

# SAFE WORKPLACE REWARDS PROGRAM



## HOW REWARDS ARE CALCULATED

The amount of a Safe Workplace Program reward is computed by summing the total incurred amount for the client's workers' compensation claims between the client's first payroll start date and 12 months later (plan year) and multiplying by 2.05 to calculate developed losses. The developed losses are then divided by the amount of the workers' compensation charges paid during the plan year to compute the developed loss ratio. The reward amount equals the amount of the workers' compensation charges paid during the plan year times the developed loss ratio percentage located on the grid below.

## ABOUT THE PROGRAM

FrankCrum provides workers' compensation coverage for its clients' leased employees per their Client Service Agreement. The Safe Workplace Rewards Program monetarily rewards clients for effective safety management implemented at their worksites. FrankCrum will reimburse participating clients a percentage of their workers' compensation charges based upon the terms and conditions of this program.

## EXAMPLE

- Client's first payroll start date = **Jan. 1, 2023**
- Workers' compensation charges: Paid **from Jan. 1 - Dec. 31, 2023 = \$50,000.00**
- Sum of claims: On **July 1, 2024**, total incurred amount for workers' compensation claims between **Jan. 1 - Dec. 31, 2023 = \$5,000.00**
- Developed Losses:  **$(\$5,000.00 \times 2.05) / \$50,000.00 = 20.5\%$**
- Developed Loss Ratio: Grid row 4, column 6 = **4%**
- Reward:  **$\$50,000.00 \times 4\% = \$2,000.00$**  The reward is calculated 18 months after the client's first payroll start date and distributed within 60 days. To be eligible for the reward, the client must be active, not pending termination, and in good standing with FrankCrum with no past due balance.

## DEVELOPED LOSS RATIO

Workers' Comp Charge	No Losses	.01% - 5.00%	5.01% - 10.00%	10.01% - 15.00%	15.01% - 20.00%	20.01% - 25.00%	25.01% - 30.00%	30.01% - 35.00%	35.01% - 40.00%	40.01% - or greater
\$5,000 - \$29,999	3%	3%	3%	3%	3%	3%	3%	2%	1%	0%
\$30,000 - \$39,999	4%	4%	3%	3%	3%	3%	3%	2%	1%	0%
\$40,000 - \$49,999	5%	5%	4%	4%	4%	4%	3%	2%	1%	0%
\$50,000 - \$74,999	6%	6%	5%	5%	4%	4%	3%	2%	1%	0%
\$75,000 - \$99,999	8%	7%	6%	5%	4%	4%	3%	3%	2%	0%
\$100,000 - \$149,999	10%	8%	7%	6%	5%	4%	4%	3%	2%	0%
\$150,000 - \$199,999	12%	10%	8%	7%	6%	5%	4%	3%	2%	0%
\$200,000 - or greater	14%	11%	9%	8%	6%	5%	4%	4%	3%	0%