

Return to Work Incentives



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L&I Return to Work Partnerships**

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What is Industrial Insurance?

Provides injured workers with
Medical & Wage Replacement
compensation

Worker is covered no matter who is at
fault

Protects Employer from a
financial loss as a result of legal
judgment

Injured worker cannot sue employer



Purpose of Insurance

Transfer of Risk

Exchanges uncertain costs with a consistent known amount

Pooling of Risk

Safety in Numbers



Industrial Insurance Benefits

- ✓ Medical Services
- ✓ Wage Replacement (**Time Loss**)
- ✓ Permanent Partial Disability (**PPD**)
- ✓ Re-Training
- ✓ Pension / Structured Settlement
- ✓ Survivor Benefits



Wage Replacement

(Time Loss)

- ✓ If worker cannot return to work after 3 calendar days because of the injury
- ✓ No Time Loss for the first 3 days unless worker is still unable to work on the 14th day following the injury



Wage Replacement (Time Loss)

- ✓ Entitled to 60% of gross wages (tax free)
- ✓ If married, entitled to an additional 5%
- ✓ Additional 2% for each dependent child
(up to 5 children)

Note: Federal Taxes, Social Security, Medical Insurance is not deducted from Time Loss

Industrial Insurance Rates

Risk Class

Assigned based on the nature of the business

Base Rate

Reflects the hazards within that industry





\$.34



\$5.55

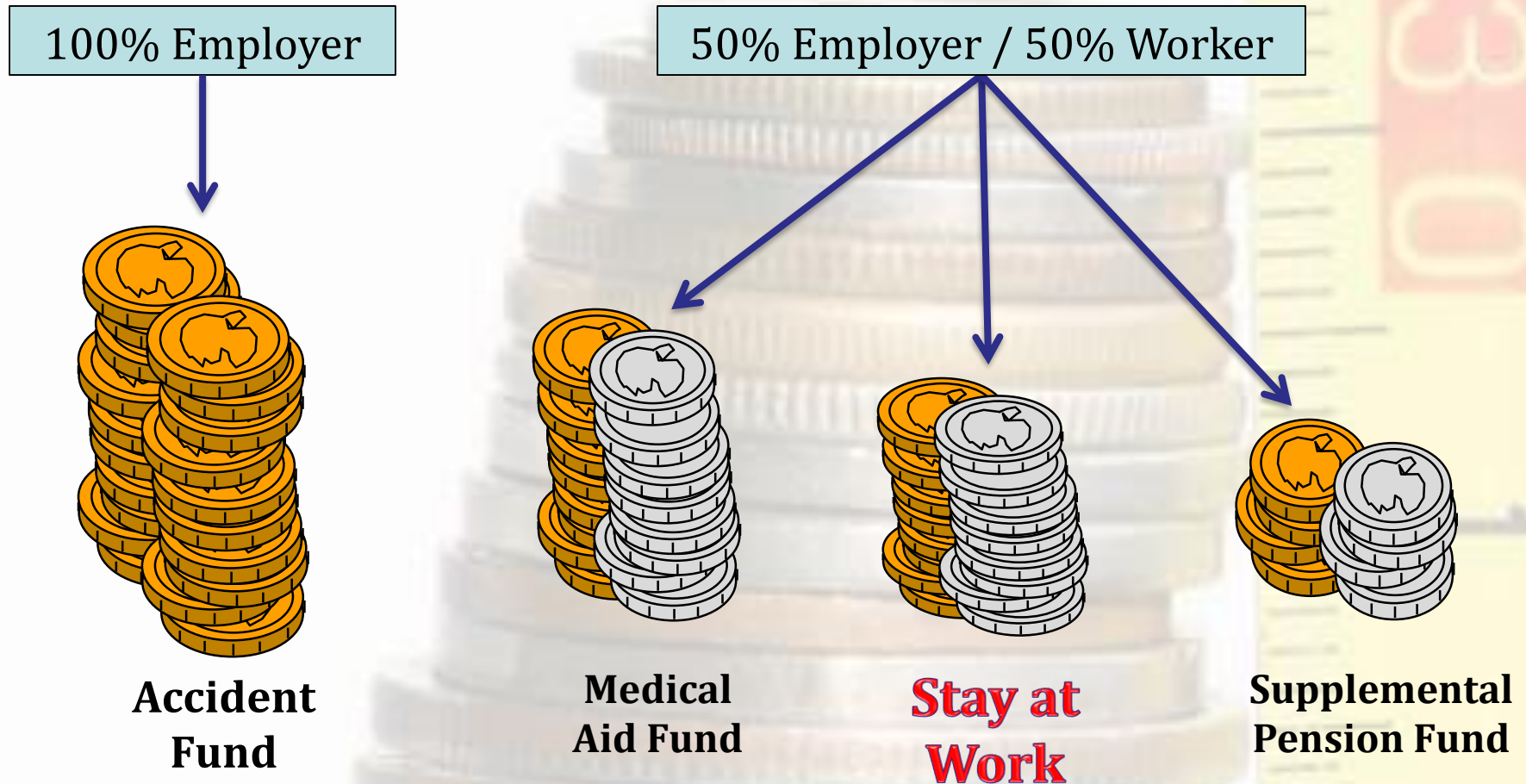


\$.14




\$1.22

Base Rates are made up of 4 separate funds



What Causes Worker's Comp Costs to Increase?

- 
- 1. Risk Classes**
 - 2. Hours of Worker Exposure**
 - 3. Cost of your Claims**

The Formula Compares Expected and Actual Losses




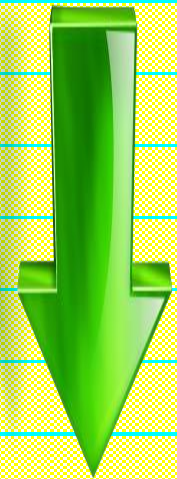
Expected cost of the
number of hours worked
& the hazard of work



The actual cost
of the claims

Experience Factor

Actual Losses  Expected Losses = 1.20



Exp Factor = 1.00



Actual Losses  Expected Losses =

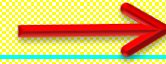


.80

Experience Factor

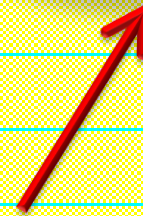


\$1,019



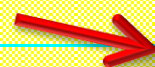
Savings

\$2,017



Base Rate	Experience Factor		
\$1.22	.80	=	\$0.97

\$1.22	1.20	=	\$1.46
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\$3,036

Experience Rating Period

	Rating Year (Calendar Year 1/1 - 12/31)						
	2016	2017	2018	2019	2020	2021	2022
(also impacted by FY2012)							(also impacted by FY 2020)
Rating Year (ending 6/30) ↓							
7/1/2012 – 06/30/2013 (Also impacts CY 2015)							
7/1/2013 – 06/30/2014							
7/1/2014 – 06/30/2015							
7/1/2015 – 06/30/2016							
7/1/2016 – 06/30/2017							
7/1/2017 – 06/30/2018							
7/1/2018 – 06/30/2019 (Also impacts CY 2023)							

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RCW 51.16.035

Classifications System, Setting Rates of Premium, and Experience Rating

Provides economic incentive to
prevent accidents

Encourages Workplace Safety
Rewards Good Performance
Discourages Poor Performance



Fairness & Equity

25% Rule



An Employer's Experience Factor shall not increase or decrease by more than 25% during any one rating year

WAC 296-17-865

Rule of 1.0000

1.3333



**The 25% Rule
will be ignored**

1.0000



Return to Work Incentives



1 Make workplaces safe.

Reduce injury rate of
workplaces visited by L&I

Foster a culture of safety at as
many workplaces as possible

Return to Work Incentives



DOSH Consultation Services

Helps Employers

- Increase safety awareness
- Prevent accidents
- Manage workers' compensation costs

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Safety and Health Consultation

Consultation visit by employer invitation

- No charge
- Confidential
- No citations or penalties
- You must fix any serious hazards found

3 types of consultation services

- Safety
- Industrial Hygiene
- Risk Management Services



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DOSH Safety Consultation

- No obligation consultation
- Review written safety programs
- Walk-through survey
- No issuance of safety citations
- A written closing report outlining conditions found and any recommendations provided.

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Safety Consultation VS Hygiene Consultation

- Safety Consultation focuses on physical hazards & procedures, such as machine guarding, fall protection, lockout / tagout.
- Hygiene Consultation focuses on issues such as hazardous chemicals, noise control, or confined space.

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Industrial Hygiene Consultation

- Noise Exposure
- Air Quality
- Chemical Exposure
- Confined Space
- Bloodborne Pathogens

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2 Help injured workers heal and return to work.

Create a culture of
return to work

Reduce unnecessary
disability

Reduce system
delays and improve
our customers'
experience

Return to Work Incentives



There is no downside to prevention!

- Preventing workplace injuries and illnesses is one of the most important things we do here at L&I.
- Prevention protects workers from pain, sickness, financial loss, and even death.
- Prevention also lowers the premiums workers and employers pay – which, in turn, promotes a better relationship between the state and the business community.

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Not all injuries can be prevented, but when they happen:

- Be proactive, have a return to work program in place.
- Stay in contact with the injured worker
- Offer light-duty to injured workers to reduce time-loss costs
- Apply for Stay at Work reimbursements

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What can a Risk Management Consultation do for you?

- Education on Washington Workers Compensation System
- Education on Rates & Insurance Concepts
- Comprehensive 5 year overview of Claims
- Human Resources best practices
- Assistance with creating a Return to Work Plan & Return to Work culture

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How do you keep premiums low?

- Prevent Injuries in your workplace
- Utilize L&I's Safety Consultation Program
- Utilize L&I's Risk Management Staff
- Create a good return to work culture
- Utilize L&I's Stay at Work Program



Help from L&I

[Report Hazards, Unsafe Work or Discrimination](#)

[Report a death, in-patient hospitalization, amputation or loss of an eye](#)

Request Consultation

- ▶ [About Consultation](#)
- ▶ [Online Consultation Request](#)
- ▶ [Consultants Near You](#)

About Workplace Safety & Health Consultation

About

What To Expect

Types Of Consultations

L&I's Division of Occupational Safety & Health (DOSH) Consultation Program offers you no-fee professional advice and assistance in establishing or strengthening your workplace safety and health program.

Employers and employees can benefit from

- knowledge gained from implementing best practices, having an effective safety program, and staying compliant with WISHA rules;
- controlling Industrial insurance premiums and preventing hidden costs of workplace injury claims through effective safety programs;
- a safer and healthier work environment so employees can go home to their loved ones at the end of each work day; and
- enhanced job performance because the employee is more productive, absent less often, and more likely to avoid short- or long-term disability.

Employer request for consultation

An employer may request assistance for a complete review of the company's safety and health conditions, for information about a specific problem, or both. The consultant will contact you, usually by telephone, to discuss your request and to schedule a time and date for an on-site visit. [Contact an L&I consultant near you.](#)

Note: You cannot be fined by a consultant as a result of the consultation. You will be required to correct serious hazards, but you face no financial penalties.

Resources

- [Keep Your Employees Safe and Working](#) (F417-209-000) (consultation brochure).
- [Partnership with VPP & START.](#)
- [Online Consultation Request Form.](#)
- [Contact a consultant near you.](#)



An L&I consultation visit is confidential and there is no charge for this service.
L&I photo



STAY AT WORK Program



Stay at Work – It's the Right Thing to Do!

A legislatively mandated (EHB 2123) program providing financial incentives for ***State Fund Employers*** providing light duty or transitional work to employees recovering from on-the-job injuries.

RCW: 51.32.090

WAC: 296-16A

STAY AT WORK Program



Wage Reimbursement

- 50% of the base wage
- For up to 66 days or up to \$10,000 per claim, whichever comes first.
- Within a consecutive, 24-month period.

You have a year from the date of the wage payment or expense to apply for reimbursements.



STAY AT WORK Program



Training Reimbursement

- **For training necessary for the light duty or transitional work**
 - ✓ Tuition
 - ✓ Books
 - ✓ Fees
 - ✓ Other necessary materials



- **\$1,000 per claim**



STAY AT WORK Program



Clothing Reimbursement

- \$400 per claim
- Becomes property of the worker



STAY AT WORK Program



Tools/Equipment Reimbursement

- \$2,500 per claim
- Tools and equipment become the property of the employer



STAY AT WORK Program



Stay At Work Cumulative Totals from 01-01-12 through 03-24-17

Wages	\$54,226,377
Expenses	\$ 504,658
Total	\$54,226,377

4,794 Employers have received **\$54,226,377** to keep
21,616 workers on light-duty and receiving wages.

STAY AT WORK Program



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STAY AT WORK Program

Resources

Workers' compensation

www.Insurance.Lni.wa.gov / 360-902-4817

Workplace safety

www.Lni.wa.gov/Safety

1-800-4BE-SAFE (1-800-423-7233)

Stay at Work Program

www.stayatwork.lni.wa.gov



STAY AT WORK Program



Have questions about Stay at Work?

Visit our website at:

www.stayatwork.lni.wa.gov

E-mail the Stay at Work Unit at:

stayatwork@lni.wa.gov



Call the Stay at Work Unit at:

1-866-406-2482 or 360-902-4411