



# BLUEPRINTS

Your Newsletter for Quality Workers' Compensation Information

## Falls on the Rise

Falls are a very avoidable accident, but yet so common. To date 43 falls have been reported to Builders Trust for 2023 with a total incurred of \$1.6M. This puts us on track for roughly 54 fall claims for the 2023 fund year. Fall claims include falls from ladders or scaffolds, falls from elevations and falls from one level to another. 2022 saw 37 fall claims for a total incurred of \$1.3M, 2021 saw 43 fall claims for a total incurred of \$6.1M with one claim reserved for \$4.3M alone and 2020 had 10 falls (likely lower due to COVID) for \$2.9M with \$2.3M of that on one claim.

Per the Bureau of Labor Statistics, in 2014 "261,930 private industry and state and local government workers missed one or more days of work due to injuries from falls and 798 workers died." Unsurprisingly, the construction industry had the highest frequency of fall-related deaths. "The workers' compensation and medical costs associated with occupational fall incidents have been estimated at \$70 billion annually in the United States." Translating that into 2023 dollars, that is equal to **\$91 billion** annually.

In general, injured workers were not wearing fall protection equipment or had not set ladders or set scaffolding up correctly. In another, an opening had not been blocked off and the injured worker fell through a skylight opening. Other hazards include unprotected edges and slippery, cluttered or unstable walking surfaces.

Injuries from falls are not benign. If you're lucky, you'll only suffer a few bruises. If you're not you may end up like two employees in 2020 and 2021 who fell and are now paraplegics. Lives can be changed forever due to one moment's lapse in judgement or an employer's disregard for safety.

Fall claims take longer to recover from and an injured worker could be out of work for weeks, months, years or indeed may never work again or pass away from their injuries. That is a tragedy.

Sometimes, even if you do everything right, something goes wrong and an employee ends up falling 20 feet and their lives are never the same.

Work to cultivate a **Culture of Safety** in your company and avoid these types of accidents. Builders Trust offers many free and low cost trainings in both English and Spanish. We encourage you to take advantage of these services. Call us at (505) 345-3477 or (800) 640-3369 for more information.





In May of this year, the National Council on Compensation Insurance (NCCI), released a study that broke down large workers’ compensation claims which are defined as any claim that costs \$1M or more. We have highlighted some of the information in this article.

Large claims make up less than .5% of all lost time claims but up to 15% of total workers’ compensation medical and indemnity costs. That being said, the good news is that since 2002 the frequency of large claims has decreased at an annual rate of 3%.

There are two types of large claims. The first are **fast-emerging** claims which are claims that reach \$1M within two years. These include severe, traumatic claims such as spinal cord injuries, burns and traumatic brain injuries. The frequency of these claims has *grown* by nearly 7% per year since 2012. The leading cause of fast-emerging claims are falls or slips from elevation and motor vehicle accidents.

The second are the **slow-emerging** claims which are claims that will reach \$1M after the second year. These are generally soft tissue, degenerative injuries such as degenerative disc disorders and pain. These types of injuries have *decreased* by 11% since 2012. The leading cause of slow emerging claims are strains or lifting injuries.

Closer to home, construction accounts for 25-31% of both fast and slow emerging claims with motor vehicle accidents causing 8-11% of these and installation of machines and equipment causing 4-5% of fast-emerging claims. In fact, construction related injuries account for up to 31% of all fast-emerging claims. Fast-emerging claims are more common in the under 35 over 55 age groups where workers in the 35-55 group are more likely to have slow-emerging claims.

Nearly one half of all fast-emerging claims result in death or permanent total disability and over 75% of slow-emerging claims result in permanent partial disability.

Builders Trust has covered multiple claims that have reserves of more than \$1M. These claims take many years to close or may never close until the death of the injured worker. Looking at the information in this study, it further reinforces our dedication to helping you keep your workers safe on the job. That is why we offer safety videos, safety trainings, our mobile safety app and our trailer training that comes right to your jobsite. This is also why we devote hundreds of hours a year to visiting your jobsites. Most of these services are at no cost to you, our Participant. Investment in safety on the job site pays off in several ways. Your workers’ compensation costs remain low by keeping your modifier low, which is critical when bidding on government jobs and keeping other discounts that are loss ratio dependent.

But most importantly, your employee gets to go home to their family at night. That is a result that is priceless.

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## 2024 Officer/Owner Minimum and Maximum Payroll

The Office of the Superintendent of Insurance for New Mexico has approved NCCI's 2024 filings. These include the officer/owner minimums and maximums, split points, accident caps and all the factors that go into the modifier. They also approved the Loss Costs which are used by carriers to set rates.

The officer/owner minimum and maximum payrolls for 2024 are:

**Corporate officers/LLC Members: Minimum monthly payroll: \$4,550; Maximum monthly: \$18,200**

**Sole Proprietors/Partners: \$54,200 per year or \$4,517 per month**

Split Points have also increased from \$18,500 to \$26,000. This means that the first \$26,000 of each claim will flow into your primary losses and will affect your modifier.

All of these rates and factors are calculated and submitted by NCCI, Inc. These are then approved by the State of New Mexico for application to experience modifiers for all eligible workers' compensation customers effective 1/1/2024.

### What is Experience Rating?

#### Part Three — A Few Other Components



In this final article in our series about experience rating, we'll give you an overview of some of the remaining factors that go into creating the mysterious experience modifier.

We've discussed what an experience modifier is and shown how frequency and severity and the split point affects the modifier. Other factors include the **D Ratio (discount ratio)** and **ELR (Expected Loss Rate)**. These are unique by class code and applied to the payroll listed on the experience modifier worksheet.

The **ELR** is the expected losses per \$100 of payroll. It represents the portion of the expected losses that are Expected Primary losses. To determine that number multiply the payroll by class code by the ELR factor and then divide by 100. This amount is then multiplied by the **D-Ratio** to produce the expected Primary losses.

Moving to the summary on the first page of your experience modifier, the following factors are applied: The **Ballast Factor** which is designed to limit the impact of any single loss on the modifier and the **Wt (Weighting Factor)** which is a smaller percentage for small employers and increases with the size of the employer.

The bottom line after all these factors are applied is the experience modifier. The modifier is calculated by dividing the **Actual** losses by the **Expected** losses. If **Actual** losses are more than **Expected** losses, the mod will be a debit modifier (over 1.00) while an employer with **Actual** losses less than **Expected** losses will have a credit (less than 1.00) modifier. However, the calculation *can* result in a 1.00 or *Unity* modifier.

This has been a short overview of the Experience Modifier with information taken from the **ABC's of Experience Rating** produced by NCCI, Inc. The full document is located on your portal under **Resources** and I would encourage you to read through it. Using that knowledge along with our Claims Payment Option program can help you to control your experience modifier and ultimately lower your work comp costs.

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To find out how you can join Builders Trust of New Mexico AND receive the best value in workers' compensation coverage for New Mexico contractors, please contact us at PH: (505)345-3477, (800) 640-3369 or [www.builderstrust.com](http://www.builderstrust.com)

**Have you had a name change or a change in ownership to your company?** If so, please contact our Policy Administration Department at (505) 345-3477 or (800) 640-3369 so that we can complete the appropriate paperwork to get this changed on your policy.

**Sponsoring Trade Association Dues.** Just a reminder that Builders Trust pays your dues to our Sponsoring Trade Association (STA) upfront each year. These are then broken down into 12 monthly payments and included on your monthly payroll reporting form. Please keep in mind that STA dues are nonrefundable, even should you cancel your policy with Builders Trust.


### 2024 Election Results

The results of the Board of Trustee election are in. All Trustees running were re-elected by the Participants of the Fund.

The following Trustees will serve three year terms beginning January 1, 2024:

- Rick Davis—Albuquerque
- Mark Carpenter—Clovis
- David Gallegos—Hobbs

### 2023 Holiday Office Closures



November 23rd and 24th—Thanksgiving  
December 25th and 26th—Christmas  
January 1st—New Year's Day