NONPROFIT LABOR & INDUSTRIES NAVIGATOR

ACTION GUIDE

WORKERS' COMPENSATION: UNDERSTANDING RISK RATES

What to know

- ❑ The Washington State Department of Labor & Industries manages the **Workers' Compensation** program.
- ❑ Workers' Compensation is an **insurance program** to help your employees heal and return to work should an accident happen.
- ❑ Like any insurance, **you pay** to cover your employees.
- ❑ These **premium payments cover the benefits** for injured workers and the costs to administer the program.
- ❑ **Every employer has a different rate**, based on a simple formula.
- ❑ First, you are assigned a **base rate**, which is a general per-hour rate based on what you do. You can look up your base rate on the L&I website (LNI.wa.gov).
- ❑ Second, each employer gets assigned an **experience factor.**
- ❑ Your premiums are based on the base rate **multiplied** by the experience factor.
- ❑ When you start out, your experience factor is 1. If you operate **safely**, this number could go down, resulting in lower premiums.
- ❑ If a claim results in the state paying for lost wages or a permanent partial disability, this number **could go up**, resulting in higher premiums.
- ❑ If you elect to cover **volunteers** with workers' compensation, it covers medical costs only, not lost wages.

Next steps

- ❑ Look up your Base Rate on the L&I website.
- ❑ Think about what you can do to make your workspace safer and avoid common accidents and injuries. Write down some next steps, such as "order a handrail" or "schedule training in safe lifting."
- ❑ Have you had any Workers' Compensation claims? What kind of issues were they? Write down some ways you can avoid similar issues in the future.

Watch the video

Use this QR code to watch a short video on your phone:

https://nonprofitlearning.center/LNI-riskrates/

This Action Guide is part of the Nonprofit Labor & Industries Navigator series. We've created learning tools with what you need to know to keep your nonprofit compliant: **Download the Washington State Labor & Industries Nonprofit Navigator Guide: nonprofitlearning.center/LNI**