

How to Catch MOD Score Errors Before They Cost You

A Practical Guide for Business Owners in Constructions, Specialty Trades, and Manufacturing.

What Is a MOD Score – And Why It Matters More Than You Think

Your MOD Score (*short for Experience Modification Rating or EMR*) is a number used by insurance carriers to predict how risky your business is compared to similar operations.

A MOD of:

- 1.0 = Average risk
- **Above 1.0** = Riskier than average ☞ Higher premiums
- **Below 1.0** = Safer than average ☞ Lower premiums

But here's the catch...

Many business owners assume MOD scores are purely math-driven and error-proof. That's not true. Behind every number are reports, timelines, codes...and humans. And when something gets misclassified or mistimed – **you** pay the price.

The Real-World Cost of MOD Mistakes

Mistakes in your MOD calculation can increase your Workers' Comp premiums by tens (or hundreds) of thousands a year.

Even worse, your MOD doesn't just follow you with your current carrier.

It affects:

- ✓ **Bid Competitiveness** (especially for government or industrial work that requires a MOD below 1.0)
- ✓ **Ability to renew coverage with quality carriers**
- ✓ **Your perceived safety culture** – even if your job site is spotless

And most business **don't know their MOD is wrong** until it's too late. By that point, the damage is baked into underwriting – and most brokers rarely dispute it effectively, if at all.

Where MOD Errors Happen Most Often

Even good brokers can miss these.

⚠ Common places errors hide:

- ✓ **Inaccurate claim classification.** A minor claim is listed as lost-time instead of medical-only.
- ✓ **Incorrect claim closure status.** Claims marked as “open” despite resolution.
- ✓ **Wrong payroll reporting.** Misreported classification codes or incorrect total wages.
- ✓ **Miscommunication with your carrier.** A simple form not filed, or corrected data lost in the system.
- ✓ **Lagged reporting of claim outcomes.** Claim resolved just after the valuation date, but counted anyway.
- ✓ **Duplicate or “ghost” claims.** Old or misidentified claims reappearing in your rating profile.

Questions to Ask Now (Before Renewal)

1. Can I see a copy of my most recent MOD worksheet?
2. Have all the claims listed been reviewed for accuracy and classification?
3. Are there any open claims that should have been closed?
4. Has our payroll been double-checked for correct classifications and submissions?
5. Did any claims get misreported as lost-time when they were medical-only?
6. Are there injury dates or claim amounts that seem inconsistent or unclear?
7. Have we submitted any MOD correction requests to our carrier recently?

These questions don't require you to be an insurance expert – they just help you flag gaps early. Gaps that your current insurance agent should be managing on your behalf.

Real Case: A Fabricator's \$125,000 MOD Mistake

A custom metal fabricator came to us after their Workers' Comp premium jumped unexpectedly – despite no new major incidents.

After our review, we found:

- ✓ Two minor injuries incorrectly marked as lost time
- ✓ One claim fully resolved, still marked open
- ✓ An older claim listed twice by mistake
- ✓ \$400,000 in payroll reported under an incorrect class code

We worked with the client's carrier to refile the correct data and updated safety structure information – and managed to **reduce their MOD by 0.29**.

That dropped their premium by over \$125,000 annually and requalified them for a volume-based discount they had lost under their prior broker.

What You Can Do – Without More Paperwork

You don't need to become an insurance expert to fix your MOD – but you do need someone to ask better questions and keep your documentation aligned with the truth of what's happening in your business.

Simple steps you can take today:

- ✓ Request your full MOD worksheet and claims loss run
- ✓ Verify all claims: dates, statuses, classifications, payouts, etc.
- ✓ Confirm your payroll class codes match actual duties
- ✓ Cross-check claim values with your internal records
- ✓ Ask your broker what story they're telling underwriters about your performance and ask for copies of the information your broker sent.
- ✓ Keep a record of return-to-work programs and incident response documentation.
- ✓ Schedule an annual MOD review – ideally quarterly, but at least 90 – 120 days ahead of your renewal.

Get Ahead: How We Help You Take Back Control

At Prevera Advisors, we bridge the gap between your operations and your insurance.

We work with business owners to:

- Spot MOD errors quarterly
- Reframe claim narratives with supporting documentation
- Prepare better data — and **a better story** — for underwriters
- Make sure your operations reflect lower risk on paper
- Reduce surprises, improve leverage, and protect your margins

This is more than compliance. It's control.

If you haven't had an outside set of eyes on your MOD in the last year, we're happy to help — quietly, effectively, and with zero pressure.

Because **Risk Management Is No Accident™** — and neither is overpaying for bad data.

👉 Grab more practical resources at GoPrevera.com or reach out to schedule a risk review.

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