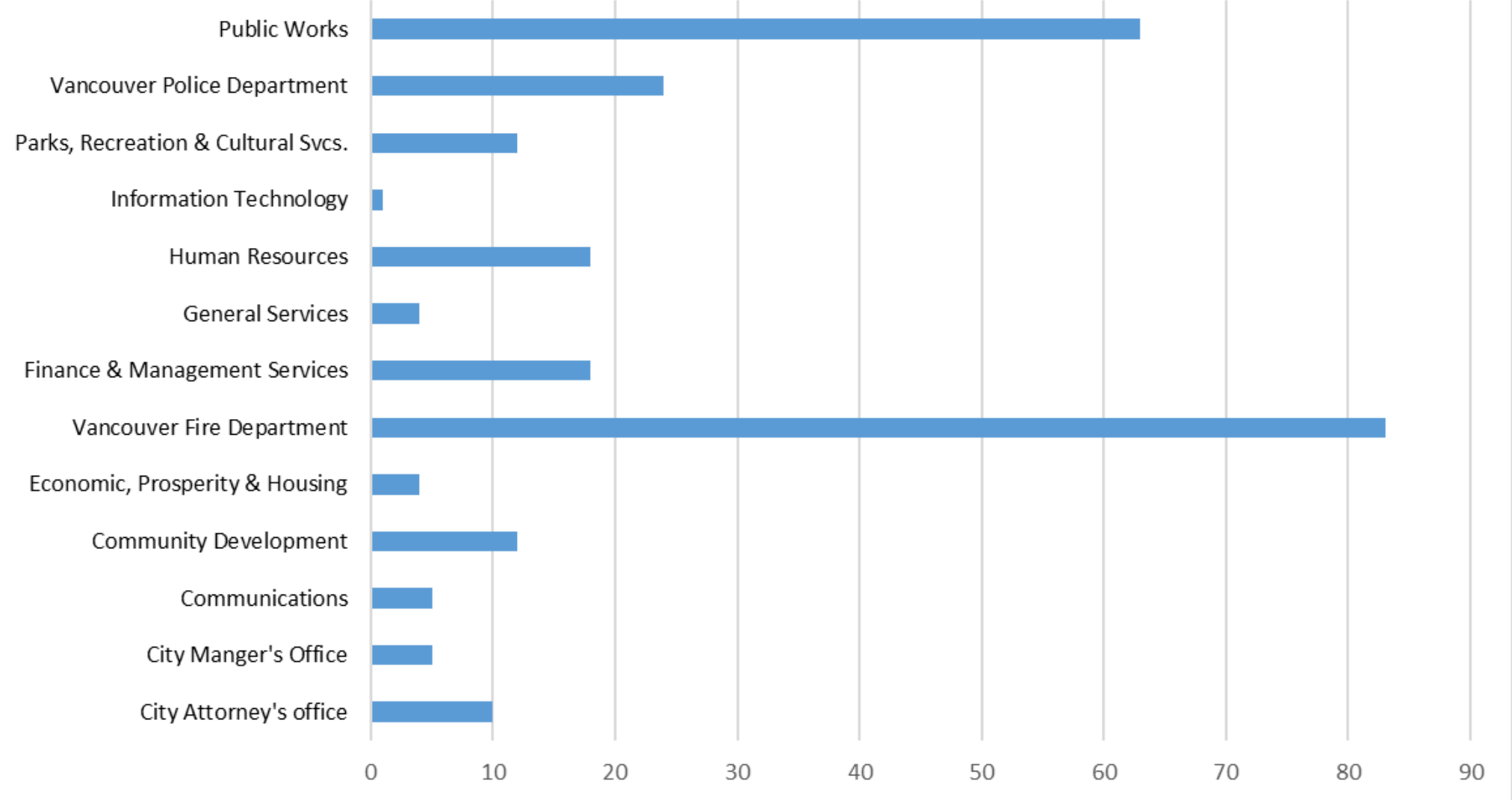


Agenda

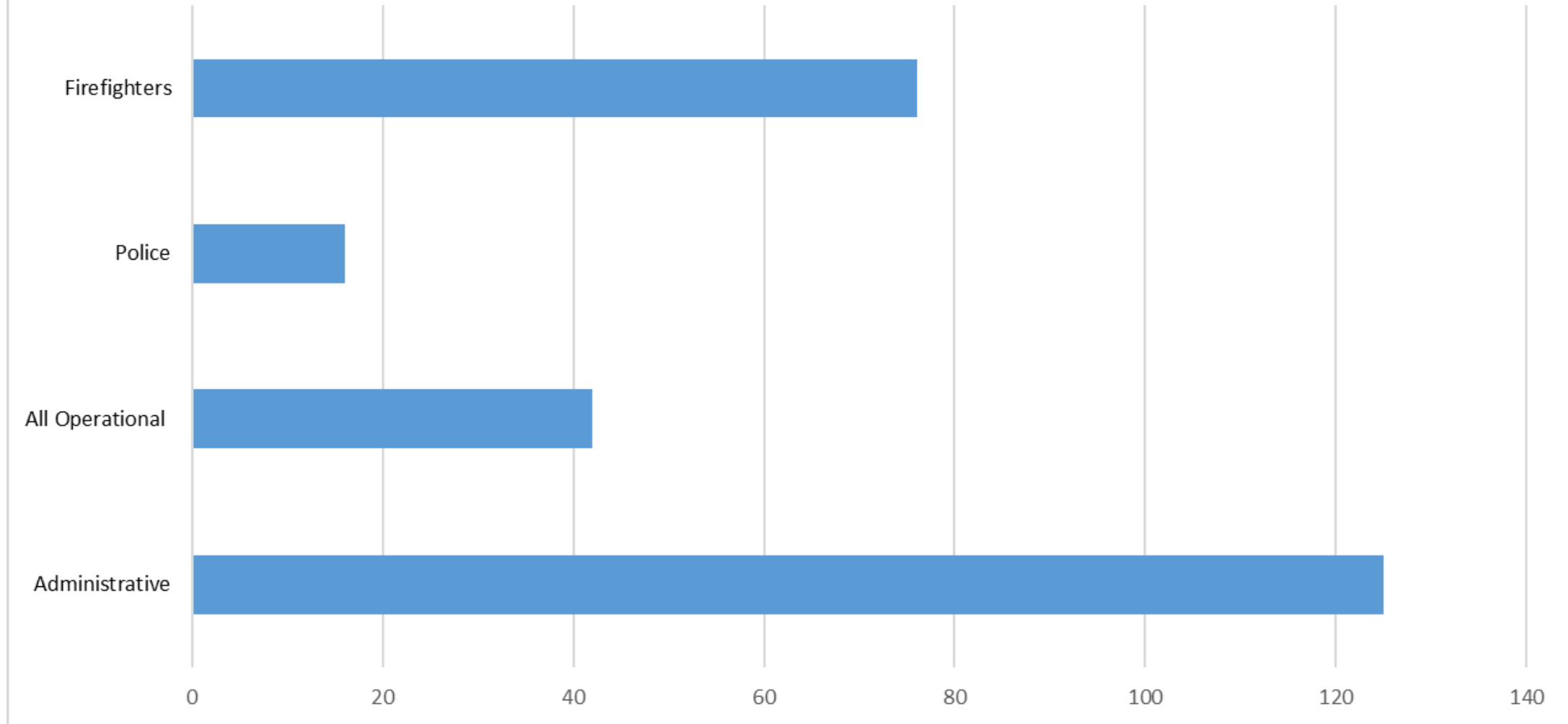
- Employee Survey Results
- Association of Washington Cities (AWC)
- Discussion and Council Direction



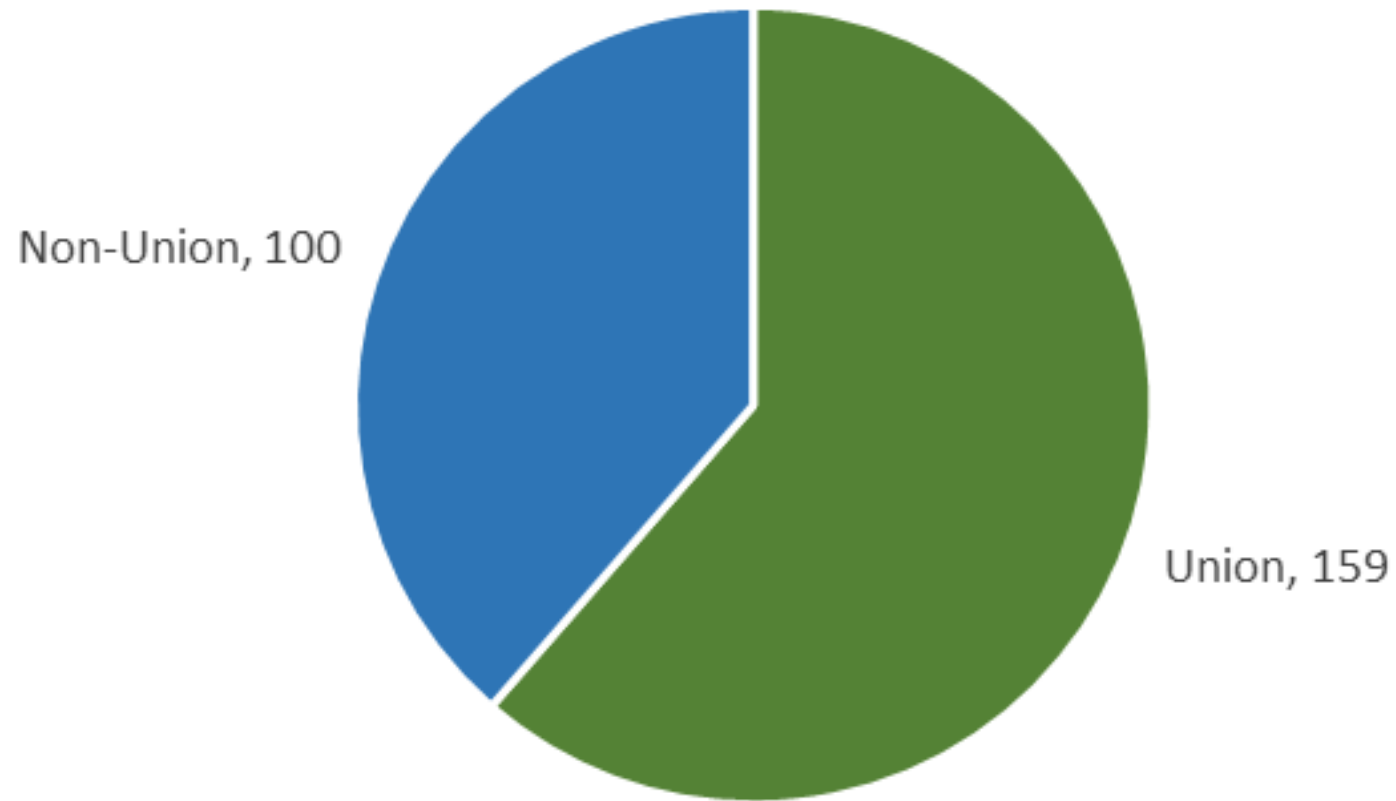
What Department are you in?



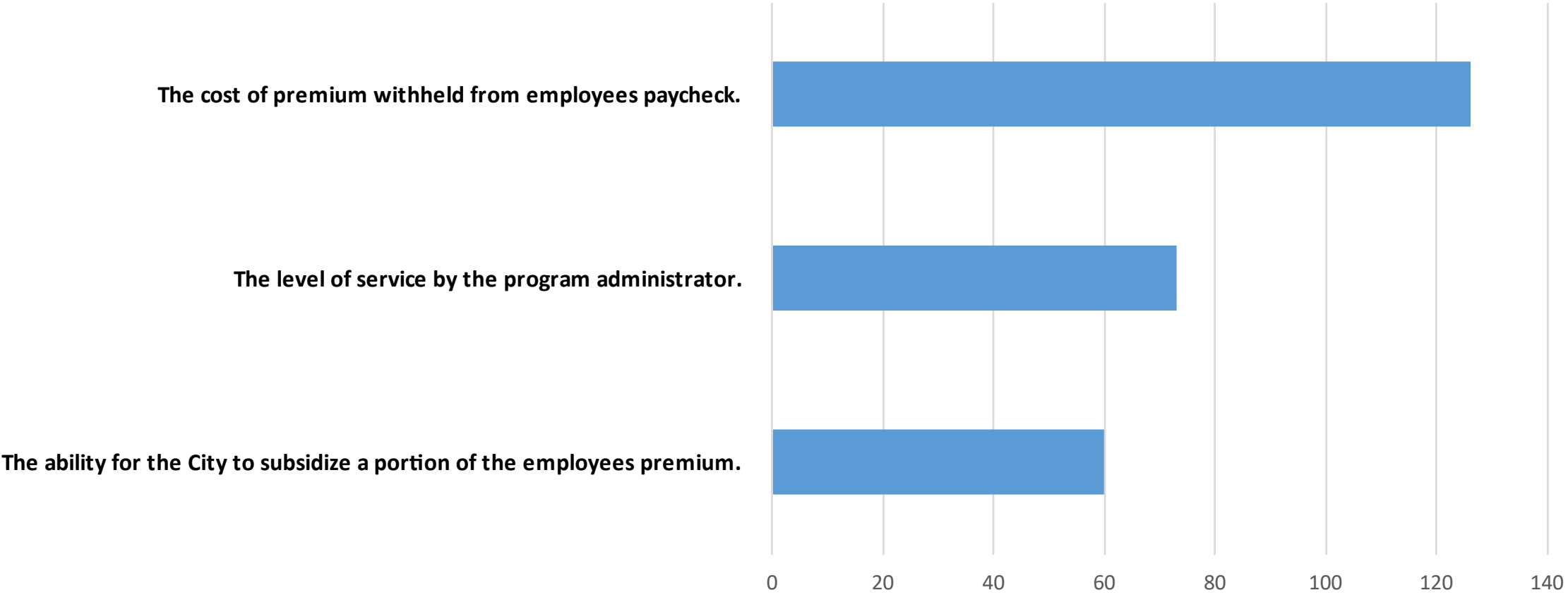
What workers' compensation classification?



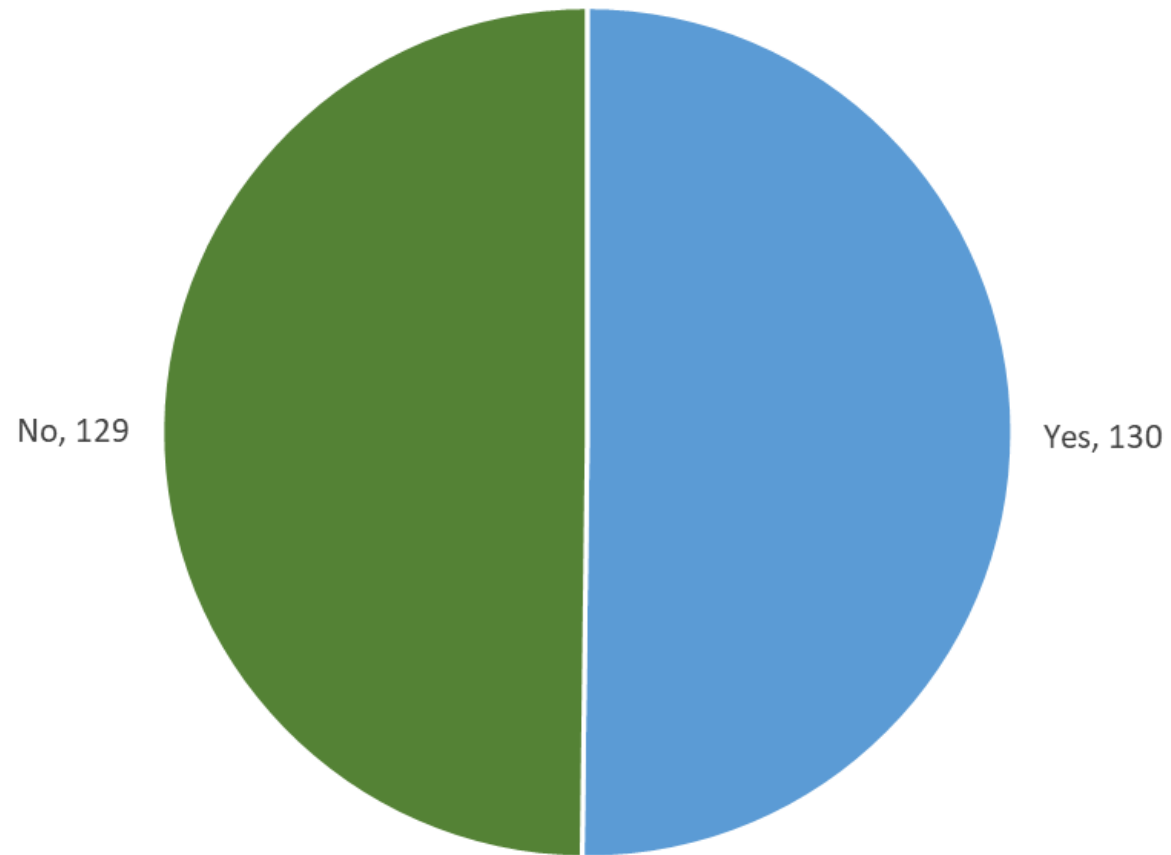
Are you a union or non-union employee?



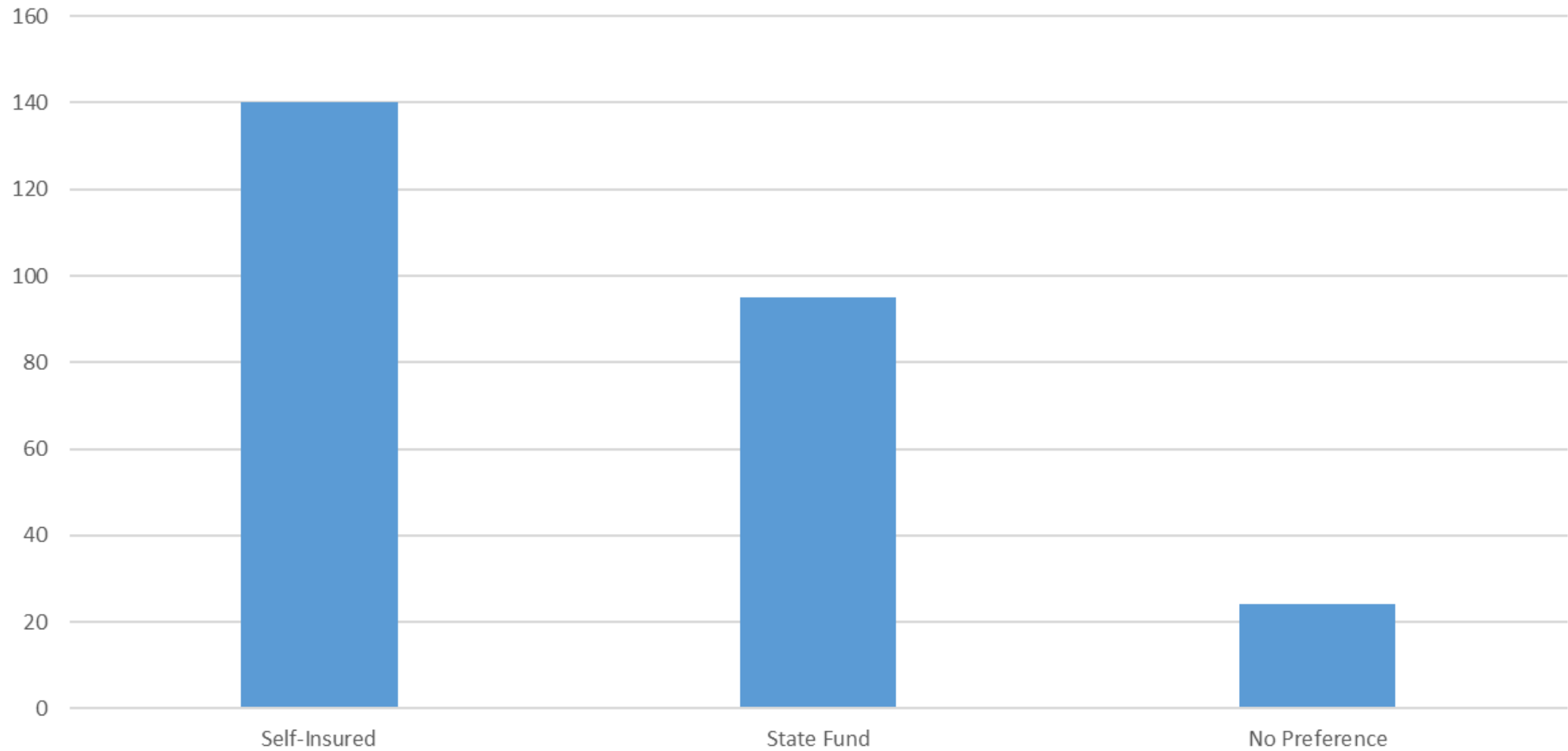
Please rank the qualities of a workers' compensation program. (Place most valued quality at the top and the least valued at the bottom)



Would you be willing to pay more for workers' compensation program if it meant better services to those employees in higher risk jobs such as Police or Fire?



If given the option, would you prefer our organization to be self-insured or be part of the state fund for workers' compensation?





Association of Washington Cities (AWC)

Carol Wilmes

Director of Member Pooling Programs
Association of Washington Cities

Ian Payne

Retro Program Director
Association of Washington Cities



Vision statement

Every employee | Home safe | Every night

Mission statement

Through the power of pooling, we are the premier public entity workers' compensation program in the State of Washington. We achieve the highest standards for comprehensive employee safety programs. Together, we provide financial stability and exceptional stewardship of public resources.

Strategic goals

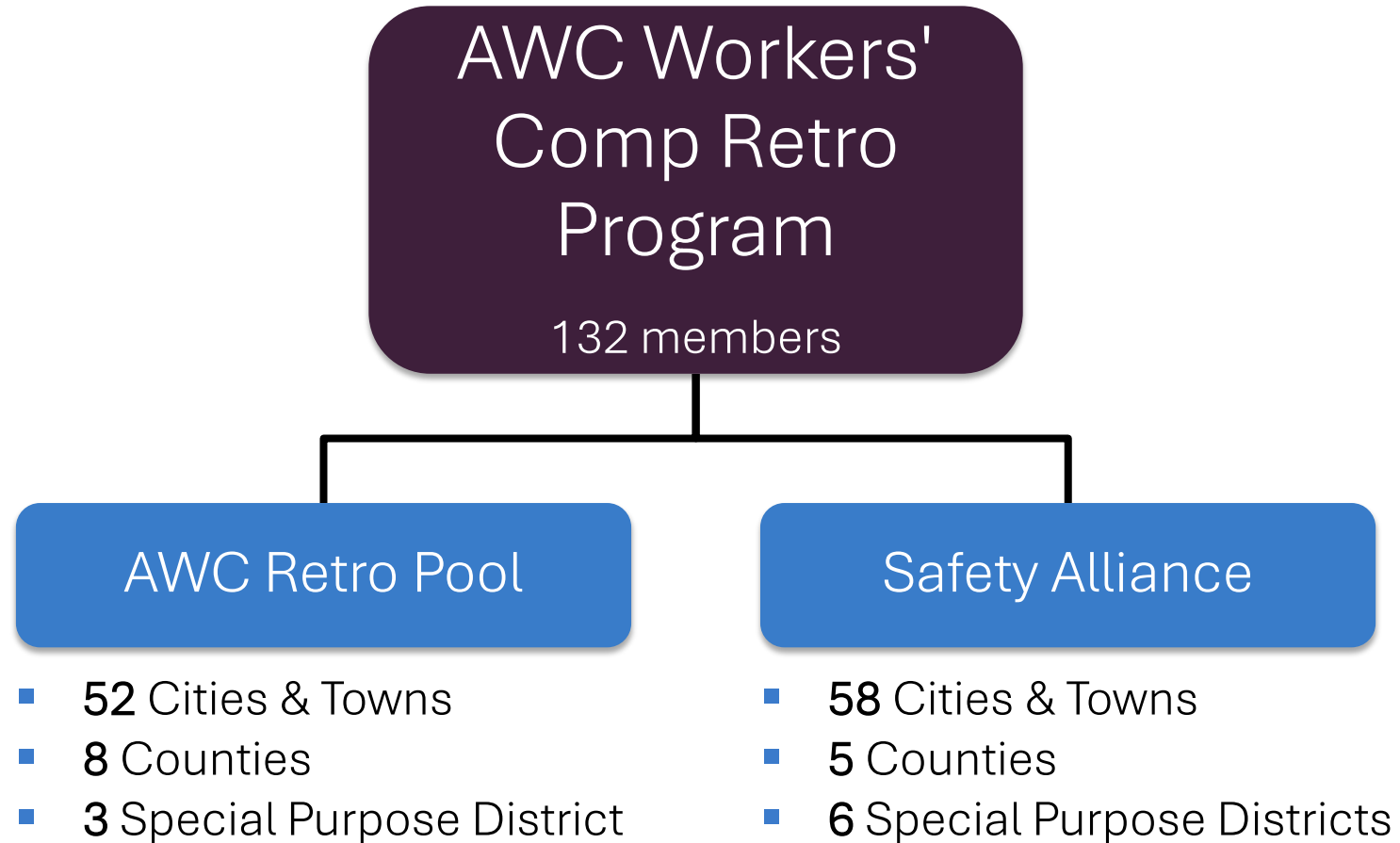
Technology – Utilize technology for optimal internal operations and provide innovative solutions, tools and resources to members

Financial stability – Maintain the Retro Program's fiscal health and sustainability

Workplace culture – Educate members at all levels – elected, executive, supervisory, and workers – on the value of a safe and healthy workplace and how to successfully achieve that environment

Member services – Promote the value of Retro Program membership to current and potential members by providing meaningful and relevant services, tools and resources

AWC Retro membership



Claims management

- **Claim resolution**
 - Assigned Claims Coordinator ensures claims decisions are timely, legal, and fair to the employer
 - Communication with medical provider, L&I, employer, and injured worker
- **Stay at Work/Transitional work**
 - Decrease worklessness, increase morale
 - Reimbursement \$ back to employer
- **Assistance with BIIA Appeals**

Retrospective rating in Washington

- A safety incentive program that offers the opportunity for employers and groups to recoup workers' compensation premiums retroactively
- In Washington participation is limited to state fund employers
- Success comes from reduction occupational injuries and lowering claims costs

Participation in L&I retrospective rating

- Employer organizations can join individually, or with a homogenous group
- Each participant chooses a plan design annually which sets out limits on individual claim and total pool losses
- L&I applies loss development factors to claims costs to project long-term exposure; these factors are updated quarterly during the adjustment window

How retrospective rating works

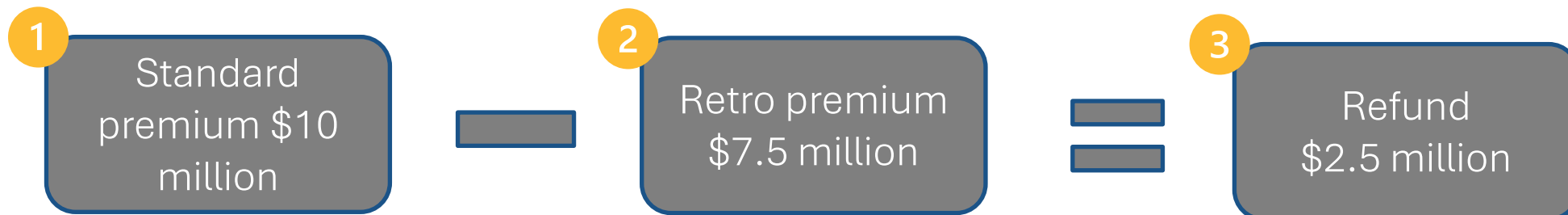


- “Retro Year” - lasts 12 months; can start at any quarter
- Each “Retro Year” has 3 adjustments (look-backs)
- L&I evaluates each Pool’s premiums and claims costs to determine a refund or assessment.

How are Retro refunds calculated?

1. Standard premium is aggregated across Pool membership for a given year.
2. The claims costs for all members in the Retro group are summed, adjusted, and capped. Various administration charges are added. This is *retro premium*, which is based on the performance of your group as of the Freeze date.
3. L&I subtracts the retro premium from the standard premium. If the result is greater than zero, the group gets a refund. Less than zero, an assessment for additional premiums is issued.

Simplified Retro Calculation



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Retro Program policies, Article V

1. Joining the Retro Pool

(a) Cities/towns

Cities or towns that are members of the AWC are eligible to join the Retro Program, but are subject to the following criteria:

- (i) Must have a three year average Standard Premium of \$60,000 or greater. The three years' average is based on the 12 most recent quarters of premium reported to Labor & Industries at time of application.
- (ii) At least two of the last three adjusted Retro years would have had a positive impact on the Retro Pool. Using claim costs at time of review, and Development Factors at most recent adjustment for each corresponding year.
- (iii) Must have an established safety committee in compliance with WAC 296-800-130.
- (iv) Must have a written Accident Prevention Program in accordance with WAC 296-800-140.
- (v) Must have a written Return-to-Work policy.

Actuarial Review

Association of Washington Cities Retro Program

Prospective Member Review – City of Vancouver

May 22, 2024



Considerations

Historical experience

- Would Vancouver's loss experience have had a positive or negative contribution to a refund?
 - Loss amounts in years 2020-2023
 - Premium using state fund rates in 2020-2023

Experience rating

- When will experience rating impact Vancouver's state fund premium?

Member size

- Would adding Vancouver provide a benefit by increasing the retro program size?

Additional risk

- How much more risk is assumed by the retro program with the addition of Vancouver?

Loss experience

- Approach
 - Apples-to-apples comparison of losses and premium (loss ratio = loss/premium)
 - Run through AWC retro calculation without max loss ratio limitation
- Results – estimates for 3 years

Year	Premium	Indicated Loss Ratio	Refund %	Refund/ (Assessment) Contribution
2020-21	\$2.4m	132%	-97%	(\$2.3m)
2021-22	2.5m	137%	-105%	(2.6m)
2022-23	2.9m	44%	30%	0.9m
Total	7.8m	100%	-52%	(4.0m)

Retro Program membership invitation

- The Retro Board met on June 18 and considered potential program membership for City of Vancouver
- Based on Retro Program policy and actuarial analysis, the AWC Retro Board has approved Safety Alliance membership for the City of Vancouver.

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State fund experience - claims

- Claims are randomly assigned to appropriate claims managers; not employer-based assignments
- Assigned claims adjudicator makes all allowance, benefit, and claim resolution decisions
- Claim managers may communicate with employers, but do not typically coordinate

State fund experience – employer account

- State fund employers pay premiums and are experience rated based on risk classes – employee groups with like duties and hazard exposures
- Organizations have assigned account managers that assist with items like risk class assignments/corrections
- Most contact will be initiated by the employer

State fund experience – retro group or TPA

- Employer's administrator handles all direct communication from L&I on workers' compensation claims
- Administrator monitors and coordinates claims, advising and engaging with employer when appropriate
- Retro groups are parties to claims for participating employers, third-party administrators are not

Discussion / Council Direction

