

# Basics of RETROSPECTIVE RATING

Also known as Retro.



## WHAT IS RETRO?

Retro is an optional financial incentive program offered by the Department of Labor and Industries to help qualifying employers reduce their industrial insurance costs. Employers can enroll on their own, or in group plans sponsored by trade associations and/or professional organizations.

**IMPORTANT:** Retro is the only way to earn premium refunds from L&I.

## HOW IT WORKS

### RETRO STRUCTURE

- » Washington workers' compensation is state-run by L&I.
- » L&I offers the Retro program to reward employers for having a safe workplace.
- » With Retro, individual companies or groups sponsored by an association can earn a portion of their paid premium back.
- » Your association partners with ERNwest to administer the Retro program.

### YOUR PROGRAM PARTNER

ERNwest specializes in managing Retrospective Rating programs and has helped deliver consistent refunds to over 4,000 employers in Washington.

- » Managing more Retrospective Rating programs than any provider in the state.
- » In service since 1996, their level of knowledge and expertise is unsurpassed.

#### RETRO PARTICIPANT

*Your Company*

- Pays premium to L&I
- Keeps safe workplace

#### PROGRAM SPONSOR

*Your Association*

- Distributes refund
- Oversees program
- Offers assoc. benefits

#### PROGRAM ADMINISTRATOR

*ERNwest*

- Manages claims
- Offers legal services
- Implements Safety & Loss Control

#### INSURANCE PROVIDER

*L&I*

- Calculates group refund
- Receives employer premium

**30**  
YEARS

The number of years Retro has been offered by L&I

**40%**

The percent of WA premium in the Retro program

**\$**

Refunds are only offered through the Retro program

**Helpful tip:** Time loss hurts. For every \$1 paid in time loss, L&I takes up to \$5 out of potential refund.



### EARN A BETTER REFUND

Reduced time loss = Increased retro refund

## RETRO CALCULATIONS

A Simplified View

#### RETRO PREMIUM

Workers' Comp premium paid by the employer to L&I.

#### RETRO COSTS

1. Workplace injuries (claims)
2. Future claim costs (projected)
3. L&I admin costs

#### RETRO REFUND

If retro costs are lower than retro premium, a refund can be achieved.