



The Inland Pacific Chapter of Associated Builders and Contractors

Retrospective Rating Program





About ABC

Supporting Your Business Nationally

Associated Builders and Contractors is a national trade association representing nearly 25,000 merit shop contractors, subcontractors, material suppliers and construction-related firms in 78 chapters across the United States. The association was founded in 1950, based on its principled mission of supporting its members and advancing the philosophy that construction projects should be awarded based on merit, to the most qualified and responsible low bidder, regardless of labor affiliation.

The results from this strategy is clear, ABC became the fastest growing association in the United States. In 1970, only 30% of the nation's construction was performed by merit shop contractors and only six of the top 400 construction firms were ABC members. Today, merit shop contractors, account for more than 85% of all construction across the country, and ABC's membership has grown to include more than half of the top 400 construction companies in the United States.

The association's membership includes all specialties within the U.S. construction industry and is comprised primarily of firms that perform work in the industrial, commercial and institutional sectors. ABC is recognized as one of the leading organizations representing America's business community and the construction community. In fact, *Fortune* magazine rated ABC as one of the "most influential" organizations in the United States.

13 Ways ABC Serves As Your Business Partner

- **Business development tools** - to grow your company
- **Management education** - to enhance your professional expertise
- **Craft and apprenticeship programs** - to train your employees
- **Safety programs** - to improve your company's performance
- **Government affairs resources** - to make your political voice heard
- **Legal services** - to protect your business
- **Publications** - to inform you about industry news and developments
- **Networking opportunities** - to connect you with others in your industry
- **Insurance programs** - to help you attract and retain employees
- **Member discount programs** - to save your company money
- **Web site tools** - to link you with construction resources on the Internet
- **Student outreach efforts** - to build the industry's future workforce
- **80 chapter offices** - to support your company locally



Inland Pacific
Chapter

ABC Membership Benefits You!

Helping Keep Government Out of Your Business

- No other association defends Free Enterprise and the Merit Shop like ABC –period.
- ABC is the voice of the Merit Shop promoting free & fair competition
- Professional lobbyists in Olympia and Washington D.C.
- Keeping you informed on issues affecting your business

Building Relationships – Growing Your Business

- Networking events to build relationships and build business!
- Business referrals through National & Local network.

Great Medical Benefits at Competitive Rates

- ABC's health plan provides excellent benefits with rates typically 15%-20% lower than other local market plans with a large variety of plan options.

Education & Training – Increased Productivity & Profits

- Convenient, cost effective education seminars covering a broad range of topics.
- Scholarships Awarded to students affiliated with ABC members.

ABC's Group Retro Offers Big Savings

- Retro Program gives chance to receive significant refunds on workers' comp premiums.
- *Excellent* claims management services plus workers comp related seminars & programs.

Safer Employees, Less Time Loss, Lower Workers' Comp

- ABC Safety Services help keep your crews safe & working, keeping your company more productive! Services include sample safety programs, free in-house reviews, consultations with Safety Director, weekly safety meeting topics, workshops, safety video library.
- OSHA 10 & OSHA 30 training, first aid classes, safety classes and more!

Exclusive Discounts Saving You Money & Time

- Special discounts with ABC business partners like Enterprise, Shell Oil and many more!
- ABC members receive discounts on GM vehicles of \$1,000/truck & \$2,000/van, in addition to any other dealer-offered discounts!

Full Service Plan Center Services

- ABC Plans Center provides plans for projects, plus blueprint copying services.
- Online service provides access to plans, specs & projects on your computer!

For more information on these and other benefits of ABC membership, contact the ABC office at (509) 534-0826 or visit our website at www.ipcabc.org.



Workers' Compensation Premium Refunds

Retrospective Rating

Retrospective Rating (Retro) is an optional financial incentive program offered by the Department of Labor and Industries (L&I) to help qualifying employers reduce their industrial insurance costs. The popularity and success of the program is clearly illustrated by the following facts:

- Over 17,000 Washington employers receive Retro premium refunds each year.
- Over 95% of the employers in Retro participate in an association-sponsored program.
- L&I has refunded more than \$1 BILLION dollars in premiums through Retro.

ABC Retro Refund History				
Plan Year	Standard Premium	Refund	# of Members	Refund %
2007 - 2008	\$22,724,677	\$5,867,857	413	26%
2006 - 2007	\$18,420,001	\$3,576,543	345	14%
2005 - 2006	\$17,362,525	\$8,228,836	335	47%
2004 - 2005	\$12,834,436	\$5,430,070	298	42%
2003 - 2004	\$9,673,480	\$3,560,328	194	37%
2002 - 2003	\$8,428,994	\$3,874,290	188	46%
2001 - 2002	\$7,291,873	\$2,137,860	191	29%
2000 - 2001	\$9,420,311	\$2,548,371	192	27%
1999 - 2000	\$9,906,581	\$4,395,909	187	44%
1998 - 1999	\$8,943,176	\$3,883,081	156	43%
1997 - 1998	\$7,678,775	\$3,510,016	148	46%

Please note retrospective rating is not without risk, nor does past performance guarantee future results.

IPC-ABC recently affiliated with ABC Western Washington. IPC-ABC refunds have averaged 46% over the last five years with one assessment in the 2002-2003 plan year.

- ABC's risk level is the lowest or equal to the lowest of any active construction industry Retro program (10% risk with a fully-funded reserve in case of a penalty assessment).
- The group refund is distributed to participants based on a formula that heavily rewards performance, but also provides a refund to every member every year.
- The program fees that are collected from the refund are used to support safety, Retro and workers' comp services to participants.



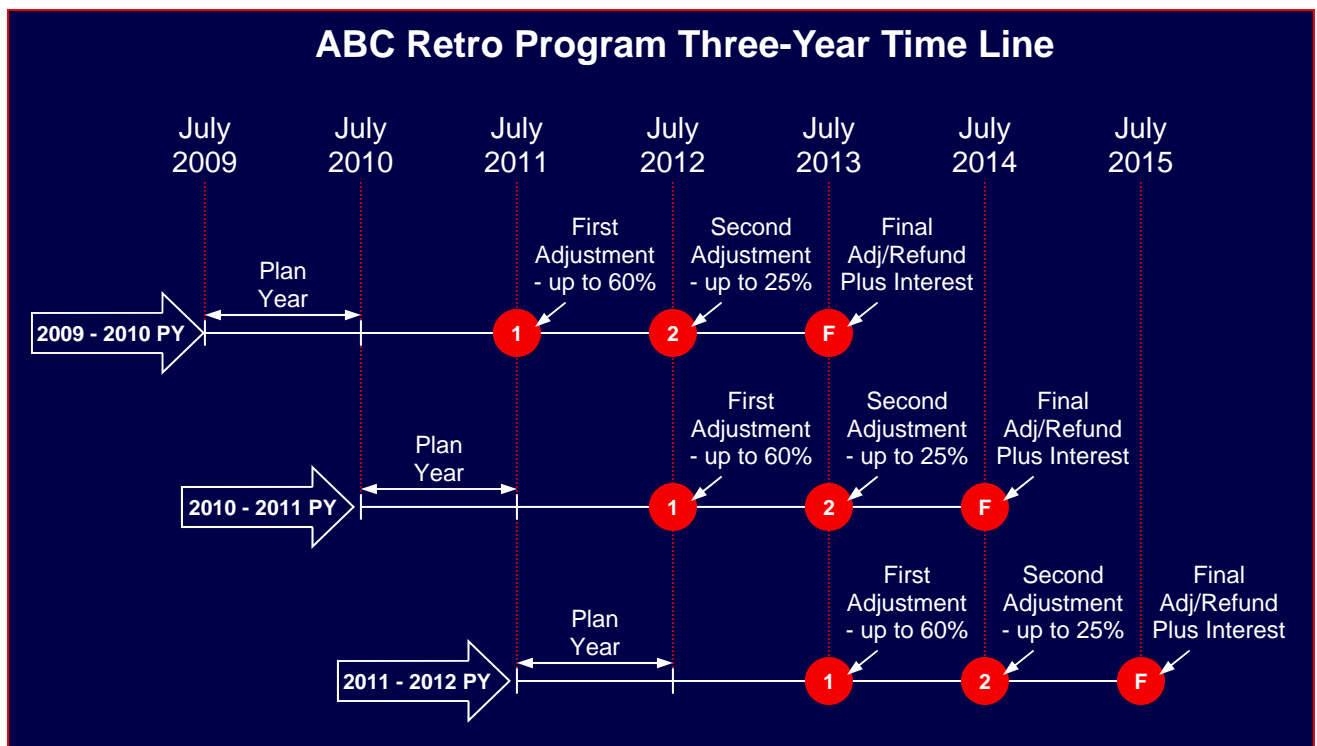
Workers' Compensation Premium Refunds

How IPC-ABC Retro Works

For a one year period of time, called a “plan year”, L&I tracks the combined premium and claim costs of the program members. At intervals of 11, 23, and 35 months after the end of the plan year L&I will look back and calculate the retrospective premium. This is also known as a “retro adjustment”.

If claim costs for the plan year are lower than anticipated, a portion of the premiums paid are refunded. If, however, claim costs are above a certain point (depending on the plan and level of risk chosen by the group), an assessment for additional premium would be made. There is a pre-selected limit to this additional assessment, but it is critical that this risk is recognized.

The chart below shows the “timeline” of ABC retro for the 2008 - 2009, 2009 - 2010, and 2010 - 2011 plan years. It shows when the distributions for each plan year will be made and what may be distributed at each adjustment.



Fees for the ABC retro program can be paid upfront or out of your refund. It's your choice.

Through sound financial management the committee of contractors that is responsible for overseeing the program has built a large enough contingency fund to protect the group against any one year maximum penalty and to allow all program participation fees to be taken from the refund. Fees for participating in the program will not exceed 3.5% of your company's annual paid premium and 7% of your refund.





Workers' Compensation Premium Refunds

Why Choose IPC-ABC Retro?

ABC sponsors a retro program that provides four consistent benefits:

- 1) **Value** - ABC's program generates company refunds that double the state average with no up-front cost.
- 2) **Service** - ABC helps remove the time-consuming frustration of dealing with L&I on claims and other workers' compensation matters.
- 3) **Training** - ABC provides over 80 safety training seminars to retro members so you can utilize ABC to train your staff at a minimal cost.
- 4) **Safety** - ABC employs a full-time Safety Director to provide advice and consultation.

While many associations offer Retro programs, none have been more successful than ABC's because no other program in the state offers a program with the following components:

- No up front cost.
- An average refund of approximately 36% over 11 years.
- A fully-funded contingency reserve that is not reliant on refund dollars; members participate virtually risk free.
- Detailed monthly claims reports outlining your active and closed claims by plan year.
- A continuous customer service survey process to make sure members are getting the services they want and need.

As part of ABC and its retro program you can also take advantage of the following safety benefits:

- Every month you will receive four weeks of Tool Box Talk outlines.
- The Safety Training & Evaluation Process (STEP) program is a yearly self-evaluation tool that helps you rate and improve your safety efforts.
- Take your safety program to the next level and become members of the L&I recognized ABC Safety Alliance.
- ABC's extensive video lending library is free to ABC chapter members.
- The ABC Safety Committee provides your safety director with a monthly opportunity to meet with and learn from his or her peers.

IPC-ABC's Retro Program Administrator **Employer Resources Northwest**

Employer Resources Northwest (ERNWest) is proud to provide group retrospective rating services to the Inland Pacific Chapter of ABC. There is no doubt that when you enroll in the ABC retro program you will immediately notice a difference in the level and quality of service from the group you are currently enrolled in or from the general State Fund.

ERNWest is a complete workers' compensation risk management provider to employers in Washington State. Many companies providing similar services seek to "add value" to their clients programs, ERNWest also seeks to do this but our main focus is providing client associations and their members with the **highest level of customer service** and **competitive retro refunds**.

ERNWest provides the following services for the ABC program:

- Workers' compensation claims management
- Site and company specific loss control and safety
- Free legal representation on claims through mediation
- Program enrollment and marketing
- Program underwriting
- Training classes



ERNWest claims managers average nine years of experience managing workers' compensation claims in Washington State and have manageable case loads (between 150 and 200 cases). In addition to claims management, ERNWest assigns its staff attorney, a group manager, and uses its three full-time safety/loss control managers to assist participating members. All ERNWest staff are encouraged to regularly attend and present at ABC sponsored training classes and meet with their clients face-to-face as often as possible.

The commitment of ABC and ERNWest to the success of this program is evidenced by two main points:

- **For the 2005 - 2006 plan year ABC achieved the highest contractor group refund for groups that do not require extended KOS.**
- **In the most recent survey the ABC program has received its highest customer service ratings ever.**

Any questions about ERNWest or the services that we provide to the ABC retro program please contact **Heather Davis at 800-433-7601, ext. 17** or **Greg Rodriguez at ABC 509-252-9219**.



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