



WORKERS' COMPENSATION PROGRAM

Coverage Description:

ACWA/Joint Powers Insurance Authority (JPIA) through WGM & Associates, provides a self-insured Workers' Compensation Program. The program covers bodily injury by accident or bodily injury by disease, including death, of employees arising out of and in the course of employment.

An experience modification factor is calculated for every member agency regardless of size. The JPIA uses the same formula developed by the Workers' Compensation Insurance Rating Bureau to generate an experience modification factor which will reflect the agency's loss experience in comparison with other employers in the same classifications.

Deposit premiums are calculated on a quarterly reporting basis. This deposit premium is used to pay all claims. For purposes of the retrospective premium calculation, each member also selects its own retrospective allocation point (RAP) level. The JPIA offers eight RAP levels: \$250; \$500; \$1,000; \$2,500; \$5,000; \$10,000; \$15,000; and \$25,000. The following is a schedule of minimum RAP's:

<u>Deposit Premium</u>	<u>Minimum RAP</u>
\$ 1 to \$ 2,500	\$ 250
2,501 to 5,000	500
5,001 to 10,000	1,000
10,001 to 25,000	2,500
25,001 to 50,000	5,000
50,001 to 100,000	10,000
100,001 and above	15,000

A member agency may select a RAP level higher than the minimums listed.

Retrospective Premium Adjustments:

The first premium adjustment takes place 45 months after the beginning of each coverage year, and annually thereafter until the coverage period is closed out. This process is called a Retrospective Premium Adjustment. The adjustment is determined by the following elements: actual payroll versus estimated payroll, losses within the member's RAP level, a share of losses above the selected RAP level, a share of general and administrative costs, and a share of interest earned on the funds held. Once these factors have been calculated, the final premium is compared to the deposit premium already paid by the member and a debit or credit is made to the member's RPA Stabilization Fund.

Risk Management:

The quality of agency management, the control of losses, and sound safety programs are vitally important to every member of the Workers' Compensation Program.

The JPIA has developed a Risk Management Program to help each agency understand the importance of safety within the workplace. The JPIA also conducts periodic workshops and seminars and regularly visits each member. Prior to acceptance into the Workers' Compensation Program, a prospective member will have a formal assessment performed by one of the Risk Management Consultants. The survey allows the JPIA to "get to know" prospective members and their operations. The risk management report is used by the Executive Committee to review new applicants.

Risk Management Services include the following:

- Injury & Illness Prevention Program
- Return-to-Work Program
- Ergonomic Evaluations
- Cal/OSHA Regulatory Assistance
- Back Injury Prevention Program
- Hazard Communication
- Occu-Med Program
- Lending Library of video and audio tapes, and materials on numerous safety topics.

Steps for Program Participation:

1. Complete and return the Workers' Compensation Program Application.
2. Attach copies of the agency's current policy.
3. Attach current loss history analysis reports for the last five years.
4. Attach copy of current WCIRB Experience Rating Form.
5. Attach copy of most recent audited payroll by classification.
6. The agency will receive a written quotation to present to its Board of Directors.
7. Notify the JPIA in writing of the Board's decision to accept or decline the quotation.

If the quotation is accepted, the following will need to be completed:

1. A JPIA Risk Management Consultant will contact the agency for an appointment.
2. The JPIA Risk Management Consultant will assess the agency and prepare a recommendation.
3. The agency will be placed on an Executive Committee meeting agenda for membership consideration.
4. A Board resolution is required to effect coverage.